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Beyond Borders: The Ability of FMCG Companies Leveraging their Internal Capabilities Internationally

By

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Abstract

The advent of globalization has emphasized the importance of effective internationalization strategies for Fast-Moving Consumer Goods (FMCG) companies. This research seeks to explore the internal capabilities of FMCG firms, examining how they can be refined, developed, and utilized for more effective internationalization. The study fills a critical research gap by providing an in-depth understanding of internal capability management and its role in internationalization within the FMCG sector. The research question guiding this inquiry is: "How do FMCG companies' internal capabilities contribute to their international product expansion, and how can they be used to navigate other aspects of internationalization?" A semi-inductive, qualitative research approach was employed by conducting semi-structured interviews with employees at the chosen FMCG company. Our research underscores the importance of FMCG firms understanding and leveraging their internal resources to optimize their internationalization process. The key findings suggest that the firm's internal capabilities highly affect FMCG companies' internationalization process. Having the right attributes and capabilities is vital to develop good decision-making within an organization to align with the external environment, create products that consumers want, and generate successful internationalization strategies. This research offers valuable insights for both academia and industry by enhancing the understanding of how FMCG companies can leverage their internal capabilities in their internationalization strategy, thereby being aware of how to utilize firm-specific and management-specific capabilities. The research suggests several areas for future inquiry, which are critical for advancing knowledge in the field and developing more effective strategies for internationalizing FMCG companies.

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FMCG	Fast-Moving Consumer Goods
OLI	Ownership, Location and Internalization
RBV	Resource Based View
VRIO	Valuable, Rare, Inimitable, and Organized
VUCA	Volatility, Uncertainty, Complexity and Ambiguity
CSR	Corporate Social Responsibility

1. Introduction

1.1 Background

The Fast-Moving Consumer Goods (FMCG) industry is distinguished by a rapidly changing inventory, unyielding competition, and ever-changing consumer preferences (Bocken, Harsch, & Weissbrod, 2022; Blythe, 2013). As globalization pervades business practices worldwide, FMCG companies look beyond local markets to pursue international growth, transforming local successes into global achievements (Oraman, Azabagaoglu, & Inan, 2011). Nonetheless, the road to internationalization is fraught with difficulties. Organizations must navigate a maze of internal and external factors to facilitate the international adoption of their products (Johanson & Vahlne, 2009).

While the external dynamics of internationalization have been extensively studied in the literature, with established theories such as the Uppsala model (Johanson & Vahlne, 2009) and the eclectic paradigm (OLI-framework) (Dunning, 1988), the internal capabilities of FMCG firms and how they are leveraged during the internationalization process deserve further scrutiny. Understanding how these firms strategically employ their inherent organizational structure, management practices, and product strategies to carve out a competitive edge internationally is a critical area of research (Hitt, Ireland, & Hoskisson, 2017). A more in-depth understanding and strategic application of these internal capabilities can shed new light on internationalization, enriching our understanding of international business strategy in the FMCG sector.

The fiercely competitive landscape of the FMCG industry necessitates a thorough understanding of the inherent capabilities that can provide firms with a distinct advantage. This sector, comprising high-volume goods such as packaged edibles, beverages, and household items sold at low prices, is especially vulnerable to the industry's volatile market dynamics (Oraman, Azabagaoglu, & Inan, 2011). Technological advancements, digitalization, shifting consumer preferences, and the rise of new market participants and private retailer brands have significantly altered the industry landscape (Kotler, Keller, & Helsen, 2019). To successfully navigate this complex environment and seize emerging opportunities, FMCG companies must embody resilience and agility, constantly innovating and customizing their strategies to meet the diverse needs of consumers across multiple markets (Day & Schoemaker, 2016).

However, it is not only the industry's competitive intensity that exacerbates firms' challenges; the FMCG sector is also exacerbated by Volatility, Uncertainty, Complexity, and Ambiguity (VUCA) (Bennett & Lemoine, 2014; Horney, Pasmore, & O'Shea, 2010). FMCG firms must cultivate dynamic capabilities such as continuous innovation, agile decision-making, and robust risk management to thrive in a VUCA landscape (Teece, 2018). In addition, disruptive forces such as technological advancements, innovative business models, and unconventional marketing approaches constantly present opportunities and challenges against this backdrop (Kapoor & Lee, 2013; Kietzmann et al., 2011). Understanding these dynamics is thus critical for FMCG companies seeking to maintain their competitiveness in this ever-changing and complex market environment.

The idea of localness is vital in the FMCG industry because it influences consumer preferences, product perception, and sales (Halkias, Davvetas, & Diamantopoulos, 2016). Localness includes a variety of factors, such as locally sourced ingredients, flavors that cater to regional preferences, and brand positioning that resonates with local consumers (Halkias, Davvetas, & Diamantopoulos, 2016). This emphasis on locality is particularly relevant in the FMCG industry's food and beverage segment, where consumers frequently value locally sourced ingredients and authentic flavors (Feldmann & Hamm, 2015). As a result, businesses must strike the proper balance between capitalizing on their global scale and tailoring their offerings to local preferences. One of the challenges in striking this balance is that the pursuit of economies of scale and efficient production frequently necessitates standardization, which may conflict with the need to cater to local tastes and preferences (Halkias, Davvetas, & Diamantopoulos, 2016). This tension can create a quandary for FMCG companies seeking to maximize international expansion and appeal to local consumers (Bartlett & Ghoshal, 1989). A "glocal" approach, which combines the benefits of global scale with local adaptation, is one way to address this challenge (Levitt, 1983). By adopting this strategy, FMCG companies can offer products that retain their core brand essence while incorporating local ingredients, flavors, and positioning that appeal to consumers in each market.

Established corporate behemoths benefit from economies of scale, for example in terms of formidable brand recognition, extensive distribution networks, and substantial marketing budgets (Kotler & Armstrong, 2020). These advantages present difficulties for new or smaller players seeking to establish a market position and compete effectively. Despite the entry barriers imposed by the FMCG sector's incumbents, it can be argued that there are still opportunities for new entrants and smaller competitors. By having a differentiation strategy, for instance, focusing on niche segments, offering unique or innovative products, and leveraging digital technologies to improve marketing, distribution, and customer engagement are all strategies for gaining a competitive advantage (Porter, 2008). Furthermore, by identifying and capitalizing on market gaps or emerging trends, smaller competitors can forge a compelling value proposition that resonates with consumers and differentiates them from the entrenched giants (Osterwalder et al., 2014).

Macro and cultural trends significantly impact the FMCG industry. Critical macro trends influencing consumer demand and purchasing behavior include demographic shifts, urbanization, and income inequality (Prahalad & Hart, 2002; Woetzel et al., 2016). For example, an aging global population forces FMCG companies to create products that cater to the needs of older consumers and rapid urbanization in emerging economies creates new markets for FMCG products (Kohlbacher & Herstatt, 2008). In addition, consumer preferences are influenced by cultural trends such as health consciousness, environmental sustainability, and ethical consumption (Biswas & Roy, 2015; Johnstone & Tan, 2015). As a result, FMCG companies are shifting toward more organic, eco-friendly, and fair-trade products. In addition, online shopping and digital marketing are increasingly crucial in FMCG business strategies (Kumar, Anish, & Song, 2017). Therefore, comprehending and adapting to these macro and cultural trends is integral for FMCG companies to remain competitive and relevant in a constantly changing marketplace.

Furthermore, regulatory considerations frequently complicate FMCG firms' efforts to expand internationally. Food safety, packaging, labeling, and environmental impact regulations vary significantly across countries, adding another layer of complexity to the internationalization process (Rugman & Verbeke, 2008). This regulatory environment emphasizes the importance of FMCG companies having a thorough understanding of the international regulatory environment and demonstrating adaptability in their compliance strategies (Rugman & Verbeke, 2008). The increasing importance of sustainability and corporate social responsibility (CSR) in the FMCG industry adds another dimension to this complex picture (Galbreath, 2010). As consumers become more environmentally conscious, FMCG companies are pressured to adopt sustainable sourcing, manufacturing, and distribution practices to reduce their environmental footprint and improve brand reputation (Porter & Kramer, 2011). This environmental awareness extends to local ingredient sourcing, emphasizing the importance of localness in the FMCG industry. However, balancing sustainability and cost-effectiveness is delicate, especially when economies of scale and mass production are sought.

Given these complexities, it is clear that successful FMCG internationalization requires more than simply replicating a successful business model in new markets. Instead, it necessitates a complex combination of adaptation and alignment, global strategies and local relevance, disruptive innovation, and regulatory compliance. The factors above highlight the numerous internal and external challenges that FMCG firms face on their path to internationalization. Companies must oversee internal issues such as managing their organizational structure, leveraging their competencies, and continuously innovating their products and processes. Externally, they must deal with various pressures, such as market volatility, intense competition, shifting consumer preferences, regulatory challenges, and sustainability and CSR demands.

As the FMCG industry evolves, so must our understanding of how these businesses can successfully navigate the path to international success. This study aims to shed light on the strategies that can help FMCG firms achieve success in the international marketplace by examining how FMCG companies can balance the need for volume and economies of scale with the demand for localness in ingredients and taste, which is especially important in a world where consumers increasingly want products that meet their needs and reflect their values and local cultures. The complexity of the industry and the process of internationalization needs further understanding, hence examining the strategies used by FMCG firms while taking an internal perspective on the process can give insightful observations for both the literature and industry actors.

1.2 Theoretical and Practical Challenges

Despite increasing research on internationalization strategies, there is a need for a deeper understanding of how FMCG companies may manage and leverage their internal capabilities to internationalize in a more rationed and effective manner. This knowledge gap poses theoretical and practical impediments for firms looking to expand abroad from an internal perspective. Addressing this need would give the literature and FMCG companies a better sense of how internal capabilities are connected to other elements of internationalization, increasing the awareness of how they can be leveraged in the process of internationalization. This study intends to add to understanding these essential components and offer practical insights for FMCG companies by evaluating these internal features and their impact on internationalization.

1.3 Research Question

Given that the goal of this study is to explicitly analyze the relevance and significance of internal capabilities in FMCG company's product expansion into international markets, the research question guiding this study is:

- *In what ways do the internal capabilities of FMCG companies contribute to their international product expansion, and how can these capabilities be leveraged to navigate other aspects of internationalization?*

1.4 Purpose of the Study

This research examines FMCG firms' internal competencies that contribute to the internationalization of products. This research intends to discover best practices and lessons gained from the practical case of an oat-based FMCG company, focusing on one specific product in its offering. This product in question is the FMCG company's flagship product, an oat-based alternative to milk in coffee. This case aims to showcase for other FMCG companies how they might leverage their specific products in international markets. The study's conclusions will benefit both academia and industry practitioners by:

- Adding to the body of literature regarding global product expansion and competitiveness by further examining the role of internal capabilities in the process of internationalization.
- Identifying practical tactics and management techniques that FMCG organizations may use to harness their internal resources and achieve effective product internationalization.

- Bridging the gap between theoretical frameworks and empirical evidence in the context of FMCG internationalization, improving the current knowledge base, and encouraging a deeper understanding of the factors impacting international FMCG product expansion.

1.5 Research Outline

This research is structured into six main chapters. Chapter 1 provides an introduction and background to the topic of the thesis, as well as the research question. Chapter 2 includes an in-depth literature review consisting of four central blocks of literature; internationalization, internal aspects of the firm, product-related factors, and a concise summary of a global beverage company's (Red Bull) internationalization journey - to illustrate how the internal capabilities of an FMCG firm can be leveraged when internationalizing in practice. Chapter 2 will be finalized with a suggested integrated framework, guiding the analysis of the collected data from the interviews with the selected oat-based FMCG company. Chapter 3 discusses the research methodology used in this study, including research design, data gathering methods, and data analysis methodologies. Chapter 4 presents the empirical findings from the different interviewees, which will act as the data for the analysis in Chapter 5. Moreover, chapter 5 examines the implications of the findings, acknowledges the study's limitations, and suggests further research options. Finally, chapter 6 summarizes this research's essential findings and contributions, highlighting the key takeaways and emphasizing the study's impact on understanding internal capabilities and their role in the internationalization process.

2. Literature Review

The literature review seeks to comprehensively understand the factors influencing firms' internationalization processes, with a particular emphasis on internal aspects. The chapter opens by delving into the significant theories of internationalization, such as the Uppsala model, the OLI paradigm, and the born global theory, all of which emphasize the importance of internal, external, and network factors in the internationalization process. The review then examines external factors and networks, followed by an in-depth examination of firms' internal capabilities. The review examines the resource-based view, firm-specific, management-specific, and dynamic capabilities within the realm of internal capabilities. These internal factors are crucial in shaping a company's ability to internationalize successfully and companies can strategically align their internal capabilities with the external factors encountered during internationalization by identifying their strengths and weaknesses. The following section discusses product-specific aspects to be considered when internationalizing. It guides the reader through the most commonly cited hygiene factors when selling a product across multiple markets or even globally.

Furthermore, the literature review includes a practical case study of an internationalized product in the FMCG industry, specifically the Red Bull Energy Drink, to demonstrate how internal capabilities can transform a company's product into a global success story. This practical case study is an example of the functional applications of the discussed internal capabilities in a real-world context, and it helps the reader better comprehend how a company can develop and refine internal capabilities in a way that can affect the internationalization process. Finally, a proposed integrated framework is presented based on the insights gained from the literature review. The framework provides a comprehensive view of internationalization by considering the interaction of internal capabilities, external factors, networks and product-related considerations. This literature review aims to improve the readers' understanding of firms' international expansion strategies and to inform future research by examining the various dimensions of internationalization.

A systematic search was conducted for this study using reputable sources such as Google Scholar and Lund University's database, LUB Search. The sources were chosen based on topical relevance, research dominance, and citation frequency. In addition, references from relevant articles were traced to gain additional insights and ensure thorough coverage of the literature.

2.1 Internationalization

Internationalization is an essential strategy for many businesses in today's globalized business environment. The desire to expand beyond domestic boundaries is motivated by various factors, including entering new markets, gaining access to novel resources and technologies, and mitigating risks associated with market saturation and domestic economic fluctuations (Hitt, Li, & Xu, 2016). Furthermore, doing business in multiple countries can provide advantages in terms of economies of scale, scope, and learning (Teece, 2014). However, the internationalization process is challenging. Examples include adapting to diverse cultural, legal, and regulatory environments, managing global supply chains, and dealing with increased competition in foreign markets (Meyer, Mudambi, & Narula, 2011). As a result, for businesses seeking to thrive in the global marketplace, a thorough understanding of the factors that influence internationalization is crucial.

Internationalization factors are frequently conceptualized as having three integral aspects: internal, external, and network. This division stems from the ground-breaking work of Johanson and Vahlne (1977) with the Uppsala Internationalization Process Model; Dunning (1980) with the eclectic paradigm; and Coviello and Munro (1997), who highlighted the role of network relationships in the internationalization process. In addition, numerous researchers have substantiated and expanded on these foundational works, shaping our understanding of internationalization factors. Recent studies confirm the classification's continued relevance in today's business landscape. Models of internationalization that take into account various aspects of businesses, such as internal capabilities, external market conditions, and network relationships, are still very relevant in today's globalized economy. Researchers such as Forsgren (2016) emphasize the Uppsala model's ongoing relevance. Additionally, as Cavusgil, Knight, and Riesenberger (2014) point out, the balance of internal and external factors continues to shape the rate of firm internationalization. Moreover, as evidenced by Coviello (2015), the role of networks in determining internationalization paths is a critical focus of recent research.

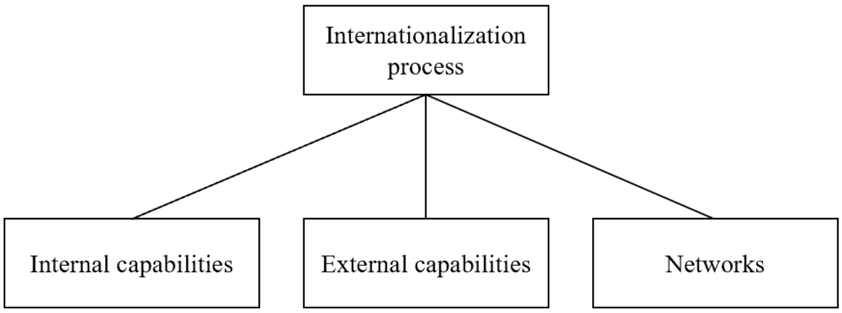

Figure 1. Visualization of the Variables Affecting the Internationalization Process of Firms (Proposed by the Authors)

It is essential to understand that internationalization is a complex and ever-changing process for businesses. Santangelo and Meyer (2017) advocate an evolutionary approach to global expansion, which lays the groundwork for understanding the dynamic nature of internationalization. They argue that businesses must demonstrate adaptability and evolution as they enter new markets rather than rigidly adhering to a predefined strategy. This ongoing adjustment process is required to effectively address the unique challenges presented by each local context and resonate with diverse consumer bases. Furthermore, a vital component of this evolutionary paradigm is the balance of global and regional strategies. Businesses must think about their strategies on two levels: global, which includes broad, overarching goals, and regional, which focuses on specific markets. Maintaining consistency in the global brand message while fine-tuning regional strategies to align with local nuances, customs, and preferences is delicate. This concept is consistent with Cantwell, Dunning, and Lundan's (2010) views on the importance of adaptive and flexible strategies in international business. To maintain a competitive edge in the fast-paced and ever-changing global market, evolving in response to new information, market changes, and shifting consumer demands is critical. The perspective of Verbeke and Kano (2016) contributes to this debate by emphasizing the role of the firm's value chain activities in internationalization. Controlling these activities, such as quality assurance, cost management, and proprietary method protection, is especially important for companies in the FMCG sector. As a result, the evolutionary approach is linked to a firm's internalization advantages, adding another layer of complexity to successful global expansion strategies.

2.1.1 Theories of Internationalization

Internationalization theories provide critical frameworks for understanding how businesses expand beyond domestic markets. The Uppsala Model, the OLI framework, and the Born Global theory are influential theories that provide distinct yet complementary perspectives that continue to inform business strategies internationally.

Johanson and Vahlne (1977) developed the Uppsala Model, which focuses on firms' gradual expansion into foreign markets. According to the model, companies' international involvement grows over time due to experiential learning and knowledge accumulation. As a result, firms can reduce risks and uncertainties while improving their understanding of the local business landscape by initially focusing on culturally similar or geographically close markets. Despite criticism, the Uppsala model still provides valuable insights for firms that expand incrementally, emphasizing the importance of experience and knowledge in foreign markets (Johanson & Vahlne, 2009; Kano, & Liesch, 2017).

John Dunning developed the eclectic or OLI paradigm in 1980 to provide a comprehensive perspective on internationalization by evaluating factors influencing firm-specific decisions on internationalization. The abbreviation stands for Ownership, Location, and internationalization, which all pertain to advantages in the internationalization process. *Ownership advantages* encapsulate a company's distinct resources and competencies, allowing it to compete globally. For FMCG companies, this could include critical elements such as proprietary technologies or established brand equity (Lundan, 2010). *Location advantages*, such as access to new consumer segments or favorable regulatory environments, are critical to a company's internationalization strategy (Dunning, 1980). These advantages necessitate careful consideration of local consumer preferences and existing distribution infrastructure (Cantwell, Dunning, & Lundan, 2010). Hitt, Li, and Xu's (2016) concept of strategic and localized approaches to global expansion stands out in this context. According to their viewpoint, multinational corporations should tailor their strategies to local market nuances, emphasizing the significance of adaptation beyond identifying location advantages. Cerrato and Piva's (2015) 'Global Orientation' concept also fits well here since it contends that a company's willingness to expand beyond its home market and adapt to global business environments significantly impacts its international success. This broad-minded approach necessitates a keen awareness of socio-cultural factors that may influence market entry success. Finally, *internalization advantages* are benefits a company gains through control of its value chain activities, such as quality control, cost reduction, or the protection of proprietary methods (Dunning, 1980). This is especially important for multinational entities, which must maintain high product standards across multiple markets (Verbeke & Kano, 2016), such as international FMCG companies.

The Born Global theory, which emerged in the late twentieth century, fundamentally altered traditional views of internationalization (Hennart, 2014). This theory is characterized by firms that aim to gain a significant competitive advantage from using resources and selling outputs in multiple countries from the start. These companies, which frequently operate in high-tech or digitally-enabled industries, strategically employ innovative business models and digital technologies to enter multiple markets simultaneously (Cavusgil & Knight, 2009). In contrast to the Uppsala Model's incremental, staged approach, Born Global firms bypass the gradual stages of internationalization, entering international markets soon after their establishment (Hennart, 2014). The advent of digital technologies, which have reduced traditional barriers to international business and enabled firms to reach global markets more efficiently (Zucchella, Palamara, & Denicolai, 2007), has facilitated this accelerated approach to internationalization. Born Global firms in the FMCG sector use digital platforms for brand promotion, customer engagement, and distribution, allowing them to compete effectively with established multinationals (Neubert, 2018). Furthermore, these companies frequently concentrate on providing unique, innovative, and high-quality products to meet the diverse needs of global customers. The Born Global theory is gaining traction as digital transformation accelerates, changing the competitive landscape and creating new opportunities for firms to scale their operations across borders quickly. As a result, it offers a timely and progressive perspective on firm internationalization, which is particularly suited to the dynamism and volatility of the digital age (Paul & Rosado-Serrano, 2019).

Despite their origins in the twentieth century, the Uppsala Model, OLI Framework, and Born Global theory are still relevant today, as evidenced by recent academic work and practical applications. Even in the fast-paced digital age, the Uppsala Model remains a viable strategy in the international business landscape based on experiential learning and gradual international expansion. This sequential approach allows companies to gain knowledge and understand foreign markets, reducing risk and uncertainty (Johanson & Vahlne, 2009). The Uppsala Model's enduring applicability has been highlighted in more recent academic discussions. Firms dealing with complex and unfamiliar environments, such as many FMCG firms entering diverse international markets, may still benefit from the gradual, experiential learning approach advocated by the Uppsala Model, according to Chetty, Johanson, and Martin (2014). In another recent study, Welch, Nummela, and Liesch (2016) also reaffirmed the Uppsala Model's continuing importance. They argue that while digital advancements have accelerated the pace of internationalization, the fundamental process of incremental learning remains an essential aspect of international expansion for many businesses.

The OLI framework continues to serve as a comprehensive tool for assessing internationalization, as highlighted by its application in Cruz, Floriani, and Amal's (2019) study on the utilization of the OLI framework as a determinant of foreign direct investment. Finally, the Born Global theory's applicability has broadened, becoming increasingly relevant for rapidly growing companies in various industries. As documented by Zander, McDougall-Covin, and Rose (2015), this theory provides valuable insights into firms' swift internationalization strategies, which often mirror the exponential growth trend of tech startups. The successful application of this theory across diverse high-growth industries underscores its enduring significance in today's global business landscape. As a result, the continued use and validation of these theories in recent studies and practical applications attests to their enduring importance in understanding and navigating internationalization.

A combined perspective incorporating these theories can contribute to a more nuanced understanding of internationalization. Moreover, this integrative approach is critical in today's business environment, where global expansion is a complex web of factors that must be navigated. The above-mentioned theories provide pivotal insights into the complexities of internationalization. Despite changes in the global business landscape, these theories are helpful tools for companies navigating the opportunities and challenges of global expansion. Additionaly, as businesses operate in a more interconnected and dynamic world, these theories provide valuable guidance on internationalization, reflecting the various paths firms can take in their global endeavors.

2.1.2 External Factors

Successful business internationalization necessitates a thorough understanding of external factors that vary across markets and necessitate tailored strategies (Cavusgil, Knight, & Riesenberger, 2014). These factors include the cultural, political, legal, and economic landscapes that influence a company's ability to operate in foreign markets (Peng, 2017). Understanding market dynamics, cultivating trusting relationships with stakeholders, and adapting strategies are critical (Ghemawat, 2007). Otherwise, attempts at expansion risk inefficiency and high costs.

Culture is an essential factor in this equation. Companies must understand the nuances of consumer tastes, behaviors, and cultural trends. As the sustainability movement gains traction, FMCG companies will be forced to adapt to changing consumer preferences, which may disrupt traditional practices (Kotler, Kartajaya, & Setiawan, 2016). This shift is more than just an adjustment; it has the potential to propel success by meeting emerging demands (Rugman & Verbeke, 2008). Political and legal considerations are both significant. Variations in regulatory constraints, protectionist policies, and legal frameworks can significantly impact a firm's international competitiveness (Buckley et al., 2007). Exchange rates, inflation, and economic growth all impact internationalization (Peng, 2017). Currency hedging and strategic market entry timing are two effective financial risk management strategies that can help to mitigate these challenges (Madura, 2017). The high level of competition in retail stores and rapidly changing consumer trends necessitate agility and adaptability for FMCG companies (Gereffi, 2018). As a result, companies must tailor their marketing, product strategies, and packaging to appeal to local tastes while standing out in crowded markets (Cavusgil, Knight, & Riesenberger, 2014; Rugman & Verbeke, 2008). In the FMCG industry the marketing becomes extra important for lesser known brands, as consumers rather try products from well-established firms (McDonald, de Chernatony, & Harris, 2001).

Understanding and navigating external factors is critical for international success, particularly for FMCG companies. Companies can make more informed market entry decisions and compete effectively by understanding and responding to the local landscape, which includes cultural, political, legal, and economic factors. This understanding, however, should be paired with the firm's internal capabilities, which are equally crucial in overcoming the challenges of internationalization.

2.1.3 Networks

Leveraging the power of networks has become a critical component of an organization's internationalization strategy in today's interconnected global business landscape. Networks are critical for a company's success in foreign markets because they serve as conduits for vital resources, knowledge, and opportunities. Moreover, with the rise of digital technologies, these networks are expanding beyond traditional boundaries, allowing for greater reach, improved collaboration, and a more substantial global presence (Coviello, Kano, & Liesch, 2017).

As businesses form their internationalization journey, the importance of both formal and informal networks grows. Informal networks include personal relationships with key stakeholders such as suppliers, customers, and government officials, whereas formal networks include strategic alliances, joint ventures, and partnerships with other businesses or organizations (Coviello & Munro, 1997). These networks can help provide insights into local market dynamics, facilitate access to distribution channels, and mitigate the risks of entering new markets (Chen, Sousa, & He, 2016). Networks play an even more vital role in the FMCG industry, where competition is fierce and efficient distribution channels are paramount. As a result, developing relationships with local retailers, wholesalers, and distributors have become a strategic imperative for FMCG companies to ensure their products reach consumers as efficiently as possible (Kotabe & Helsen, 2020). Furthermore, strategic alliances with local firms can assist FMCG firms in navigating the complexities of local markets, whether these complexities are caused by cultural preferences, regulatory requirements, or other external factors (Contractor & Lorange, 2002; Kano, 2018).

In addition to these factors, FMCG companies can benefit significantly from attending industry associations, trade shows, and other networking events. These platforms allow for identifying potential partners, suppliers, and customers in target markets (Ellis, 2011). Such networking opportunities can result in invaluable connections and collaborations, enhancing a company's competitive edge in international markets (Coviello & Munro, 1997; Hilmersson & Jansson, 2016). Thus, networks are essential in a company's internationalization process, particularly in industries such as FMCG, where efficient distribution and in-depth knowledge of local markets are critical to a successful internationalization strategy.

2.2 Internal Capabilities

When scrutinizing a company's or a specific product's internationalization process, it is essential to consider the internal capabilities that contribute to the accomplishment of such expansion. Internal capabilities include tangible and intangible assets influencing an organization's decision-making, performance, and overall success (Barney, 1991). These capabilities are vital in all aspects of a company's operations and essential in the process of internationalization. They play a critical role in shaping strategies and decisions related to entering foreign markets, making them an important factor in effectively navigating the challenges and opportunities of the international markets.

This section of the paper delves into the internal factors essential to a company's internationalization process. Based on the firm's resource-based view (RBV), we divide these internal capabilities into management-specific and firm-specific categories, according to Barney (1991). This is followed by a section on dynamic capabilities which, according to the literature, is a vital capability for firms to be able to adapt to their environment. To give readers a thorough understanding of these factors and their implications for internationalization, we will first go over the RBV in great detail. Then, we will look at how established theoretical frameworks from the literature shed light on the distinct contributions of management-specific and firm-specific resources to a company's competitive advantage. By providing a solid foundation of RBV literature, we wish to aid the comprehension of the reader of how these factors might relate to the FMCG industry and the process of internationalization.

2.2.1 Resource-Based View

The resource-based view of Barney (1991) is at the heart of strategic management literature. This seminal viewpoint emphasizes the critical role that a company's internal resources and capabilities play in propelling competitive advantage and performance. Barney's Resource-Based View highlights that a resource must satisfy the VRIO criteria to sustain a long-term competitive advantage, which entails the resource being valuable, rare, inimitable, and effectively organized within the firm. (Barney, 1991; Hitt, Ireland, & Hoskisson, 2017).

Barney (1991) distinguishes between firm-specific and management-specific capabilities to fully comprehend the breadth and scope of a firm's resources and their contribution to competitive advantage. Management-specific capabilities are rooted in a firm's managers' skills, knowledge, and abilities, which are critical in shaping strategic decisions, organizational culture, and overall performance (Hitt, Ireland, & Hoskisson, 2017). On the other hand, firm-specific capabilities include tangible and intangible assets that are unique to a company and difficult to replicate, such as proprietary technology, brand reputation, intellectual property, and organizational processes (Barney, 1991). These capabilities provide firms the tools to enter new markets, overcome barriers, and adapt to diverse cultural and regulatory environments (Grant, 1991; Kogut & Zander, 1993).

While not explicitly articulated in Barney's original paper, there are compelling reasons to distinguish between firm-specific and management-specific capabilities. First, this division clarifies these resources' distinct roles in shaping a firm's performance and competitiveness. Second, it recognizes the distinct contributions of managerial abilities and organizational assets to a company's competitive position. Finally, in recent years, scholars such as Sirmon, Hitt, and Ireland (2017) have emphasized the importance of understanding the dynamic interactions between these various types of resources and capabilities to maximize the RBV's applicability in strategic management research and practice.

The RBV provides an invaluable lens for understanding the role of internal resources and capabilities in shaping a firm's competitive advantage. Nonetheless, it is critical to consider its limitations and the critiques advanced by various scholars. For example, one criticism concerns the RBV's static view of resources and capabilities (Eisenhardt & Martin, 2000). In response to this criticism, the dynamic capabilities perspective (Helfat & Peteraf, 2009; Teece, Pisano, & Shuen, 1997) emerged, emphasizing a firm's ability to adapt, reconfigure, and renew its resources and capabilities in response to changing market conditions. This viewpoint is fundamental in industries such as FMCG, where companies must constantly adapt to changing consumer preferences, technological advancements, and competitive pressures.

Another criticism of the RBV is that, because of its emphasis on internal resources and capabilities, it can overlook the influence of external factors in shaping a firm's internationalization strategy (Peng, 2001). To overcome this limitation, scholars recommend combining the RBV with complementary theories such as Porter's industry-based view (Porter, 1980). This type of integration can provide a more comprehensive understanding of the factors influencing a firm's internationalization process and the interplay of internal and external factors in shaping a firm's performance. Additionally, the RBV has been chastised for its ambiguity in defining and measuring firm-specific capabilities (Priem & Butler, 2001). Despite the challenge, frameworks such as Barney's VRIO (Barney, 1991) have emerged to address this issue. However, operationalizing and measuring firm-specific capabilities remains challenging due to their intangible and context-dependent nature (Barney, Wright, & Ketchen, 2001; Eisenhardt & Martin, 2000).

RBV has remained a cornerstone of strategic management over the years, providing a solid framework for comprehending the role of internal resources in shaping competitive advantage and firm performance. In today's rapidly changing business landscape, where the accelerated pace of innovation, globalization, and digital transformation necessitates a firm's ability to leverage its unique resources and capabilities to maintain a competitive edge (Hitt, Li, & Xu, 2016), the RBV's value is amplified.

Furthermore, the RBV's importance in the context of the FMCG industry is notable. Companies in this industry frequently must leverage their unique resources and capabilities to quickly adapt to shifting consumer preferences, increased competition, and the relentless pace of technological change; this kind of adaptation frequently entails creating and implementing novel products, services, and business models to meet customers' changing needs in various markets (Augier & Teece, 2009; Kogut & Zander, 1993). In this regard, the RBV is a helpful lens through which FMCG companies can identify, develop, and leverage their unique resources and capabilities to gain a competitive advantage in the international market (Hitt, Li, & Xu, 2016).

Despite its critics, the RBV remains essential for assessing a company's internal capabilities in the international market. It thoroughly explains how managerial skills and organizational assets contribute to a firm's competitive position. Moreover, the RBV encourages investigation into how these internal factors interact with external dynamics, resulting in a comprehensive view of a firm's strategic landscape. As a result, the RBV continues to provide invaluable insights into strategic management and is still applicable in today's dynamic and globally interconnected business environment (Barney, Wright, & Ketchen, 2001; Sirmon, Hitt, & Ireland, 2007).

2.2.2 Firm-Specific Capabilities

Regardless of industry, firm-specific capabilities are critical in shaping a company's competitive advantage and internationalization process. These capabilities differ greatly depending on the firm and its surroundings. Understanding their role in driving success is, therefore, critical. These capabilities include a wide range of tangible and intangible assets, resources, and competencies that enable a company to create value and distinguish itself from competitors (Barney, 1991; Grant, 1991).

Firm-specific capabilities are critical in a company's competitive advantage, strategic positioning, and value creation. As a result, they appear as a company's distinct identifiers, distinguishing it from competitors (Teece, 2018). These competencies can range from leadership and innovation to supply chain management, all of which contribute to operational excellence and strategic decision-making (Teece, Pisano, & Shuen, 1997). For instance, a company with substantial brand equity can position itself as a trustworthy option for customers, resulting in increased customer loyalty and market share. Moreover, these capabilities are the tools that convert inputs into valuable outputs, resulting in superior products or services that meet or exceed customer expectations (Hitt, Ireland, & Hoskisson, 2017).

The value of firm-specific capabilities grows in the highly competitive FMCG industry. The specific combination of these capabilities varies from one FMCG company to the next, depending on company size, market position, and strategic goals. Product innovation, for example, enables companies to differentiate itself by developing unique products that meet changing consumer demands (Hargadon & Douglas, 2001; Robertson & Yu, 2001). Likewise, a company's emphasis on sustainability can attract environmentally conscious customers, ensuring long-term business viability (Arseculeratne & Yazdanifard, 2013). Additionally, human resource management is critical because it directly impacts employee performance and overall organizational effectiveness (Jiang et al., 2012).

Other vital capabilities include absorptive capacity, which promotes continuous learning, adaptation to new technologies, and the preservation of competitive advantage (Cohen & Levinthal, 1990; Zahra & George, 2002). In addition, a well-managed supply chain ensures timely and cost-effective product delivery, lowers operational costs and maintains customer satisfaction (Christopher, 2016; Mentzer et al., 2001). Furthermore, a solid organizational culture can boost employee engagement, encourage innovation, and help a company gain a competitive advantage (Schein, 2010). Utilizing unique firm-specific capabilities becomes even more critical in the context of internationalization. A strong brand, proficiency in navigating diverse regulatory environments, and cultural adaptability are critical for success when entering new markets (Peng, 2017). The combination of these capabilities can generate a significant competitive advantage and assist a company in excelling in international markets (Sirmon, Hitt, & Ireland, 2007).

Another critical capability in the context of internationalization is market orientation. Understanding customer needs, competitor strategies, market trends, and the broader market environment are all priorities for a market-oriented firm (Homburg, Jozic, & Kuehnl, 2017). Companies can effectively address their target markets by conducting market research, gathering customer feedback, and analyzing market data (Morgan, Vorhies, & Mason, 2009). This customer-centric approach increases satisfaction and loyalty when targeting and entering new markets, forming a firm-specific advantage. It also aids in risk mitigation, allowing the company to capitalize on new opportunities and ensuring long-term success in the global market (Grewal & Tansuhaj, 2001).

Moreover, market-oriented businesses closely monitor their competitors' strategies and performance. Analyzing competitors' products, prices, distribution channels, and promotions help to inform a company's market positioning, pricing strategies, and product development initiatives (Hunt & Morgan, 1995). This strategic awareness enables businesses to proactively adjust their strategies and offerings, allowing them to stay ahead of the competition. Firms must also be able to adapt to changing market conditions. When entering new markets, for example, the ability to navigate diverse regulatory environments, understand cultural nuances, and adapt to local consumer behavior is critical (Peng, 2017). Firms with high adaptability can reshape their strategies in response to local market dynamics, which is critical for achieving and maintaining international success (Kotler & Keller, 2016).

Dierickx and Cool's (1989) concept of time compression diseconomies reflects the diminishing returns a firm may face when attempting to accumulate resources or capabilities rapidly. The concept is linked to firm-specific capabilities, especially in competitive, fast-paced industries such as FMCG. Firm-specific capabilities, while providing a competitive advantage, take time to emerge. They develop through continuous investment, sustained efforts, and experiential learning. For example, to develop innovation or absorptive capacity, consistent investment and time are required (Brettel, Strese, & Flatten, 2012; Cohen & Levinthal, 1990). Firms that attempt to hasten the expansion process excessively risk experiencing time compression diseconomies, increased costs, decreased efficiency, or a decline in the quality of the capabilities developed (Dierickx & Cool, 1989). Time compression diseconomies emphasize the value of patience in developing firm-specific capabilities, advocating for a long-term approach to capability development. This long-term focus is critical when considering internationalization, as rapid replication of home market capabilities may be less effective due to unique market contexts (Peng, 2017). While firm-specific capabilities are essential for competitive advantage and internationalization, businesses must be wary of time-compression diseconomies. Therefore, maintaining a long-term strategic focus while balancing speed and quality in capability development is critical for achieving a sustainable competitive advantage.

Understanding and developing firm-specific capabilities is critical for businesses seeking to compete effectively and expand globally. These capabilities differ between firms and industries and serve as the foundation for long-term competitive advantage. Companies must balance capability development speed and quality to avoid time compression diseconomies. Firms can navigate the complexities of the FMCG industry and internationalization more effectively with this understanding. Businesses can thrive in the global market by effectively leveraging firm-specific capabilities.

2.2.3 Management-Specific Capabilities

Management-specific capabilities are a distinct set of skills, knowledge, and expertise an organization's management team possesses. These capabilities significantly contribute to the organization's competitive advantage as well as the success of its internationalization process (Devinney, Midgley & Venaik, 2003; Hitt, Ireland, & Hoskisson, 2017). On the other hand, firm-specific capabilities encompass a broader range of tangible and intangible assets and resources. In addition, management-specific capabilities are rooted in the firm's top-level executives' decisions and abilities. This distinction is not merely a distinction but rather a fundamental aspect of a company's strategic direction. It emphasizes the critical role managerial actions and decisions play in shaping a firm's overall performance and internationalization strategy (Ahammad et al., 2016).

Managerial knowledge is critical in the process of a company's internationalization. It includes managers' cognitive abilities, skills, and expertise, which significantly impact their decision-making and strategic actions (Maitland & Sammartino, 2015). The knowledge-based view provides valuable insights into the role of knowledge in gaining a competitive advantage and propelling internationalization efforts (Felin & Hesterly, 2007). As part of this knowledge framework, managerial cognition refers to managers' understanding, interpretation, and sense-making of the international business environment. It influences how managers perceive opportunities, make strategic decisions, and navigate international market complexities (Maitland & Sammartino, 2015).

Managers must have a thorough understanding of global markets, cultural differences, and regulatory environments in order to successfully internationalize their businesses. Their ability to integrate and apply this knowledge in decision-making processes can result in successful market entry strategies, resource allocation, and adaptation to local market conditions (Doz, Santos, & Williamson, 2001). Managers with a broad knowledge base can also identify emerging trends, capitalize on opportunities, and mitigate risks associated with international operations. Doz, Santos, and Williamson (2001) propose a metanational approach that emphasizes the need for companies to transcend traditional national boundaries and build a networked organization that effectively captures and leverages knowledge across multiple locations. This approach acknowledges the significance of managerial knowledge in orchestrating the flow of knowledge and resources within an organization to achieve global competitiveness.

The managerial mindset refers to a manager's cognitive orientation, which includes their attitudes, beliefs, and values (Maitland & Sammartino, 2015). Their mindset heavily influences managers' strategic choices and behaviors, shaping how they interpret and respond to their business environment. In this context, attitudes refer to the manager's predispositions toward various aspects of international business, such as willingness to take risks or openness to cultural differences. On the other hand, beliefs refer to the manager's underlying assumptions about how the world works, such as beliefs about market trend predictability or the effectiveness of various business strategies. Values are deeply held principles that guide a manager's decision-making, such as maximizing shareholder value or prioritizing customer satisfaction. The managerial mindset remains dynamic over time but evolves due to personal experiences, feedback, and organizational culture. A growth mindset, for example, sees challenges as opportunities for learning and growth and is linked to more innovative and adaptive decision-making (Dweck, 2006). As a result, cultivating a positive and growth-oriented managerial mindset can significantly improve a firm's strategic capabilities and internationalization success. By understanding these two aspects, firms can make significant strides in their internationalization efforts. In addition, managers can effectively navigate the complexities of international business and steer their firms to success by combining an in-depth understanding of their industry and market with a strategic and adaptable approach to decision-making.

The managerial mindset is a critical factor influencing a company's internationalization efforts. This includes the management team's attitudes, beliefs, and cognitive orientation toward international commerce (Levy, 2005). A global mindset is critical to a company's internationalization process because it enables it to understand and synthesize diverse needs across cultures and markets, resulting in competitive advantages such as early-mover advantage, fine-grained analysis of adaptation versus standardization, smooth coordination across borders, faster product roll-outs, and efficient sharing of best practices (Gupta & Govindarajan, 2002). Adopting a global mindset enables businesses to effectively navigate international markets by leveraging their understanding of local market needs and integrating it with their global experiences and capabilities. In addition, management's internationalization commitment, strategic vision, and ability to identify and seize opportunities in foreign markets can significantly impact a company's global expansion (Gupta & Govindarajan, 2002). Past international market experiences give managers practical knowledge about foreign market conditions, customer preferences, and potential challenges, allowing them to make sound decisions when entering new markets (Cuervo-Cazurra & Genc, 2008). Furthermore, a management team with diverse backgrounds and experiences can help a company adapt to different cultural and business contexts (Nielsen & Nielsen, 2013).

Leadership styles and cross-cultural management are also essential to management-specific characteristics that support global success. Effective managers can modify their management techniques to motivate team members from different cultural backgrounds (Adler & Gundersen, 2007). Another critical component is cross-cultural management, which entails understanding and navigating the cultural differences that arise when doing business abroad. Cross-cultural management includes understanding and respecting other cultures' values, perspectives, and customs, as well as developing strategies to bridge communication gaps, reduce miscommunications, and promote cooperation among multicultural teams (Adler & Gundersen, 2007). Effective cross-cultural management can lead to better decision-making, more seamless communication, and stronger ties with foreign partners and clients, all of which contribute to a company's global success.

Organizations should implement critical strategies informed by the following sources to effectively integrate leadership styles and cross-cultural management in internationalization. Clear communication channels and procedures within the company are critical for effective cross-cultural management. Effective communication fosters collaboration by allowing information and knowledge to flow freely throughout the organization (Azmat & Rentschler, 2017). Developing standardized communication standards, implementing technology-based communication solutions, and encouraging team members to communicate honestly and openly are all examples of this. These strategies contribute to a knowledge management perspective that values cultural diversity and promotes effective cross-cultural collaboration (Adler, 1983).

Promoting cultural diversity within the organization can also help the organization achieve global success (Azmat & Rentschler, 2017), which could be accomplished by implementing diversity and inclusion policies, providing opportunities for cross-cultural interaction and learning, and preventing biased or discriminatory hiring, promotion, or performance management practices. The servant leadership model complements this emphasis on cultural diversity (Azmat & Rentschler, 2017). Servant leaders place a high value on the development and welfare of their team members and the communities they are a part of. These leaders can support the development of a diverse and inclusive environment by attending to the team's requirements.

Management-specific capabilities can be leveraged, utilized, and cultivated in various ways in the FMCG industry and in the process of internationalization. Firms can encourage their management teams to acquire new knowledge and skills by fostering a culture of continuous learning and development (Hitt, Ireland, & Hoskisson, 2017). This culture can allow the management team to strengthen their internationalization efforts. Participation in industry-specific training programs and attendance at international conferences and seminars can all be examples of this. Collaboration with outside experts and advisors can provide insights into global market trends and best practices.

Furthermore, firms can better identify and capitalize on international opportunities by leveraging their management team's unique knowledge and expertise. Managers with a thorough understanding of the FMCG industry and its complexities, for example, can devise strategies for entering new markets. They can look into strategic alliances, joint ventures, or acquisitions that complement the firm's core competencies and competitive advantages (Buckley & Casson, 1998). Cultivating management-specific capabilities also entails instilling in the management team a growth mindset. This mindset encourages managers to embrace challenges, view failures as opportunities for learning, and seek feedback regularly (Dweck, 2006). Firms can also create an environment encouraging managers to take calculated risks and seek novel solutions. This can significantly contribute to the firm's internationalization success.

Finally, management-specific capabilities are critical for an FMCG company's internationalization efforts. Companies can position themselves for success in the global marketplace by focusing on developing these capabilities. This necessitates dedication to lifelong learning, cultivating a global mindset, drawing on diverse experiences and backgrounds, and adapting to changing cultural and business contexts. It also necessitates focusing on dynamic capabilities, allowing the company to adapt and innovate in response to changing market conditions. This emphasis on management-specific capabilities is a continuous commitment that necessitates strategic planning and execution.

2.2.4 Dynamic Capabilities

Dynamic capabilities, a foundational notion in strategic management literature, seek to explain how organizations might attain and maintain a competitive advantage in dynamically changing settings. Dynamic capabilities, as defined by Teece, Pisano, and Shuen (1997) in their influential paper "Dynamic Capabilities and Strategic Management," refer to an organization's ability to integrate, build, and reconfigure internal and external resources and competencies in response to rapidly changing environments. These qualities enable firms to detect and capitalize on opportunities, adjust to market changes, and maintain long-term competitive advantages. According to the research on dynamic capabilities, senior management significantly influences how the firm allocates its resources, makes strategic decisions, and adjusts to shifting market conditions (Eisenhardt & Martin, 2000; Teece, 2007).

Dynamic capabilities are technically a part of the firm-specific aspects. They are, however, closely linked to management-specific ones, since the firm's management plays an essential role in developing these within the company. Dynamic capabilities represent the processes and routines that allow firms to adapt, innovate, and transform their resources and competencies in response to rapidly changing environments. The literature emphasizes top management's role in shaping a firm's dynamic capabilities and the significance of these capabilities in increasing the firm's overall competitive advantage. Several scholars have emphasized the link between dynamic capabilities and management-specific capabilities. For example, Helfat and Peteraf (2009) argue that the top management must develop and utilize dynamic capabilities within the organization because it is their responsibility to make strategic decisions and allocate resources in response to changing market conditions. Additionally, Teece (2012) accentuates the significance of managerial cognition, leadership, and decision-making in shaping a firm's dynamic capabilities. On the other hand, dynamic capabilities are closely related to firm-specific capabilities because they involve processes that allow firms to adapt and develop their unique resources and competencies. According to Winter (2003), dynamic capabilities arise from a firm's ability to create, extend, or modify its resource base purposefully. Similarly, Wang and Ahmed (2007) contend that dynamic capabilities allow firms to reconfigure their existing resources and capabilities to better respond to changing market demands and opportunities.

The dynamic capabilities concept is based on three fundamental characteristics that, when combined, allow businesses to adapt and thrive in changing situations. Firstly, sense refers to a company's ability to detect, understand, and interpret changes in its external environment, like technology breakthroughs, changing consumer preferences, and new market trends. This component of dynamic capabilities emphasizes the significance of remaining alert to changes in the business landscape and proactively monitoring changes that may bring new opportunities or difficulties (Teece, 2007). Secondly, seizing refers to a company's ability to capitalize on opportunities identified by its sensing skills, which entails mobilizing resources and competencies like talent, expertise, and technology to capitalize on these opportunities. Seizing can take the form of various strategic initiatives, such as entering new markets, developing innovative products or services, or forming strategic alliances and collaborations. Utilizing the seizing capability is essential for organizations to exploit chances swiftly and efficiently (Teece, 2007). Finally, transforming or reconfiguring refers to a company's ability to change, reorganize, and reallocate its resources and competencies in response to changing market conditions. This dynamic capabilities component emphasizes the significance of constant adaptation and flexibility in a firm's strategy and operations. By restructuring resources and competencies, organizations can stay flexible, responsive, and resilient in market upheavals and dynamic competitive landscapes (Teece, 2007).

Eisenhardt and Martin (2000) expanded on dynamic capabilities by highlighting that these capacities are best understood as distinct, definable activities like product creation, strategic decision-making, and alliance formation. They contended that dynamic capabilities are formed by the firm's path dependencies and market positions and may be developed through experience, learning, and adaptation. The concept also relates to the idea of organizational resilience discussed by Hamel and Välikangas (2003), who argue that resilient companies can successfully respond to and handle disturbances, difficulties, and uncertainties in their environment. Dynamic capabilities are critical for fostering resilience in an organizational setting as they allow businesses to anticipate changes, modify their plans, and reallocate resources to preserve a competitive advantage in the face of adversity. Furthermore, the adaptive nature of dynamic capabilities are also interconnected to superior economic performance (Augier & Teece, 2009).

Dynamic capabilities become more critical in internationalization as organizations span the intricacies of foreign markets and confront unique obstacles and possibilities. According to Frasquet, Dawson, and Mollá Descals (2013), dynamic capabilities play an essential role in the internationalization process of FMCG companies. The authors emphasize three essential elements of knowledge acquisition and learning, adaptation capability, and entrepreneurial vision in this framework which are prevalent for companies in all industries. Knowledge acquisition and learning pertaining to a company's ability to identify and understand new opportunities and risks in foreign markets and to assess changes in competitive landscape paintings (Frasquet, Dawson, & Mollá Descals, 2013). This process includes continuous analysis and monitoring of the external environment, gathering information on market trends, cultural differences, customer preferences, and competitor actions, and interpreting this data to guide strategic decision-making. Adaptation capability is a company's ability to capitalize on identified opportunities by successfully mobilizing and deploying its resources and skills (Frasquet, Dawson, & Mollá Descals, 2013), which could include creating new products or services, accessing new markets, or forming strategic alliances and collaborations. Adaptability also entails adjusting corporate strategy and operations to changing market conditions and competitive pressures. Entrepreneurial vision refers to a company's ability to adapt its existing resources and capabilities to the changing needs of global markets (Frasquet, Dawson, & Mollá Descals, 2013). Reallocating resources to improve performance and efficiency, rearranging business structures, or rethinking processes and systems may be involved. The entrepreneurial vision is critical for ensuring the company's adaptability and response to the volatile nature of international marketplaces.

Frasquet, Dawson, and Mollá Descals (2013) propose a model of dynamic capabilities explicitly tailored to the retail industry based on the fundamental concepts of sensing, seizing, and transforming. In addition, their model emphasizes a second level of more granular and industry-specific capabilities, addressing the unique challenges and opportunities encountered in the retail context. While their model provides valuable insights into the retail industry, it can also serve as a helpful starting point for understanding dynamic capabilities in other sectors, such as the FMCG industry. Frasquet, Dawson, and Mollá Descals (2013) outline a set of distinct capabilities within each of the three primary dynamic capabilities components in their model. These capabilities reflect the retail sector's unique needs and complexities, making their model particularly relevant to retail organizations. The authors acknowledge, however, that their model may not be universally applicable to all industries or contexts and that adaptations may be required to suit different industries or situations.

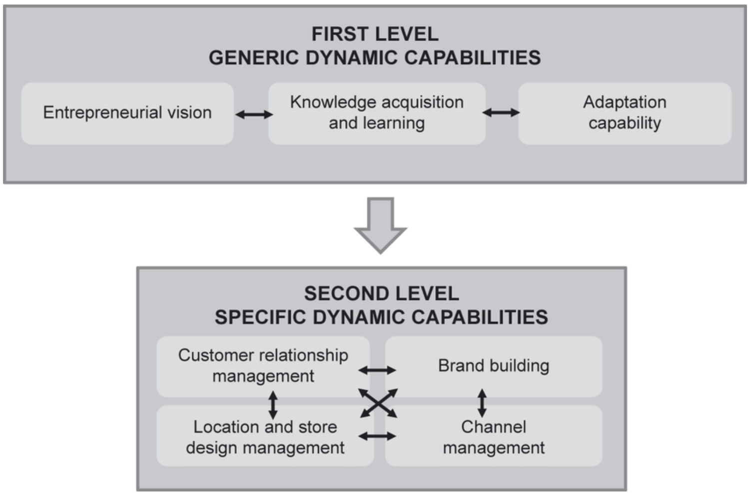

Figure 2. Dynamic Capabilities Framework (From Fraquet, Dawson & Mollá Descals, 2013)

It is critical for our analysis of an FMCG company's internationalization process, particularly concerning a single product, to consider the nuances and unique characteristics of the FMCG industry. As a result, while the model of Frasquet, Dawson, and Mollá Descals (2013) provides a good understanding of the dynamic capabilities needed to internationalize a retail company successfully, we believe that modifying it to suit a single FMCG product would be too far fetched and irrelevant. Therefore, when assessing the success of FMCG products in the global market, the model should move beyond focusing solely on management-specific capabilities. Instead, factors such as product-specific characteristics and firm-specific advantages are essential in understanding the success of an FMCG product in a global context.

In the integrated framework section of this text, we will present a revised model based on relevant literature and industry-specific considerations. This framework will help the reader better understand the dynamic capabilities required for successful FMCG product internationalization by viewing it as a link in a chain of many interlocking and essential characteristics. As a result, our revised framework will provide a more complete and accurate picture of the FMCG industry's internationalization process, considering the complex interplay of various factors that ultimately drive success.

2.3 Product-Related Factors

A prerequisite for internationalizing is having a product that consumers demand. Suppose a product is unable not to meet the needs of consumers in a specific market. In that case, it will be impossible for the product to expand to that market and generate positive revenue sustainably. The foundation for expanding internationally, especially in the FMCG sector, is having a product that effectively matches consumer wants and preferences. The capacity of a product to resonate with its target market, create value, and achieve its intended objectives is essential for being competitive in the international market. Understanding the significant variables that lead to a product's ability to meet consumer needs and create sales can help organizations develop goods that stand out in a crowded marketplace and be sought after in several markets, which in hand, creates the opportunity for internationalization. This section examines the different variables which enable products to be sought after, stand out, and be competitive according to gathered popular academic literature.

Developing a competitive product for international markets necessitates a delicate balance of several critical factors. A well-engineered, high-quality product signals excellence to customers, potentially increasing their willingness to pay a premium (Kotler & Armstrong, 2020). Furthermore, firms must comprehend and cater to the desires and expectations of their target market, which necessitates extensive market research and in-depth consumer understanding (Wedel & Kannan, 2016). Moreover, it is beneficial if the product is true to the concept of multiple embeddedness, meaning that it is able to adapt to various markets (Meyer, Mudambi, & Narula, 2011). Branding and product positioning are also crucial in shaping consumer perceptions. Strong brand identity and strategic positioning can help differentiate products by fostering emotional ties and increasing recall (Keller, 2016). Ensuring product accessibility via effective distribution networks is one critical aspect that promotes consumer convenience and increases purchase opportunities (Rushton, Croucher & Baker, 2017). Promotional activities such as precise and captivating advertising, public relations, and sales promotions are critical in increasing product awareness and driving sales (Luxton et al., 2015). Additionally, FMCG companies must remain open to consumer feedback and constantly refine their products to keep up with changing market trends and consumer needs (Trott, 2020). Mimicking other successful products is another factor within conventional product development theory that is regarded as a beneficial tool in order to gain competitiveness with a product (Trott, 2020).

In the highly competitive FMCG sector, a comprehensive and carefully crafted Unique Selling Proposition (USP) is critical for a product's ability to stand out among competitors (Armstrong et al., 2020). A USP is a product's distinct features, benefits, or characteristics that make it particularly appealing to its target market (Jobber & Ellis-Chadwick, 2019). These distinguishing features include an exclusive flavor, premium quality, innovative packaging, or an enticing brand narrative. A compelling USP can increase brand awareness, customer loyalty, and market share (Armstrong et al., 2020). For example, a USP may refer to a unique flavor profile within the FMCG beverage industry, effectively offering a unique taste sensation that differentiates a product from its competitors (Kotler & Keller, 2016). Alternatively, the beverage could emphasize specific nutritional benefits, such as adding vitamins or minerals, to appeal to consumers who want to improve their nutrition through their beverage choices to promote corporate sustainability in their brand (Euromonitor International, 2021).

Understanding the external environment and aligning strategies with it are critical in the international FMCG industry. Firms can gain a competitive advantage by anticipating macro trends and developing products that align with these trends. For example, the global emphasis on sustainability and the resulting surge in consumer demand for environmentally friendly products has created new opportunities for businesses to respond creatively and gain a competitive advantage (Kotler, Kartajaya & Setiawan, 2018). This is an example of the concept of creating value for the customer, as sustainability is in high demand by many people (Kotler, Kartajaya & Setiawan, 2018)). Similarly, the introduction of disruptive products has the potential to reshape the competitive landscape in the FMCG industry. Such products, distinguished by their novelty or innovative features, have the potential to create new markets or significantly alter existing ones (Armstrong et al., 2020). A smooth entry into this disruptive space necessitates a thorough understanding of the external environment, which includes consumer trends, technological evolution, and regulatory shifts (Hitt, Ireland, & Hoskisson, 2017). Firms can gain a competitive advantage by incorporating this understanding into their strategic stance and launching disruptive products that differ from existing offerings (Day & Schoemaker, 2016).

Finding the right balance of standardization and adaptation is a critical strategic consideration for FMCG companies entering international markets (Vrontis & Thrassou, 2007).

Standardization, which entails maintaining a consistent product line across markets, leveraging economies of scale, and developing a unified global brand image, can result in cost savings and simplify market coordination (Lee & Carter, 2011). However, it risks overlooking the peculiarities of local consumer preferences and cultural nuances (Vrontis & Thrassou, 2007). On the other hand, adaptation entails tailoring a product to meet different markets' distinct tastes, preferences, or cultural norms. This can increase a product's appeal to local consumers and give it a competitive advantage over local competitors. However, it can also raise costs due to the need for localized product development, production, and marketing (Sousa & Lages, 2011). As a result, multiple factors influence the decision between standardization and adaptation, including the degree of consumer preference, market similarities, the competitive landscape, and the company's operational capabilities (Schmid & Kotulla, 2011; Vrontis & Thrassou, 2007). Thus, in some cases, a hybrid strategy that incorporates elements of both standardization and adaptation may be the most effective (Vrontis & Thrassou, 2007).

Differentiation and pricing are two fundamental strategies that FMCG firms can use to improve the competitiveness of their products (Kotler & Keller, 2016; Porter, 1985). Differentiation distinguishes a product from competitors' offerings through unique attributes such as packaging, brand image, quality, and innovative features. Companies can increase customer loyalty by targeting specific consumer segments and charging a higher price for their products (Kotler & Keller, 2016). Pricing, conversely, entails competing on price by offering products at lower prices than competitors (Porter, 1985). Lowering production costs, improving supply chain efficiency, and implementing cost-cutting measures at various product lifecycle stages are frequently required (Kotler & Keller, 2016). As a result, by offering lower-priced products, companies can attract price-conscious consumers and rapidly increase their market share in various markets.

Developing a competitive FMCG product for international markets necessitates a combination of strategic considerations such as product design and quality, understanding consumer needs, effective branding and positioning, efficient distribution, engaging promotional activities, and the ability to incorporate consumer feedback into continuous product improvements. Moreover, companies can redefine the competitive landscape and enter new markets or change existing ones by comprehending the external environment and leveraging disruptive products (Yu & Hang, 2010). Therefore, choosing between standardization and adaptation is a critical strategic decision, depending on the specific market conditions and the company's operational capabilities (Vrontis & Thrassou, 2007). Other pillars that drive product competitiveness include differentiation and competitive pricing. While differentiation highlights the product's distinguishing features or benefits, competitive pricing can attract price-conscious consumers, increasing market share (Kotler et al., 2018; Porter, 1985).

The convergence of luck and timing significantly impacts the competitiveness of FMCG products in international markets. Although these elements are often unpredictable, they can provide unexpected opportunities that, combined with strategic marketing practices and intelligent product positioning, can generate significant interest among global consumers (Denrell, Fang, & Winter, 2003; Pinkham & Peng, 2017). The ability of a company to seize these opportunities tactically is fundamentally based on its ability to adapt and respond to changing market dynamics. Strategic foresight and nimbleness become the lifelines of a firm's enduring competitiveness in a constantly changing international business landscape (Barney, 1991). As a result, it is critical to constantly monitor and understand changing market trends, consumer preferences, and external economic conditions (Day & Schoemaker, 2016). Firms that can anticipate and align their strategies with these fluxes have the strategic advantage of staying ahead of the curve and seizing opportunities before competitors do (Eisenhardt & Martin, 2000). Furthermore, a company's ability to respond quickly to changing consumer demands and preferences can significantly impact its international success (Helfat & Winter, 2011; Teece, 2007). Companies that adopt a customer-centric approach by constantly evolving their product offerings to match emerging needs and tastes can unlock new avenues for growth and sustainability in global markets (Vrontis, Thrassou, & Lamprianou, 2009).

In the volatile world of FMCG, the convergence of these strategies, a thorough understanding of the market environment, and the ability to respond quickly to change are pivotal to establishing and maintaining a competitive edge. The choice, implementation, and ongoing refinement of these strategies in response to changing market trends and consumer preferences will ultimately drive a company's success in the international FMCG market (Kotler et al., 2018).

2.4 Practical Example of an Internationalized FMCG Product

This section examines an already internationalized product within the FMCG beverage sector. Understanding the real-life context and gaining insightful knowledge from this case study will be helpful when studying the product of an FMCG company. This will provide a more practical understanding of the theoretical framework presented in this study, which will be helpful when analyzing the internal capabilities of the chosen FMCG company. In addition, we will be able to comprehend the methods used by this company in navigating the competitive environment of the FMCG industry by thoroughly examining one specific example in order to find significant variables that contribute to the success and growth of the product that will be analyzed. The case study will use the literature mentioned in the sections above to explain the factors that have made it possible for this product to reach global success. By doing this, a more practical understanding of how the chosen literature relates to the practical sense of the internationalization of a product will be achieved. This practical understanding will then contribute to the analysis of the selected product of the FMCG company, using a real-life case in order to provide more empirical weight to the theories and models.

There could have been various companies and products that highlighted the importance of internal aspects in the process of internationalization that have certain similarities with the oat-based FMCG company, which will be interviewed and analyzed in this academic paper. However, the characteristics of Red Bull made it a clear contender due to the similarities it shares with the company, which will later be investigated. Red Bull, for instance, is also in the beverage industry, has built a lifestyle brand, relied heavily on its marketing, and offered (at the time) a revolutionary product to the market. These factors make it a clear example of how companies in FMCG can leverage their internal aspects in the internationalization process.

2.4.1 Red Bull Energy Drink

Red Bull, an Austrian energy drink brand founded in 1987, has become a global phenomenon, with products marketed in more than 175 countries (Red Bull, 2023a). The company's success can be attributed to its ability to leverage internal assets and resources, allowing it to develop a powerful brand with global recognition. Red Bull Energy Drink's unique recipe, designed to improve performance, concentration, and response time while increasing metabolism and providing energy, attracts customers worldwide (Red Bull, 2023b). Red Bull's elegant 250 mL tall and slim can distinguish it from other canned soft drinks, underlining the brand's identity as a functional beverage. The consistent blue and silver background, decorated with the distinctive red bull logo, represents strength, power, and vitality, underlining the brand's high-energy and extreme lifestyle approach. Red Bull's premium pricing approach reflects the exclusivity and quality of the product, allowing separation from competitors and positioning it as a superior functional beverage. This allows the consumers to feel a sense of superiority, which, as mentioned above, increases their willingness to pay (Kotler, Kartajaya, & Setiawan, 2018).

Internal skills of the organization, including management-specific and firm-specific advantages, play a vital part in global product leveraging. Teece, Pisano, and Shuen (1997) define dynamic capabilities as a firm's ability to integrate, build, and reconfigure internal and external skills in response to dynamically changing circumstances. In the instance of Red Bull, the corporation has exhibited excellent dynamic capabilities by aligning its marketing, promotion, and branding tactics with customer trends and preferences, maximizing the potential of its product. Red Bull's firm-specific advantages, such as its distinctive marketing strategy, have enabled the company to establish a strong brand image and gain a competitive advantage. Red Bull has differentiated itself from the competition by establishing a lifestyle brand and linking its promotional efforts with extreme sports and action (McDonald, 2011; Red Bull, 2023a). Because of its strategic approach to placement and advertising, the company has connected with a specific sort of customer rather than targeting specific countries, cultures, or markets, resulting in an appealing worldwide brand.

Red Bull's ascent can also be attributed to its focus on innovation, consumer engagement, and brand extensions, as highlighted in the strategic brand management framework provided by Keller (2016). The brand's participation in event sponsorships and extreme sports collaborations has allowed it to differentiate itself, thereby building a solid emotional connection with its target demographic. Moreover, Red Bull's robust engagement strategy, which encompasses experiential marketing, social media, and content development, has fostered a sense of community and loyalty among its followers, leading to increased sales and continuous growth.

Furthermore, Red Bull's networking capabilities and adaptability to external variables have been essential factors in its global success. The company has effectively networked with artists, influential creative leaders, and commercial entities, thus enhancing its brand image and broadening its customer appeal (Red Bull, 2023c). The company's efficient supply chains, honed over time, have been instrumental in meeting the demands of its global market, ensuring timely product delivery, and maintaining high levels of customer satisfaction (Mason & Leek, 2008).

Gorse, Chadwick, and Burton (2010) state that Red Bull's disruptive approach to sports marketing is an example of entrepreneurship that has transformed the market. In addition to promoting its goods, the corporation has pioneered a new marketing environment by organizing and supporting extreme sports events. Significant brand recognition and customer involvement have resulted from this disruptive campaign. As a result, Red Bull disrupted conventional sports marketing paradigms, established itself as a significant player, and established new benchmarks for the industry.

Red Bull's ability to leverage internal strengths such as branding and positioning, innovation, supply chain management, and consumer interaction has aided the company's success. The RBV paradigm emphasizes the importance of different resources and talents in providing businesses with a long-term competitive advantage (Barney, 1991). Red Bull's strong brand identity and distinct positioning are such resources that have contributed significantly to the company's global success. In addition, Teece, Pisano, and Shuen (1997) introduced dynamic capabilities, highlighting the importance of learning, innovation, and adaptation in gaining a sustained competitive edge for firms. Red Bull's continual marketing and product development innovation demonstrates its dynamic capabilities, allowing it to stay ahead of competitors and maintain market leadership.

Red Bull's ability to capitalize on internal assets has been critical to its global success. Because of the company's unique resources, dynamic capabilities, and effective leveraging capability, it has established a successful global product.

2.5 The Proposed Integrated Framework

Our integrated framework highlights the interconnected nature of various elements affecting FMCG companies and their internationalization processes. In addition, the framework emphasizes leveraging the company's internal capabilities in the internationalization process to understand better how companies can manage the endeavor's complexity.

The framework emphasizes the significance of firm- and management-specific capabilities in internationalizing, or further internationalizing, a product, emphasizing their role in driving the process. Moreover, it considers product-related factors, such as USPs, to determine whether the FMCG products have the necessary attributes to achieve long-term success in multiple markets. Our integrated framework investigates how firms can effectively deal with external factors, networks, and internationalization challenges by leveraging their internal capabilities. Companies that emphasize and capitalize on their internal strengths can improve their global market performance by refining and adapting their products to different markets.

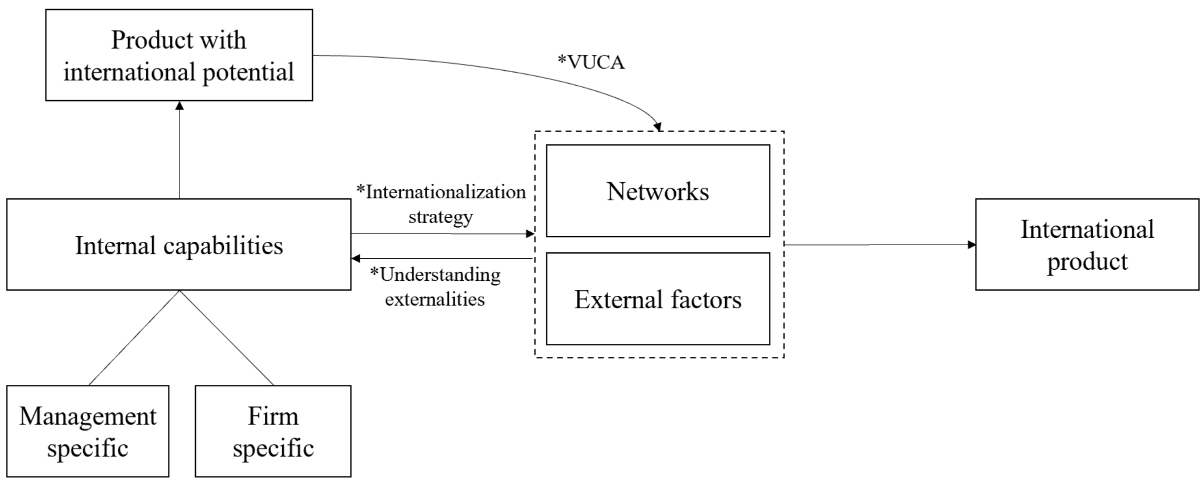

Figure 3. Proposed Integrated Framework for Internationalizing a Product (Proposed by the Authors)

Our integrated framework emphasizes the importance of internal capabilities and product-related aspects in achieving successful and sustainable internationalization. Firms can better understand their strengths and weaknesses by researching firm-specific and management-specific factors, allowing them to address the challenges and opportunities presented by internationalization effectively. This emphasis on internal skills and understanding product-related challenges can eventually help firms make better-informed decisions that maximize the potential of internationalization endeavors.

The proposed framework is intended to add value to FMCG companies by identifying and evaluating the variables that contribute to the internationalization of their products and determining the best market expansion strategies. As a result, organizations can make more informed decisions about internationalization efforts and increase their chances of international product success by focusing on the role of internal capabilities and their interconnectivity to other relevant factors.

3. Research Methodology

This chapter provides an overview of the methodology used for this study. The chapter begins by explaining our research approach to the study, with a discussion of the choices made in this phase of the process. The research methodology is described in the following parts, covering the chosen research design, data-gathering strategies, and interviewing methodology. The case selection will also be discussed, explaining why this specific case was chosen. This chapter will then dive more deeply into the data analysis, explaining how the data was used to answer the research question. The chapter ends with a discussion of the research quality to ensure the validity and relevance of our research results. Relevant literature will be used throughout this whole chapter in order to underpin the choices that have been made in the research design process while also explaining why choices and methods were deliberately left out of the research process. The literature used in the methodology chapter is highly accredited in the field of academia.

3.1 Research Approach

In order to fully comprehend the internationalization of the FMCG company's flagship product that we were to investigate, our study aimed to investigate how internal capabilities relate to the internationalization of products within the industry. In order to investigate this phenomenon, an approach most similar to an inductive approach was developed through a qualitative research design. The qualitative approach consisted of several interviews with employees at the chosen FMCG company. This approach was chosen in order to be able to navigate the complexity and interconnectedness of the chosen topic, internationalization, as an inductive approach allowed us to derive and interpret meaning from the data using our own metrics (Creswell & Poth, 2018). A deductive approach was also considered; however, we wanted to keep the study more open, not forcing ourselves into only investigating a specific pattern or topic. Using a deductive approach, we would have formulated a hypothesis based on an existing theory, forcing us to try to fit our data into these existing categories instead of identifying new patterns and themes (Creswell, 2014). Our approach is described as being similar to an inductive approach, as it does not fulfill all the criteria for an inductive approach. A formulated hypothesis has not been used, and we have derived meaning from our data. However, we still used existing theories to find meaning and patterns within our data.

This means that our study can not be fully classified as an inductive approach, although it is the most similar to our method.

Qualitative research is beneficial for comprehending the fundamental factors underlying a phenomenon and thus allowed us to investigate complicated linkages, subjective sensations, and contextual nuances (Robson, 2002). The qualitative approach was chosen early in the process, as it became clear that context sensitivity is essential to keep in mind when researching phenomena that are strongly influenced by their particular environments, such as the topic of the internationalization of products (Bryman, 2016). In line with this, a quantitative approach was not selected due to the limitation associated with this method regarding a more in-depth understanding of complex topics and issues (Creswell, 2014). Furthermore, if a quantitative approach had been chosen, we would not have been able to fully utilize our collaboration with the FMCG company, as it could have prevented us from gaining a more nuanced understanding of how the company operates.

Using a semi-inductive approach and qualitative methodology, we conducted a case study in a company within the FMCG industry to gain a solid understanding and relevant knowledge of key internal aspects concerning the internationalization of FMCG products. We addressed relevant topics relating to product internationalization, including internal aspects, external aspects, and network effects.

3.2 Research Design

3.2.1 Research Design Approach

The research design is a strategy for answering the research question and should specify the sampling, data collection techniques, and data analysis (Yin, 2014). The research topic of this study focuses on the influence of internal factors on FMCG product internationalization, which will be investigated using qualitative data.

A qualitative single case study research design involves an investigation and analysis of single or collective cases intended to capture the complexity of the object of study and are valuable for inspiring new ideas and explaining new theory development (Siggelkow, 2007; Thomas, 2011). Yin (2014) defines case study research design as an in-depth practical investigation of a current event in the actual context. Indeed, this particular design has been useful in other significant research to acquire a more complete understanding of key elements impacting the internationalization process of FMCG corporations and how internal qualities affect the market selection and entrance mode (Eisenhardt & Graebner, 2007; Yin, 2014). Therefore, a single-case study of the relevant FMCG company will be carried out to investigate the influence of internal factors on the internationalization process of their product. In particular, semi-structured thematic interviews (see below) will be carried out with employees at various levels, fields, and departments within the FMCG company, allowing for an exploration of the firm's decision-making process, market selection, as well as the influence of internal capabilities on these aspects (Bryman & Bell, 2015).

When examining complex and context-dependent processes like internationalization, using a case study technique enables the collection of rich and detailed data on a real-life phenomenon that can be interpreted within existing theories (Bryman & Bell, 2015). Consequently, we can identify potential trends, connections, and underlying mechanisms in the study data, contributing to the further development of theory as well as knowledge and practice in the field (Eisenhardt & Graebner, 2007).

3.2.2 Reflection on the Research Approach

The research approach selected for this paper seemed like an obvious choice from the beginning of the process, as described in the previous parts. This study has an approach similar to an inductive one using a qualitative research design, which was never challenged once it was chosen, as it was required to make full use of the accesses of the FMCG company. This approach was also developed with the input of the FMCG company, meaning that the approach had to be something that both we, as researchers as well as the company we investigated, were comfortable with pursuing, which resulted in the chosen approach.

Even though the choice of research approach was decided early in the process, the actual research process was constantly evolving throughout the writing stage as our theoretical approach kept evolving. The questionnaire, consisting of open-ended questions, was developed by choosing the different main topics of questions that we wanted to ask. These topics were changed a few times from the initially chosen ones as our literature reviews evolved, alongside our theoretical framework being tweaked. We kept the basic structure of the interview approach. However, the questions and structure of the interviews constantly evolved until they were conducted.

3.2.3 Company Description

This study focuses on an oat-based FMCG company that has significantly impacted the oat-based food and beverage industry and re-shaped the dairy industry. Though the corporation's name remains anonymous in this thesis, its presence in the international market, solid go-to-market strategies, and constant product development innovation make it recognizable in its industry. All of the information presented in this description is sourced from the company's official communication.

The company's management and leadership strategies have driven the company to achieve impressive performance and a competitive market position. It approaches strategy from a resource standpoint, leveraging internal strengths to create unique value propositions for its products. Its management team thoroughly understands the FMCG industry and employs this knowledge to drive business administration and develop robust strategies. In addition, the company's commitment to R&D is critical to its success, driving continuous product innovation and assisting in meeting consumer demands and trends.

With a presence and "commercial success" in over 20 countries, the FMCG company is committed to expanding to even more markets. It pursues a beverage and food service-led expansion strategy to increase brand awareness and loyalty, increasing retail sales. They had 200,000 retail and food service locations worldwide as of December 31, 2022, including partnerships with giant international grocery stores, coffee chains and e-commerce channels. This global resonance reflects the company’s ability to adapt strategies to changing market demands and customer preferences. Despite the potential challenges of entering less developed or politically unstable countries, the company intends to use its solid commercial organization and manufacturing capabilities to ensure a successful market entry. The firm's strategic international presence and proven ability to enter new markets demonstrate its resilience and foresight.

The oat-based beverage manufacturer distinguishes itself through effective branding. Its strong market presence has established a strong connection with consumers worldwide. The strength of this FMCG player lies not only in its innovative product offerings but also in its professional brand management. Its brilliant branding strategy creates unique value while cultivating consumer loyalty and establishing a solid position in the competitive landscape. Moreover, it exemplifies the ability of a well-crafted brand to capture and maintain market relevance.

The FMCG company uses its commitment to sustainability as a competitive differentiator. The company appeals to an increasingly eco-conscious consumer base by promoting responsible manufacturing practices, minimizing environmental impact, and focusing on oat-based beverages. This dedication boosts brand value and customer loyalty, giving the company an advantage in the highly competitive FMCG sector. In addition, its emphasis on sustainability is ethical and strategic, positioning the company as an industry leader in environmental stewardship.

The company takes a multi-channel approach regarding go-to-market strategy, focusing on retail, food service, and e-commerce. This strategy demonstrates the company's understanding of market diversification as a risk management strategy, contributing to its financial stability and growth. Despite a few challenges, the company's financial performance is promising. Recent financial data shows an encouraging 13.9% increase in constant currency revenue, with a 2023 outlook that predicts further growth and improvement in gross margins. In addition, despite net losses, the company has secured significant capital commitments, indicating strong investor confidence and a clear path to financial self-sufficiency.

As previously mentioned, the product in question that we have chosen to primarily focus on in our study is the flagship product of the oat-based FMCG company. The product, which is an oat-based substitute for milk in coffee, will be referred to as product X for the remainder of this paper.

Overall, the company provides an interesting case as it has been able to act as a disruptor in a fierce industry, and managed to gain international presence in a market dominated by a few prominent actors.

3.3 Data Collection Method

3.3.1 Qualitative Sampling Strategies

This thesis used qualitative data-gathering techniques to collect relevant information. Four semi-structured theme interviews with employees at the specific FMCG company were undertaken. An in-depth comprehension of the viewpoints and experiences of the study participants as well as the exploration of relevant theories concerning this topic are two of the primary uses of qualitative research methodologies (Creswell, 2014). Purposive sampling, often referred to as judgmental or selective sampling, was the utilized sampling method. Purposive sampling entails choosing study participants in accordance with predetermined standards pertinent to the study issue and the traits of the target population (Patton, 2014). Employees from several departments of the FMCG company were selected based on their expertise and knowledge of the business' operations and globalization initiatives. These employees were selected based on recommendations from our informant at the company, who provided us with several potential candidates alongside a description of their area of work and expertise. Using this information, we chose our interview candidates based on our belief of how relevant their role and expertise were to both the internationalization of product X and also internationalization strategy in general.

Semi-structured thematic interviews were chosen as the primary data collection method for several reasons. First, the flexibility offered by semi-structured interviews allows the interviewer to delve deeply into pertinent subjects while also enabling study participants to provide open-ended responses (Bryman, 2016). This strategy is beneficial for gaining an in-depth comprehension of the research issue as it allows the interviewer to follow up on essential and interesting comments, which encourages additional development and clarification of the participants' viewpoints. Choosing a semi-structured interview process furthermore allowed us to guide the interviews into areas and themes we saw as most fitting and relevant for the particular interview participants. This allowed us to tweak each interview's central area of focus based on the participants' perceived unique knowledge and expertise while keeping the main questions and themes similar in each interview. Consequently, we maximized the relevant information extracted from each interview by allowing the participants to elaborate on the particular questions and topics they felt most qualified to answer.

Interview questions were created based on the study objectives and topics of interest relating to the company's internationalization strategy, operations, and obstacles to ensure that the interviewees successfully answered the research questions. The interview questions were made to be open-ended so that the participants may freely and authentically share their opinions, allowing them to go into further detail about their viewpoints, experiences, and challenges. The questions were designed with flexibility and the research of related themes in mind while also striving to be clear, succinct, and focused in order to make the interview process as efficient, pleasant and applicable as possible.

Depending on the location and specific preferences of the participants, the interviews were either performed in person or by video conference. The decision of which manner the interviews were conducted was mainly influenced by the availability of the participants, as meeting in person was not feasible for all the interview candidates. The interviews, which were carried out by the authors of this thesis, were audio-recorded with the participants' permission to allow for precise transcription and analysis. In addition, we were able to go back and review the information as needed to verify correctness and completeness. Notes were also taken during the interviews. However, a taping provided a more precise rendering of the answers in the interviews. After all the interviews had been conducted and the data collection procedure was completed, the interviews were transcribed and subjected to a thematic analysis. This required locating the data's main themes and patterns, which were then categorized and subcategorized to enable a thorough examination of the study questions (Braun & Clarke, 2006). In order to gain a greater understanding of the main subject of the thesis, the analysis concentrated on identifying similarities and contrasts in the participants' viewpoints, experiences, and challenges relating to the company's internationalization efforts.

3.3.2 Case Selection

Our collaboration with the FMCG company started out at the beginning of the thesis planning process before the precise thematic focus and research design were determined. We initially wanted to work with an international manufacturing FMCG actor for this thesis to learn more about this specific industry. Therefore, we approached the chosen FMCG company, a leading Scandinavian FMCG firm in the plant-based dairy alternatives industry. We then developed a case study and research question aiming to provide valuable insights into the firm's operations while also contributing to the academic understanding of the key factors influencing the global success of FMCG products. Our research question focuses on how FMCG companies can use their internal capabilities in order to internationalize their products. This objective aligns with the company's ongoing internationalization efforts and delves more broadly into opportunities and challenges in the FMCG industry. The overall topic of the thesis, alongside the specific research question, was decided upon together with the FMCG company using a collaborative approach. This was done in order to ensure that both parties would be satisfied with the aim and direction of the study. It is, however, essential to clarify that we, as writers, had the final say in all the decisions that were being made regarding the process of the study.

Table 1. Firm Criteria for Case Selection

Criteria	**Details**
(1) A clear intent of internationalization	The company has a clear intent or desire to internationalize / to further internationalize their business to new territories or increase market share in existing foreign markets.
(2) Company operating in the FMCG industry	Definition of FMCG: "Abbreviation for fast-moving consumer goods: products that sell very quickly, such as food and drinks". (Cambridge Dictionary, n.d.a)
(3) The company is a manufacturing company	Definition of the "Manufacturing industry" "An industry that produces goods rather than services approval process". (Cambridge dictionary, n.d.b)

After selecting the FMCG company as our case company, we carefully investigated its business model, internal capabilities, and internationalization strategies to ensure that it was in fact appropriate for answering our research question. The firm's rapid growth, innovative business approach, and commitment to international expansion indeed made it an ideal case study for investigating the relationship between a company's internal capabilities and the linkage to the internationalization of products. We conducted an in-depth examination of the firm's operations while striving to maintain the objectivity and independence of our research when collaborating closely with the company. This was crucial throughout the entire writing process, since we wanted to assure that we used the case of this company in an objective manner while keeping the relationship with the company respectful and professional. In sum, the FMCG company was chosen as the case study for our thesis because it allowed us to investigate a relevant and timely research question while also providing valuable insights into the company's ongoing international expansion efforts. In addition, it provided us with a unique opportunity to research the internal capabilities of an FMCG firm, which made it evident for us to choose this firm as our case study.

3.3.3 Interview Design

As mentioned in previous parts, semi-structured thematic interviews were chosen early in the process to maximize the functionality of the collaboration with the company. The design and themes of the interviews were based on the review of the research literature and the proposed integrated framework. Consequently, the interview questions covered the primary themes identified in the literature and were directly connected to the proposed integrated framework. The themes included internationalization, internal capabilities, firm-specific factors, management-specific factors, and product-related factors, whilst also touching upon elements of VUCA and uncontrollable variables. The questions were devised to address each theme and sub-theme identified in the literature review to ensure that the interview data would be thorough and pertinent to the research objectives. This was mainly done by using the proposed theoretical framework to provide guidance for central themes to include in the questionnaire.

The questionnaire provided a clear structure for how to carry out the interviews with a set of fixed questions while also allowing for further discussion and elaboration, making them semi-structured interviews. (Cohen & Crabtree, 2006). Unstructured interviews were taken into consideration as an alternative approach to gathering data. However, unstructured interviews are often associated with a need for more consistency in the data collected, as the interviewer may not ask the exact same questions to all participants or may present the questions in a different order (Cohen & Crabtree, 2008). In order to ensure that the gathered data is complete, unstructured interviews frequently generally require larger sample sizes, which can be both time-consuming and more expensive. Even though the interviews were conducted with a clearly structured questionnaire, the questions were primarily open-ended, intending to spark conversations with the interview attendees. Therefore, Multiple questions had follow-up questions to ensure that the conversation kept being relevant and informative to our empirical needs. The follow-up questions also ensured that we gained a deeper understanding of the topics under discussion, avoiding merely scratching the surface of the various themes and topics (Kvale, 1996).

To secure consistency and reliability across interviews, the same set of questions was utilized for each interviewee. This approach was implemented to make sure that the information gathered from each participant was comparable. The opportunity to identify similar themes and patterns in the collected data relevant to the research objective was made possible by standardizing the interview questions(Creswell, 2014). Importantly though, because the interviews were semi-structured, we were also free to reorder the questions or add new ones to follow the conversation's natural flow (Cohen & Crabtree, 2006). Given the adaptability of the interview format, we were able to delve deeper into the subjects of interest, follow up on insightful comments, and pose new questions as they came up. By allowing for such a dynamic process, we made sure that each subject provided us with as much relevant information as possible while maintaining the structure required to ensure consistency between interviews.

3.4 Data Analysis

To understand the company's internal capabilities comprehensively, we conducted semi-structured interviews with four individuals from various departments within the FMCG company. Following the data collection, we used a systematic approach to ensure rigorous data analysis, incorporating the essential steps recommended by Easterby-Smith, Thorpe & Jackson (2015) and Braun & Clarke (2006). The first step was to manually transcribe all the audio-recorded interviews to capture the verbal content, focusing on key aspects particularly relevant to our research question. This method allowed us to focus on the relevant substantive information for our analysis while excluding nonverbal elements such as gestures or body demeanor.

In the further analyses of the data, we used a thematic analysis approach to specifically investigate the critical areas of internationalization, internal capabilities, management-specific and firm-specific, and product-related factors, as well as the connections between these factors. We began by getting to know the transcribed data and sought to identify patterns and themes in the participants' responses. In particular, we coded the empirical material separately and then compared, discussed potential inconsistencies, and adjusted the codes accordingly, to ensure the quality and consistency of our analyses (Barratt, Choi, & Li, 2011). We coded the dataset following the method proposed by Bell, Bryman, & Harley (2019), with each code representing the essence of an individual sentence, which formed subthemes and overall vital themes. Due to this systematic coding procedure, we captured both the similarities and differences among the multiple interviewees within the single case.

Given that our study mainly used an inductive approach, most subthemes were solely based on the empirical evidence. We provided a comprehensive and coherent presentation of the results by organizing our findings in a narrative form, detailing the insights obtained on the company's internal capabilities and their impact on its global success potential. Our data analysis approach, founded on a thematic analysis, ensured a thorough examination of the qualitative data gathered through the semi-structured interviews.

3.5 Research Quality

To ensure dependable and valid research results that can advance the topic under study, it is crucial to establish the research quality. In this section, we discuss the steps taken to maximize the validity and reliability of the semi-structured interviews carried out with employees from the FMCG company.

The extent to which a study assesses what it set out to measure is referred to as validity (Creswell & Miller, 2000). As mentioned, the interview questions used in this study were created based on the research questions as well key themes identified in the literature review. To enhance the validity of the interviews, we ensured that the questions were clear, relevant, and effective in communicating the needed information by reviewing them carefully and seeking feedback from peers and supervisors (Creswell, 2014). The relevant employees were furthermore provided information about the semi-structured interview method, allowing us to go deeper into the participants' responses, elucidating any misunderstandings, and acquiring a more profound comprehension of their perspectives (DiCicco-Bloom & Crabtree, 2006). This helped to reduce potential ambiguity in the answers, making it easier to ensure that we captured the essence of each answer.

Reliability describes the consistency and stability of the research findings throughout time and in various circumstances (Golafshani, 2003). The interviews were done consistently, either in person or through video conference. The same set of questions was utilized for each participant to ensure the validity of the interview data. The interviews were audio-recorded and transcribed verbatim to ensure the data were consistently and accurately collected (McLellan, MacQueen, & Neidig, 2003). Additionally, we used a systematic, transparent approach to data analysis, adhering to accepted practices for coding and categorizing the data to further increase the findings' dependability (Saldaña, 2015). This method made finding themes and patterns in the data more accessible and enabled a concise and cogent presentation of the findings. Being aware of the possible biases that both we, as interviewers, and the interviewees, might possess was also a big part of ensuring the reliability of the research findings (Patton, 2014). Being as objective as possible during the interviews and during the transcription and analysis process helped us avoid these possible biases that could alter the reliability of the study. This was also done by avoiding subjective interventions during the interview. As interviewers, we constantly strive towards self-regulating and examining our own preconceived beliefs, assumptions, and biases. By doing this, we encouraged sincere and unbiased answers. In addition, the interviewees' possible biases were also considered, as the interviewees' backgrounds and history within the company were researched before the interviews. This helped us gain a context of the different interviewees, as it made us aware of the possible lens through which they might view the different topics.

4. Empirical Findings

In this chapter, we go in-depth into the core of our research and present the key findings from the semi-structured interviews. In addition, we highlight the topics and ideas most pertinent to our research question and theoretical framework when presenting what we discovered from these interviews. The chapter includes one section for each topic discussed in the interviews, detailing the most relevant finding, relating to *internationalization, internal capabilities, and product-related factors*, respectively. In addition to being descriptive, our presentation of these findings has a critical role in preparing the reader for the in-depth analysis that will take place in the next chapter. We establish a solid empirical foundation for Chapter 5's in-depth discussion by condensing this chapter's key themes and findings. The empirical findings presented in this chapter provide the foundation from which we can form connections, draw inferences, and provide a solution to our research question. Table 2 below, provides an overview of the interviewees function in the FMCG company and the date of the interview.

Table 2. Interviewees, Their Specific Functions and the Date of the Interviews

Interviewee	**Function**	**Date of interview**
Interviewee 1	Business Development	8th of May 2023
Interviewee 2	Product Management	9th of May 2023
Interviewee 3	Community Management	10th of May 2023
Interviewee 4	International Markets	11th of May 2023

4.1 Internationalization

All interviewees agreed that internationalization was significant for companies in the FMCG industry, albeit for different reasons. Interviewees 1, 2, and 3 shared a similar sentiment, seeing internationalization as a way to broaden their target addressable market, carry out their overall mission, and influence healthier lives and environmental sustainability worldwide.

"*The basic reason for internationalization is the addressable market. So the reason for internationalization, to enter a new market, is to get a bigger addressable market. That is the most important aspect. And for us, with the values we have, there is an economic aspect to it, but also a sustainability aspect.*" *(Interviewee 1, Business Development representative)*

"Internationalization is about the overall mission. That we make a difference [...] We can't just sit here and be satisfied with a shift from dairy to plant-based in our own country. We need to go global. It is very important. It is connected to our mission." (Interviewee 2, Product Management representative)

"Internationalization is crucial for our mission. The climate crisis knows no boundaries, and we need to improve sustainability not just in specific countries, but globally. Our products plays a key role in ensuring the plant-based movement is global." (Interviewee 3, Community Management representative)

While interviewee 4 also acknowledged the necessity of internationalization, the interviewee provided a unique perspective, highlighting the strategic aspect of it.

"We would have been further ahead in the future if we had the capacity to sell to more countries. We have focused primarily on 4-5 markets in Europe. Now that we have been able to build up the supply operations side, we want to drive a conversation for more growth based internationally" (Interviewee 4, International Markets Representative).

The responses reflected various yet connected points of view regarding the most crucial factors to consider when entering a new market and determining whether the company would enter a particular market.

When considering new markets, respondents 1 and 2 concurred that it is essential to comprehend the market's potential size and consumption trends. The business development representative went into further detail about the relative merits of forming an organization instead of forming distributor agreements, indicating that the decision is influenced mainly by the potential scale of the firm in the new area.

"In some markets, maybe you just want to put down your flag. You want to test the market, but you may not have time to do it fully. And you don't want to take risks either. Then you go with distributors and see how it goes." (Interviewee 1, Business Development representative)

The product management representative emphasized the importance of understanding local dairy and plant-based consumption, highlighting the significance of the market's coffee scene due to the potential for influencing significant changes in consumption.

"It is very market driven [...] It is about understanding how dairy consumption looks in those countries. Globally. What do you consume? How much do you consume? And what do you consume? That is very important for us." (Interviewee 2, Product Management representative)

Respondent 3 provided a different angle, turning the conversation to the commercial aspect and the importance of comprehending a market's maturity concerning health, sustainability, and food debates.

"Food is seen as a lifestyle choice in many of our markets. Decisions on what to eat can be influenced by health perspectives, ethical views, exercise habits, and even allergies. We understand that what we eat often says something about us, and this understanding is critical when entering new markets." (Interviewee 3, Community Management representative)

Lastly, respondent 4 underlined the importance of socioeconomic factors, sustainability, and health trends. Interestingly, the interviewee also introduced the concept of the company's strategy of product X as crucial to their market penetration efforts.

"Socio-economic factors are absolutely important. Trends around sustainability and health [...] An important factor for us has been the Café scene and the product X strategy [...] It was a win-win for us." (Interviewee 4, International Markets Representative)

The four respondents each offered their perspectives in response to the question about the company's internationalization strategy and potential diversity across goods, highlighting the difficulty of market entry decisions and the distinctive tactics used for various products.

Respondent 1 gave an overview of the company's internationalization plan, focusing on elements including market purchasing power and competition dynamics. This respondent highlighted the logistical features of a market, such as store distribution, as a deciding issue in market entry decisions. They explained that markets with plenty of competitors, each with a limited market share, could make penetration difficult.

“Purchasing power within the market is also an important factor. It affects the price picture, of course. And then the competition structure. Some markets have traditionally much stronger private labels. The customers' own brands, which are much cheaper and often of a different quality, depending on the market.” (Interviewee 1, Business Development representative)

The product management representative provided information regarding the company's go-to-market strategy with product X, which entails utilizing the coffee scene in new markets to generate excitement about the brand before entering the retail market. In addition, this reply noted how unique the product's strategy was.

"We do product X in a slightly different way. We want to get a pull from retail. We go through the coffee scene [...] The coffee scene helps us with the brand. Because the brand is very important." (Interviewee 2, Product Management representative)

Respondent 3 changed the topic of the conversation to the company's marketing strategy in other areas, especially those with less developed lifestyle preferences. This respondent noted that despite possible variations in the depth of information supplied, the company's sustainability-focused messaging remains consistent across markets.

"We have not altered our communication approach significantly based on market maturity. The key aspect of our messaging is sustainability, and this remains consistent. The only variation lies in the amount of information we share." (Interviewee 3, Community Management representative)

As the topic of the conversation pivoted towards the challenges and opportunities the company may face in further internationalizing its products, the interviewees presented diverse insights, each from their unique vantage point in the company.

Respondent 1 disclosed that despite the tremendous expansion of non-dairy goods, the product segment still made up a small portion of all dairy products, indicating that there was still much-unrealized potential. The respondent emphasized the significance of comprehending trend dynamics by highlighting the progression of the trend from the US to the UK and then to the Nordic countries.

"So when it comes to alternatives, there is a lot of potential left, both where we are and where we are not today." (Interviewee 1, Business Development representative)

The product management representative concentrated on the challenges brought on by the company's rapid growth, which had severely strained its capacity and had the potential to divert attention from innovation.

"Our challenge has been that we have grown a lot. That you have to get right [...] It also means that the focus in the company is on capacity. Which means that innovation comes second." (Interviewee 2, Product Management representative)

However, the respondent remained optimistic about the company's future growth prospects, considering their mission, quality of products, committed team, and available resources.

"We have huge possibilities. We only have a small part (of the market). There is a huge potential [...] We have fantastic products. We have a fantastic team. Many people believe in the company. We have the resources to do this. So we have great possibilities." (Interviewee 2, Product Management representative)

Interviewee 3 shared the same viewpoint as the earlier respondents regarding the benefits the organization enjoys due to its sizable capacity and resources. These assets, which include a highly motivated workforce, a distinct brand, and special product offers, provides the business a solid foundation for future expansion and innovation. Regardless, the respondent also offered a different perspective, pointing out that despite these assets and its expanding reputation, the business is still relatively small compared to the entire FMCG industry.

"We have great opportunities because of our capacity and resources, and these draw considerable attention. However, compared to the broader food industry, we're still a small company." (Interviewee 3, Community Management representative)

4.2 Internal Capabilities

With regard to the company's crucial internal capabilities and resources, the interviewees provided insights emphasizing the value of different characteristics, including culture, dedication, courage, communication, and brand. Moreover, production, marketing, and culture were specifically mentioned by interviewee 1 as essential to the business. However, the company's culture was highlighted as the most critical factor, especially when dealing with the difficulties of rapid expansion.

" I would say the most important thing, if you look at the development, and I've been here for a while, is the cultural side of the company." (Interviewee 1, Business Development representative)

Interviewee 2 stressed commitment and courage as the two most significant traits of the company. In addition, the product management representative defined the company as a value-based and inclusive organization that strongly focuses on pursuing change. The respondent also emphasized the significance of adaptability, especially regarding the company's continual growth.

"The commitment of those who work at the company (is the most important factor). It's a value-based company [...] So commitment is our strength. And it's our courage. To dare to take a place." (Interviewee 2, Product Management representative)

Communication and branding were pinpointed by interviewee 3 as the company's most valuable assets. The company differentiates itself by concentrating on genuine, personal communication and evading a data-driven strategy, thereby actually responding to consumers' needs and desires.

"One of our core strengths is our commitment to personal communication. More than 1% of our workforce are dedicated to engaging with consumers on a daily basis through social media. We're not just broadcasting our message - we're listening and responding to our customers." (Interviewee 3, Community Management representative)

The significance of the brand when expanding to new international markets was underlined by the International Markets Representative. The interviewee stressed the need for an international team that could manage expansion while preserving brand authenticity across diverse markets. In addition, the need for a competent international team had to be in place to ensure that the validity of the brand was maintained in the different market conditions.

As regards the degree to which competitiveness and internationalization of the organization rely on internal capabilities or uncontrolled external factors, the interviewees offered a variety of viewpoints highlighting both factors. Interviewee 1 attributed the company's quick expansion to a combination of favorable circumstances, external factors, and internal strengths. The interviewee mentioned good market conditions for plant-based products as well as growing consumer awareness of sustainability and health as critical external factors fostering their growth.

“I think it's a mix of good timing and being able to take advantage of opportunities. If you look at the overall world, or the external factors, the world was in a situation where a large part of the consumers were in a situation where they could take responsibility for the future, with regards to sustainability” (Interviewee 1, Business Development representative)

Interviewee 3 emphasized the significance of timing, much like interviewee 1. The interviewee made the point that what appears to be an overnight triumph took close to 30 years to achieve.

"Everything is about timing. We've been around since 1994, and what people perceive as an overnight success is actually the result of nearly 30 years of work. The product hasn't changed, but the timing is now right, and that has greatly contributed to our success." (Interviewee 3, Community Management representative)

Interviewee 4 acknowledged both uncontrollable aspects and the company's strategic focus on the product X strategy and significant partnerships driving their international competitiveness.

"It is clear that the parameters of right time and place have played a role in the success [...] The success of our product X is due to a very focused and dedicated strategy [...] A lot of

success is due to the strategy, however due to external macroeconomic factors as well." (Interviewee 4, International Markets Representative)

The interviewees highlighted different elements when asked about the company's most valuable tangible and intangible assets. For example, interviewee 1 stressed the importance of the business's effective product development and marketing strategy, which increased the consumer appeal of the company's messages and products. In addition, the rebranding effort in 2014-2015, which improved the packaging and communication to make it more approachable, was essential.

Interviewee 2 identified the company's most valuable assets of the brand, patents, knowledge, innovation, and employee expertise. The interviewee emphasized the significance of the company's innovation-based foundation and how it served as the cornerstone of its value when combined with the brand. In addition, the interviewee mentioned the effective product strategy, which has been used to successfully enter new markets in practically implementing these assets.

"Of course our brand. We have a number of patents that are valuable. Knowledge, knowhow. The whole innovation part is of great value [...] The brand. Science. We have a whole department that is only science. And innovation." (Interviewee 2, Product Management representative)

Respondent 3 pointed to solid company culture and committed employees as crucial intangible assets for success. Nevertheless, the interviewee also acknowledged the company's challenge of internationalization, emphasizing the importance of adapting to different cultures while still adhering to core principles.

"Culture and people are crucial to our success. We have a lot of driven individuals who have contributed to our growth, and our CEO has played an instrumental role in creating a culture of trust and motivation. This environment allows our team to thrive and achieve our goals." (Interviewee 3, Community Management representative)

The international markets representative stressed the value of brand protection and emphasized the startup mentality, agility, and swift decision-making process as essential qualities. The answer also emphasized the importance of choosing the proper partners to develop the brand and satisfy consumer demand.

"We care a lot about the brand [...] In many cases we exclude it from the negotiations with different partners [...] We have always kept the brand separate. So the brand has always been protected and run centrally from our main office." (Interviewee 4, International Markets Representative)

The interviewees emphasized various capabilities within the company's management team that have proven to be instrumental to the company's growth. Interviewee 1 emphasized the importance of coordination within the organization, ensuring that all functions support each other and work together effectively. An integral part is ensuring everyone has up-to-date and relevant information to make effective decisions. The interviewee also highlighted the significance of promoting a culture of safety and empowerment to allow for decision-making at all levels of the organization.

"You have to ensure that we are coordinated, we know what the others are doing, we support each other in the right way, we give each other what we need to make it go as fast as possible" (Interviewee 1, Business Development representative)

Interviewee 3 emphasized the company's bottom-up leadership style, where decisions are made where the expertise is located, encouraging individual empowerment. In addition, the company prioritizes servant leadership, effective recruitment, and leaders who are curious and attentive listeners to maintain this leadership approach.

"Leadership at the company is about empowerment and proximity. We believe in making decisions where the expertise lies and allowing individuals to make decisions on behalf of the company." (Interviewee 3, Community Management representative)

The international markets representative highlighted the company's entrepreneurial mindset, which has been driven by the CEO, who has been instrumental in driving the company's growth. In addition, they characterized the company's approach as non-traditional and core to its identity.

"Primarily a very entrepreneurial mindset It has been [...] We have never gone through a promotion plan [...] The core of who we are is executed by the people who believe in it." (Interviewee 4, International Markets Representative)

The interviewees mentioned that although the approach of the company's leadership and structure had worked well, the company is about to enter a new hase requiring a new type of structure and leadership. Hence, the company changed the management board by appointing more experienced leaders from large FMCG companies.

4.3 Product-Related Factors

The interviewees identified several factors they consider essential for an FMCG product to be competitive and the unique selling propositions product X. Interviewee 1 emphasized the significance of being relevant to the consumer and assuring production capacity, admitting that substantial challenges have been faced in encountering the demand due to production capacity constraints.

Interviewee 2 highlighted product X's taste and availability as unique selling propositions, accentuated that their products cater to a broad audience and aim to offer a good taste experience without necessarily trying to mimic dairy products.

"It's because it tastes good. [...] We feel that it tastes better than milk [...] We don't aim to taste like milk or yogurt. But it should taste good." (Interviewee 2, Product Management representative)

Interviewee 3 emphasized taste as a critical factor for success in the FMCG market. The community management representative believes consumers are usually unwilling to compromise on taste, even if it means paying more for a product. The challenge, however, is convincing people to try new or unfamiliar products.

"In the FMCG market, I believe the key to success lies in taste. Consumers are generally unwilling to compromise on the quality of what they eat, and are often prepared to pay more for good taste. The challenge, however, is getting people to taste the product in the first place,

especially when it's something new or unfamiliar." (Interviewee 3, Community Management representative)

According to interviewee 4, a strong brand proposition and lifestyle associations are essential in the FMCG industry in addition to having a high-quality product.

"I think you have to have something more than the product itself [...] And you can also be distinguished from your competitors. So I think everything around the product is just as important as the product itself." (Interviewee 4, International Markets Representative)

The international markets representative also emphasized the importance of a company culture that supports risk-taking and learning from prior mistakes.

"You can study data until your eyes bleed, but at the end of the day there has to be a culture where it's okay to make mistakes [...] If there is a general culture. Where it's okay to fail sometimes. Then you will often make the right decision. Or dare to make the right decision." (Interviewee 4, International Markets Representative)

5. Discussion

In this chapter, we connect the empirical findings presented in Chapter 4 with the relevant theoretical background presented in Chapter 2 to conduct a deepened discussion regarding the significant findings from our study. We will discuss and analyze both conformity and contrast with existing theories in our empirical data. Internationalization is the first aspect to be discussed, followed by internal capabilities, firm-specific capabilities, management-specific capabilities, and finally product-related factors. The chapter ends with a discussion of how the empirical findings align with the proposed theoretical framework.

5.1 Internationalization

As a critical strategic path, internationalization allows companies to expand their reach beyond domestic borders, increasing their consumer base and market presence. The interviews with representatives from the plant-based dairy FMCG company highlight the significance of this strategic path. The representatives agreed on the motivation for internationalization, primarily to gain access to larger markets and capitalize on their potential while also reaching their mission of promoting sustainable and healthy food consumption. The need to understand the targeted market before entering was a recurring theme in the interviews. In particular, critical determinants of market entry strategies, potential market size, consumption patterns, the level of maturity in health and sustainability debates, and socioeconomic conditions were mentioned. These sentiments are consistent with Hitt, Li, and Xu's (2016) and Dunning's (1980) theories, which emphasize strategic and localized approaches to global expansion, and the Eclectic Paradigm, highlighting the advantages of ownership, location, and internalization.

Respondent 1 emphasized that, despite significant growth in non-dairy products on the global market, these products still represented only a tiny portion of the total dairy industry. This observation implies that there is much-untapped market potential. The respondent stressed the importance of understanding trend dynamics and tracing the trend movement from the United States to the United Kingdom and the Nordic countries. Furthermore, a nuanced understanding of market dynamics and distinct strategies for each product category was highlighted. According to the interviewees, the company's internationalization strategy varies by product. This is consistent with Johanson and Vahlne's (2009) Uppsala Model, which proposes that firms gradually increase their international involvement based on knowledge accumulation and market commitments.

This theoretical understanding is touched upon by interviewee 2, who discussed the challenges of rapid growth, potentially leading to capacity strain and a shift away from innovation. However, considering the company's mission, product quality, committed team, and available resources, the respondent remained optimistic about future growth opportunities. Respondent 4, conversely, emphasized the importance of socioeconomic factors and differences in trend awareness across countries. According to interviewee 4, increased market competition poses a growing challenge as more players recognize the potential of plant-based products.

Cerrato and Piva's (2015) concept of 'Global Orientation' becomes especially relevant in this context More specifically, it contends that a company's willingness to expand beyond its local market and adapt to the global business environment significantly impacts its international success. This concept is supported by the interviewees' insights, emphasizing the importance of understanding local market nuances, leveraging strategic partnerships, and implementing adaptable business models that fit different contexts. When comparing the information from the interviews with existing research literature, the multifaceted nature of internationalization strategies becomes clear. This is consistent with Santangelo and Meyer's (2017) call for an evolutionary approach and a balance of global and regional strategies, as well as the perspectives presented by Cantwell, Dunning, and Lundan's (2010) and Verbeke and Kano's (2016).

The empirical evidence of the study echoes much of what the literature displays and is consistent with regard to the fact that internationalization necessitates a deliberate and nuanced approach. The evidence further suggested that companies must have a purposeful and subtle approach when seeking to expand internationally, as examining the potential market size, socioeconomic factors, long-term trends, and local consumption patterns is paramount when choosing which markets to enter. The respondents also underlined the importance of dynamic capabilities, meaning that FMCG companies must simultaneously demonstrate the ability to adapt and evolve their strategies in response to the unique demands of each market, as well as a willingness to learn from and collaborate with local entities.

The interviewees' discussion of the company's internationalization process emphasizes a complex and layered approach. As a result, it tells a comprehensive story of a company poised to capitalize on opportunities while acknowledging and addressing the inherent challenges of global expansion. Moreover, the interaction of theory and practice in the company's case provides valuable insights to other FMCG firms embarking on their internationalization journey, demonstrating the importance of a balanced approach that maximizes opportunities while minimizing challenges.

5.2 Internal Capabilities

Internal capabilities, which delve into the intricate complexities that shape a company's composition, are at the heart of its internationalization and competitiveness. The case of the oat-based FMCG company, one that has established itself as a market leader in the plant-based dairy industry, is a striking example of this exploration. The company's story paints a compelling picture of the synergy of firm-specific and management-specific capabilities. This discussion aims to thoroughly examine these two interconnected factors, drawing insights from a selection of company representatives as well from relevant academic literature. However, the current discussion will not include specific examples; these will be covered in subsequent sections to provide a granular understanding.

A company's internal capabilities have long been lauded as the driving force behind its success, a viewpoint shared by the academic literature as well as the interviewees. In particular, these informants emphasized the importance of having unique resources and capabilities and a distinct company culture, commitment, and courage in navigating the complex landscape of growth and international expansion, which are generally in line with the literature previously referred to (see *2.2 Internal capabilities*). However, it is essential to note that the respondents recognized the vast impact of external factors on the company's trajectory. Market dynamics, evolving consumer trends, and the challenges of global expansion were deemed significant, demonstrating an understanding of the business environment that extends beyond the organization's borders. This perspective differs from the traditional internal-centric view of firm success, implying a more balanced interaction between internal capabilities and external market forces. The RBV of a firm holds that unique, non-replicable resources and capabilities can provide a platform for long-term competitive advantage (Barney, 1991). In contrast, the perspectives of the company's representatives highlight the significance of external factors, implying a nuanced understanding that includes both internal capabilities and external influences.

In management literature, dynamic capabilities have frequently been correlated with strategic adaptability and superior economic performance (Augier & Teece, 2009; Wang & Ahmed, 2007; Winter, 2003). Somewhat surprisingly, the narratives of the interviewees are not in complete accordance with this established viewpoint. While they recognized the importance of adaptability for success, their perspectives included additional elements such as courage and commitment. This implies that a successful management strategy may necessitate a more in-depth understanding of capabilities beyond being dynamic and adaptable. Courage and commitment, two seemingly intangible but powerful characteristics, were equally crucial in the FMCG company's case.

The current empirical findings from the company add to our understanding. The responses provided a rich tapestry of insights, regarding the degree to which the company's competitiveness and internationalization depended on internal capabilities or uncontrollable external factors. Respondent 1 attributed the company's rapid growth to a perfectly timed convergence of external and internal influences. A rise in consumer awareness about sustainability and health, as well as a favorable market for plant-based products, were also identified as vital external contributors by this respondent. Respondent 2 furthermore attributed the company's rapid growth to the team's collective efforts in brand building, communication, product development, and marketing while emphasizing the importance of the company's culture and the HR department's role in nurturing it. Clearly, the company's internal dynamics, which are heavily influenced by its culture, are viewed as a driving force behind its growth. This supports the balanced view that internal capabilities and external conditions are both critical to a company's success.

Similarly, Respondent 3 emphasized the importance of timing, implying that the perceived 'overnight success' in fact resulted from nearly 30 years of hard work. This viewpoint emphasizes the importance of perseverance and long-term commitment, pinpointing that success is often a marathon rather than a sprint. Finally, Respondent 4 cited uncontrollable external factors, the company's strategic focus on the product X's strategy, and strong partnerships as key factors propelling their international success. This strengthens the notion that, while external conditions are essential, critical internal aspects including the company's strategic decision-making and partnerships leverage these conditions for success. These perspectives shed light on the multifaceted nature of firm success and clearly demonstrate how a company's journey is a delicate interplay of firm-specific and management-specific capabilities. At the same time, these interviews imply that these internal capabilities certainly do not exist in a vacuum. Timing, consumer trends, and broader macroeconomic factors can all significantly impact a company's path, thus emphasizing the importance of adaptability in the face of changing external landscapes.

The balanced perspective adopted by the FMCG company representatives, which recognizes internal, as well as external factors, aligns with the modern understanding of the business environment. This is frequently viewed through the lens of the Dynamic Capabilities framework (Teece, Pisano, & Shuen, 1997), positioning that firms must constantly adapt, integrate, and reconfigure internal and external competencies to address rapidly changing environments. The company is putting the dynamic capabilities approach into practice through its highly balanced focus. Moreover, while the RBV and the dynamic capabilities framework provide necessary theoretical foundations, the empirical findings from the current study shed light on aspects frequently overlooked in academic discussions. For example, the emphasis on factors such as commitment, courage, a distinct company culture, and the nurturing role of the HR department suggests that these more softer aspects are also critical for the journey and subsequent success of a company. This highlights the importance of academic discourse expanding beyond complex resources and capabilities to include these nuanced aspects contributing to a firm's growth and success.

Finally, investigating the oat-based company's journey provides valuable insights into the multifaceted nature of a firm's international success. The firm's internal capabilities, shaped by distinct resources, a unique culture, strategic management, and dynamic adaptability, are undeniably the foundation of its success. However, these capabilities increase the significance of external factors, which can present opportunities and challenges. A successful company, such as the oat-based company, exhibits a balanced interplay of these internal capabilities and external market forces, providing a rich narrative that bridges theoretical knowledge and real-world complexities. This multifaceted understanding of the path to success is critical for businesses navigating the rugged growth and international expansion terrains.

5.2.1 Firm-Specific Capabilities

The analysis of the oat-based company's most valuable assets, as defined by the interviewees, reveals a multifaceted perspective that connects to various aspects of strategic management theory. The tangible and intangible assets highlighted by the interviewees range from product development and marketing strategy to patents, expertise, and solid corporate culture, painting a broad picture of the company's varied resources.

Respondent 1 emphasized the importance of successful product development and marketing strategy in driving the company's appeal. This is consistent with the theoretical framework of resource-based theory, which asserts that unique resources and capabilities are the foundation of competitive advantage (Barney, 1991; Grant, 1991). Furthermore, while the company's marketing efforts are consistent with Kotler and Keller's (2016) principles of effective marketing, their unique approach of transforming packaging and communication to be more accessible may constitute a novel strategy for businesses looking to establish a strong connection with their customers.

The significance of the brand, patents, knowledge, innovation, and employee expertise was brought up by respondent 2. The importance of brand and innovation confirms the core of Teece et al.'s (1997) dynamic capabilities framework, which states that firms must constantly adapt and innovate to maintain their competitive advantage. However, the company's distinct combination of these key elements, particularly the explicit emphasis on scientific knowledge and innovation, departs from the more conventional interpretation of dynamic capabilities. Respondent 3 highlighted the value of a strong business culture and dedicated employees. This insight adds to Schein's (2010) argument about the importance of organizational culture in determining a company's competitiveness. On the other hand, the company's emphasis on the challenges of internationalization adds an exciting twist, underpinning Frasquet, Dawson, and Mollá Descals (2013) position on the importance of cultural adaptation in global businesses.

The fourth respondent stressed the significance of brand protection, agility, and a startup mindset. This view is consistent with the dynamic capabilities framework (Teece et al., 1997; Teece, 2007), which emphasizes flexibility and the ability to reconfigure internal and external competencies as critical components of long-term competitive advantage. The emphasis on finding the right partners to help build the brand and meet consumer needs mirrors the argument made by Christopher (2016) and Mentzer et al. (2001) about the importance of strategic partnerships in supply chain management.

The company's valuable assets span both tangible and intangible domains, with its business strategy emphasizing innovation, brand strength, unique marketing, patents, employee expertise, corporate culture, and agility. This diverse range of resources reflects and expands on the theoretical propositions of resource-based theory (Barney, 1991), the dynamic capabilities framework (Teece, Pisano & Shuen, 1997), the VRIO framework (Barney, 1991), and the significance of strategic partnerships and cultural adaptability (Coviello & Munro, 1997, Peng, 2017). Nonetheless, the unique combination and application of these varied resources in the company's context call into question conventional wisdom in several ways, pointing to potential avenues for refining these theoretical perspectives. In addition, the nuanced interplay of the company's assets in forming its business strategy and competitive advantage calls for further investigation, providing an opportunity to broaden our understanding of strategic management in the context of innovative and culturally dynamic organizations.

5.2.2 Management-Specific Capabilities

When comparing the existing body of literature to the actual coordination and decision-making processes in the FMCG company, as described by the interviewees, there are clear intersections, as well as discrepancies. For example, Interviewee 1 emphasized the importance of coordination within the organization, consistent with Adler and Gundersen's (2007) vision of efficient organizations. Nonetheless, the FMCG company's pragmatic approach differs from Adler and Gundersen's concept of a highly structured coordination system. Instead, the organization adopts a more flexible style, fostering an environment conducive to innovation and agility, thus deviating from the traditional model.

The company's decision-making process reflects a trend toward empowerment, echoing Dweck's (2006) theory of the growth mindset. Although the level of autonomy is visible in the company's decision-making mechanism, it also points to potential challenges and complexities that Dweck's theory may not fully encompass. As a result of this disparity, a better understanding of the interaction between decentralization and empowerment in the context of modern, growth-oriented businesses is required. Furthermore, it is yet to be seen the degree to which the company's management transition will reveal parallels or divergences with existing theories. Consequently, it is premature to conclude whether the company's shift aligns with the findings of Ahammed et al. (2016) regarding the positive effects of leadership transitions.

Additionally, the homage to the old management's influence, particularly the CEO's leadership, is in agreement with strategic leadership theories such as Adler & Gundersen (2007). However, Hitt, Li, and Xu's (2016) emphasis on formal strategic planning contrasts with the company's organic growth approach. This deviation indicates a possible divergence in the approach to strategic management, calling into question the universality of existing theoretical frameworks. Bottom-up leadership emerges as an essential theme when discussing the intersection of leadership and empowerment within the company. This leadership style is similar to Azmat and Rentschler's (2017) servant leadership model. The global mindset theory of Gupta and Govindarajan (2002) Moreover echoes the entrepreneurial mindset attributed to the company's CEO. However, the need to cultivate such a mindset through structured approaches, as proposed by Nummela, Saarenketo, & Puumalainen (2004), is missing from the company. Rather than being a nurtured quality, an entrepreneurial mindset appears to be an innate trait, deviating from the recommendations in the research literature.

While the FMCG company's internal practices and culture are generally in line with the theoretical landscape, there are also some notable exceptions. The company's preference for organic and fluid strategies, in particular, contrasts with the more structured methods advocated by existing theories. This mix of alignment and divergence highlights the company's distinct management style, prompting a re-evaluation of traditional management theories. This unconventional leadership style, which embraces organic strategies, is likely beneficial for disrupting FMCG companies since the approach does not relate to existing norms and rules. Hence, it creates a creative environment that solves problems and creates value in ways that traditional management and leadership styles can not.

Furthermore, having a variety of decisions made in several parts the organization creates an environment and set of prerequisites that competition cannot replicate or is inimitable, as Barney (1991) would call it. It is possible that these circumstances in fact have contributed to the company's development of efficient dynamic capabilities, benefitting from a broader range of potential dynamic capabilities by involving multiple employees in understanding the situation and decision-making. Increased participation allows for greater saturation of ideas and perspectives, resulting in potentially more dynamic decision-making processes. Thus, it could be argued that the "non-micromanaged" leadership style has created firm-specific advantages, which might not be advantages for the competition if replicated since the competence within the company would differ. One of the reasons why the FMCG company is comfortable taking this approach is the emphasis on the recruitment process, ensuring that the employees responsible for decisions at all levels are competent in solving issues in a way that is beneficial for the collective.

In sum, the comprehensive analysis reveals the need for additional research to fully comprehend the practical implications of the company's unconventional approaches within contemporary business and management studies.

5.3 Product-Related Factors

When considering the interviewees' competitive factors and unique selling propositions, the company's approach both aligns and diverges with existing marketing and strategic management literature.

The first respondent's emphasis on product relevance and the challenge of production capacity constraints is consistent with the market-oriented perspective proposed by Kotler, Kartajaya, and Setiawan (2018). According to this viewpoint, understanding consumer needs is critical for a product's success. However, the literature highlights the importance of effective supply chain management (Rushton, Croucher, & Baker, 2017), implying that overcoming production constraints necessitates strategic planning, which appears to be challenged in the case of the oat-based company.

The second and third respondents' stressed the taste and availability as unique selling propositions, which aligns with Kotler et al.'s (2018) concept of creating value for the customer. On the other hand, the company's distinct emphasis on not replicating the taste of dairy products represents an intriguing contrast to conventional product development theories, which frequently advocate for mimicking successful products (Trott, 2020). The second respondent's recognition of climate and sustainability issues is consistent with the ongoing consumer trend of placing an increasingly high significance in sustainable and ethical consumption (Biswas & Roy, 2015; Johnstone & Tan, 2015; Kumar, Anish, & Song, 2017). Nonetheless, the company's approach prioritizes this factor over others, implying a potential differentiation strategy (Kotler et al., 2018).

Keller's (2016) strategic brand management framework is consistent with the fourth interviewee's view on a strong brand proposition and lifestyle association. The company's focus on developing a distinct culture that encourages risk-taking and learning from mistakes, on the other hand, echoes the entrepreneurial theories of both Hitt, Ireland, and Hoskisson (2017) and Yu and Hang (2010). This emphasis deviates from more traditional marketing strategies, which typically pinpoint external factors more than internal culture (Kotler & Keller, 2016).

While the company's approach to competitive factors and unique selling propositions generally aligns with established marketing and strategic management theories, it also varies within certain areas. Notably, the company's emphasis on taste without replication, the priority of sustainability discussions, and the risk-taking culture, all point to a new and timely approach to brand management. This mix of alignment and divergence highlights the unique nature of the company's priorities, and underscores the need for additional research to more fully understand its broader implications within the modern FMCG landscape.

5.4 Applying the Proposed Integrated Framework

Our integrated framework discussion highlights the multifaceted nature of internationalization and its impact on FMCG companies. It emphasizes the complex and dynamic interplay between the firm's internal capabilities, firm-specific and management-specific characteristics, product-related factors, and the external environment. The proposed re-defined integrated framework is depicted in Figure 4 below.

Regarding firm- and management-specific characteristics, it is critical to recognize that these abilities frequently constitute the main drivers for the internationalization process. Notably, managerial capabilities such as international experience, risk tolerance, and global orientation, among others, significantly impact a firm's strategic decisions, including market entry mode selection. This is consistent with previous research findings, such as managers' international experience being an essential component of the experiential network knowledge factor (Cuervo-Cazurra & Genc, 2008). Equally important is the firm's ability to capitalize on its distinct capabilities, which will determine the scope of its global footprint. In this regard, the integrated framework adds to Johanson and Vahlne's (2009) Uppsala model by pinpointing the gradual increase in international involvement based on knowledge development and market commitments.

When it comes to product-related factors, the integrated framework emphasizes the importance of USPs in promoting successful internationalization. Meyer, Mudambi, and Narula (2011) argue that the product's ability to adapt and cater to diverse markets exemplifies the concept of multiple embeddedness. The potential of a product to fulfill the needs and preferences of its target market while still remaining true to its core value proposition is critical to its success, as demonstrated by Cavusgil and Knight's (2009) so-called Born Global theory.

Understanding external factors such as market potential, sustainability trends, and local consumption patterns is furthermore crucial in refining a company's internationalization strategy. Therefore, the integrated framework accentuates aligning external factors with internal capabilities, as well as product-specific factors. This solution aligns with Hitt, Li, and Xu's (2016) focus on localized approaches to global expansion. Similarly, the tremendous importance of networks in the internationalization process cannot be overstated. Networking relationships make it easier to obtain critical market information and provide valuable and much needed assistance in navigating foreign markets. This idea is similar to Coviello and Munro's (1997) observation about the significance of network relationships in internationalization.

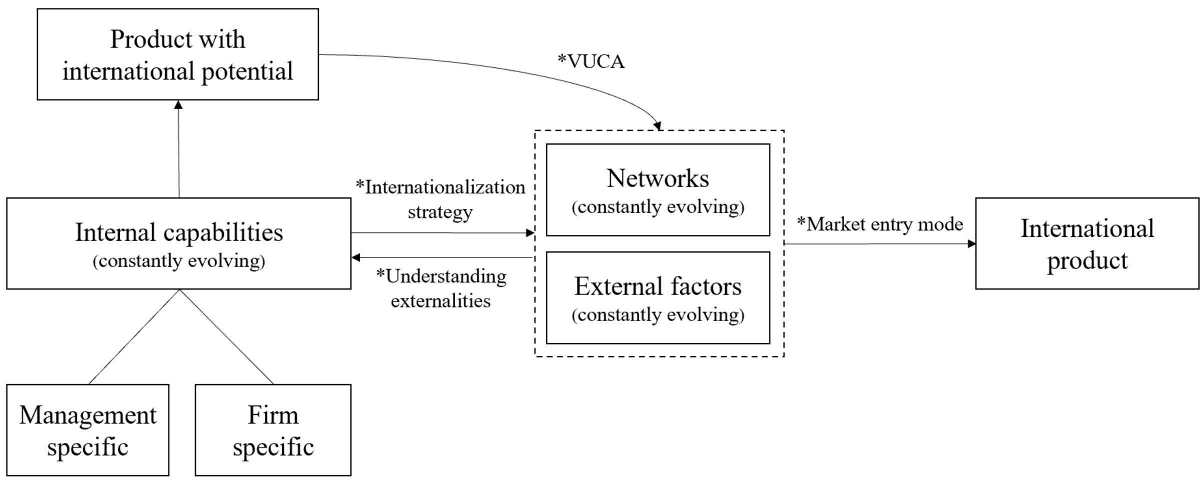

Figure 4. Proposed Re-Defined Integrated Framework (proposed by the authors)

The integrated framework thoroughly accounts for the main factors influencing internationalization in the FMCG industry. Nonetheless, it could still be further improved by recognizing market dynamism, the progressive development of firms' internal capabilities, and market entry mode decisions. In addition, recognizing that internal and external elements are not static and naturally evolve as a firm progresses through its internationalization journey would furthermore enrich the framework. This can be expressed as a recursive process in which the lessons knowledge and experience gained from each stage inform the adjustments made for the next one, echoing Cantwell, Dunning, and Lundan's (2010) evolutionary approach.

Finally, given the framework's growing relevance and importance in today's interconnected business landscape, it could broaden its network perspective to include traditional and emerging forms of networking and collaboration platforms. This dialogue collectively provides invaluable perspectives on the multifaceted nature of internationalization, by proposing that an effective internationalization strategy is founded on a thorough understanding of a firm's internal strengths, product characteristics, and synergy with the external environment.

6. Conclusion

This chapter will present the main conclusions derived from the discussion in Chapter 5 and summarize the major findings of the thesis. The research limitations will then be discussed, followed by the study's theoretical and managerial contributions. Finally, the chapter will provide recommendations for future research.

6.1 Key Findings

The management of FMCG firms must strive to gain a thorough understanding of how the internal aspect of their firm can be developed, re-shaped, and refined to better connect to various elements in the internationalization process and increase the comprehension of how these can be further leveraged to internationalize more effectively. The process of internationalization is undoubtedly complicated to navigate and prone to VUCA factors. The differences and interconnectedness of markets, actors, cultures, and various other factors make it essential to grasp the key nuances relating to similarities and dissimilarities between markets, and subsequently identify distinct and tailored strategies suitable for the markets of interest. Companies can gain significant benefits by understanding their strengths and weaknesses and how to leverage them in international markets. Adapting to external factors is essential for maintaining a balanced approach to internationalization. This strategic alignment of internal capabilities with market dynamics enables businesses to maximize competitive advantage, capitalize on opportunities, and effectively mitigate risks in the global landscape. Such a balanced approach is critical for ensuring long-term growth and success in international markets. As a result, the importance of dynamic capabilities is highlighted in this report to improve the alignment of internal and external aspects of the firm in the process of internationalization. While many classical internationalization theories remain valid, globalization and the concept of born globals enable companies to enter multiple markets more quickly and efficiently than ever before, reaching more consumers. Nonetheless, rapid growth also entails challenges for organizations, which might negatively impact the company. In line with this, care must be taken when resources need to be more structured to cater to the demand.

The existing entry barriers in the FMCG industry makes it arduous for newcomers or disruptors to gain market share. A solution for this obstacle is to question the status quo by providing new and creative products of excellent quality not replicated by the masses to stand out. There are ceaseless ways to create FMCG products that offer a product with a spectrum of USPs. By offering something different and unique, smaller players can challenge the more prominent and established corporations who often seemingly stick to the same old recipes that have always worked. After all, the heterogeneity of the human species implies that a certain proportion are in fact not pleased with the norm. Furthermore, enabling management combined with good talent acquisition allows companies to grow organically in ways that a strategy or plan could not guarantee. This might entail companies to create structures and dimensions that are impossible to replicate and can become firm-specific advantages. These unique patterns and structures make the company operate in ways that more traditional corporations do not, which could be advantageous or not, depending on the specific case. At the same time, it could be argued that if the case company has been able to create a strong brand with a good product that has been continuously growing for the past decade with the help of R&D, good hiring processes, daring management, fluid organizational structures, and autonomous decision-making; it most likely could happen again.

Understanding the company's internal capabilities helps it understand its strengths and weaknesses, which is crucial in internationalization. This will enable the management to navigate which particular markets to enter, and how. The more the company knows how to utilize its strengths and develop its weaknesses, the better its chances are to internationalize more effectively.

6.2 Research Limitations

Due to the limited scope and time constraints of the current thesis, some research limitations should be noted. One limitation relates to using only one company as our primary data source in the case analysis. While this provided the possibility to go in-depth into the specific company's capabilities, it also limited the variation in the data that was gathered. Using a case study existing of multiple FMCG companies would possibly have enabled a more nuanced analysis of the use of internal capabilities in internationalization. Another limitation is the exclusion of secondary data in the form of numerical data from the FMCG company. Using statistics, such as revenue and operational cost, as a comparison to internal changes in the company (e.g., changes in the organizational structure) could provide a better understanding of how internal capabilities affect internationalization. At the same time, these data points could be challenging to derive conclusions from. The selection of interviewees is another possible limitation, as it could be beneficial to include more informants, possibly creating a greater diversity within the group in terms of, for instance, ethnicity and work experience.

6.3 Research Implications and Future Research

6.3.1 Theoretical Contributions

There is an abundance of literature regarding the internationalization process of companies, which is heavily influenced by traditional models such as the Uppsala model. The current thesis adds to the body of literature addressing internationalization by explicitly focusing on the use of internal capabilities within the FMCG industry. The thesis has emphasized the role of the complex and dynamic interplay of both internal and external factors in the process of internationalization. Based on a proposed framework, we have operationalized theoretical concepts of internationalization in a manner that allows for a clear perspective on the particular role of internal capabilities. It is highlighted throughout that the process of internationalization is highly complex and prone to unforeseen circumstances. The use of both firm-specific and management-specific capabilities is furthermore theorized, where our findings provide insights into how these capabilities can be leveraged for competitiveness in international markets. This is done by combining the theoretical background and our empirical findings, allowing for a practical and timely revision of more traditional internationalization theories, including leadership theories. The thesis presents findings from a real-life case implying that some traditional models typically applied within this field would benefit from having direct comparisons from practical cases to be applicable today.

6.3.2 Managerial Contributions

With the combination of theoretical knowledge and empirical findings, this thesis aimed to suggest a framework to leverage internal capabilities. When viewed from a managerial perspective, our findings suggest that having an organic and fluid organizational structure seems to benefit particular companies when internationalizing, as it allows for more autonomous decision-making and a potentially higher degree of dynamic capabilities. However, the study also recognizes that the internationalization of products is a complex, dynamically evolving, and highly uncertain process and that no single process will fit all companies. Having a product that creates consumer demand or is in line with the needs of the specific markets is a hygiene factor when internationalizing. Without a “good” product, the process of internationalization will most likely not be sustainable as the product will not create significant value for the company. From an FMCG managerial point of view, the most essential factor is to recognize and thoroughly understand the company's internal capabilities to manage how to utilize, develop and leverage them to more effectively internationalize.

6.3.3 Future Research Recommendations

Since the current thesis focused on a single FMCG company, recommendations for future research would be to further explore the use of internal capabilities in internationalization by comparing a varied selection of companies. Building on the theoretical framework proposed in this thesis, a more extensive exploration of the use of internal capabilities in several FMCG companies can broaden the understanding of how these can be best leveraged when internationalizing a product. Moreover, analyzing more closely the difference in firm-specific and management-specific capabilities when internationalizing a product is also a recommendation for future research. This could provide a fascinating insight into how the dynamics between two types of internal capabilities affect the internationalization process in the FMCG industry. Comparing FMCG companies that make different use of these internal capabilities would provide a valuable understanding of the intricate dynamics within a company. Finally, another future research recommendation is to further investigate the effects of organic and fluid organizational structures by conducting, for instance, a cross-case analysis using companies with varying structures, to help validate how the role of fluid management structures can create firm-specific advantages.

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Appendix. Semi-structured interview guide

Semi-structured interview guide for FMCG internationalization

Before we start, let's clarify some key concepts related to our research topic so that they become more understandable and applicable in a concrete context:

- **Internal capabilities:** a company's specific resources, capabilities, and organizational attributes that influence its performance, decision-making, and ability to achieve strategic objectives.
- **Firm-specific capabilities:** unique characteristics or capabilities of a company that contribute to its performance.
- **Management-specific capabilities:** unique traits, experiences, or expertise of the company's management that contribute to the firm's performance.
- **Dynamic capabilities:** organizational capacities and processes that enable firms to adapt, learn, and innovate in response to changing market conditions.

(1) Internationalization
- Is internationalization important for the company? Why? Why not?
- What are the most important aspects to consider when entering a new market? And what determines if the company will enter a specific market?
- What is the company’s internationalization strategy, and does it differ between product X and the rest of the product offering?
- What challenges and opportunities does the company face in further internationalizing product X?

(2) Internal capabilities
- What are the company’s most crucial internal capabilities and resources?
- To what degree is the competitiveness and internationalization of the company and product X dependent on the company’s internal capabilities? Or are there other factors which the company can’t control that stand in the way of its ambitions?
- How does the company develop internal capabilities?

(3) Firm-specific capabilities
- What are the companies most valuable tangible and intangible assets, and why?
- Can you describe how these main resources and capabilities of your firm have contributed to the journey of the company and product X so far?
- How does the company leverage these assets, for example distribution networks, to enter and establish a presence in foreign markets, or to gain an advantage on existing markets?
- How does your organizational culture support or hinder your company and the potential expansion of product X internationally?
- How has the company adapted its assets, such as its organizational structure and culture, to address the challenges and opportunities presented by internationalization?

(4) Management-specific capabilities
- What are the management teams most valuable capabilities, such as knowledge or leadership skills? And how have these affected the competitiveness of the company and product X?
- Furthermore, how have these capabilities affected the internationalization of the company and product X?

- What factors are most valuable for a company in order to make well thought out decisions, and how does management best create such an environment where these factors commonly exist?
- In what ways do you believe the management team's leadership style has helped the company to achieve the position they have today?
- How does your company work with dynamic capabilities and how does the company adapt to changing conditions?

(5) Product related factors

- What do you believe are the most important factors for an FMCG product to be competitive?
- What are the unique selling propositions of product X?
- How do these USPs contribute to competitiveness and international expansion of the product?
- In what sense do you believe that uncontrollable variables, such as luck and timing, have influenced the current situation of product X?
- What is the vision and ambition for product X in terms of market share and international expansion?
- Do you believe that product X has the potential to be sold globally? Why? Why not? And is this even desirable?