

Strategies and logics of internationalization

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ABSTRACT

The race between firms to acquire capacities worldwide has evolved in a chronological order which centered at first around products, then around position to move later on to skills and to focus currently on networks. Similarly, when observing the evolution of the different international development strategies, it was found out that they have started by the exportation and the setting up of production subsidiaries to move more recently to such strategies as mergers & acquisitions and international alliances. The present paper investigates the relationship between the internationalization strategies and logics and comes to the conclusion that, a particular logic is behind every choice made. Indeed, the present work was conducted within the Tunisian food enterprises and helped confirm this hypothesis as it was found out that the position logic is behind the choice of exportation and the creation of production subsidiaries while the choice of partnership is based on the logic of skills. The option for merger, on the other hand, is motivated by the networks logic.

Key words: Internationalization, Strategies, logics, Tunisia.

Introduction

Undoubtedly, the internationalization of enterprises has become one of the most typical strategies of globalization. As a matter of fact and under the influence of the economic, political, social, and technological changes, companies were forced to go beyond the national boundary of their trading activities. Then, the international development becomes more of a necessity or an obligation than a mere choice. Such international commitment urges any company to reflect on many aspects namely; what shape can this development have? Indeed, the choice of a particular internationalization modality is an important decision that sustainably engages the firm to the extent that this choice is as crucial as to determine its future in the new markets.

In another vein, the international development strategies are diverse and have undergone a noticeable evolution over time. The internationalization which used to be limited to simple exportation, goes currently beyond this framework and opens up to new commercial, productive and even relational strategies. Parallel to the evolution of these strategies, the race between firms to acquire capacities worldwide has evolved according to a chronological succession of logics (Freidheim 2000). In effect, these firms focused first on the logic of product, second on that of position to concentrate later on the logic of skills and currently they are interested in the logic of networks. Thus, the present work focuses on the interaction between all these different logics and the internationalization strategies.

To better examine this relationship, we will first investigate the different internationalization strategies and the various motivates behind each logic so as to bring out a hypothesis that will be then tested through a survey conducted in Tunisian food- processing companies.

1- Internationalization strategies evolution

Evolution of international strategies falls into two categories. On the one hand, there exist the strategic classical choices and on the other hand, there are the current strategies that fit into a more recent trend.

1-1- The classical strategies

Traditionally, a firm internationalised through the exportation of its products. At a later stage and for various reasons, it has strengthened its business commitments and started to manufacture its own products in other countries. Both strategies incorporate an array of diverse modalities such as exportation and creation of subsidiaries.

1-1-1- Exportation

The strategy of exportation is the oldest modality of international development. Even with the evolution and emergence of new forms, it continued to evolve with a new design which, in addition to the consideration of products, can also enhance the know-how. In this respect, Joffre (1987) argued that exportation should be considered as a form of innovation, cultural change or a learning process to be given a positive dimension. No longer a casual fashion, but a long term strategy that is completely integrated in the company.

The motives behind the decision to export have passed from reactive incentives that sought to find solutions to the market narrowness and its saturation or to lengthen the product life cycle, towards more offensive goals such as market diversification and testing product competitiveness in front of its competitors. Furthermore, the commercial internationalization can take many forms which reflect different degrees of businesses commitments and motivations as well as different targets. Joffre (1987), for instance, distinguished between three types of exportation.

- ⇒ *The direct exportation:* Within the framework of this modality, the exporter enjoys an almost perfect autonomy in the market regarding the Marketing policy adopted in terms of the choice of products, distribution mode, pricing and the promotion margins.
- ⇒ *The subcontracted exportation:* In this case, the exportation is performed by such intermediaries as the international trading companies (ITC) and the offices that act from the host market or the importing distributor.
- ⇒ *The concerted exportation:* This type includes cooperative forms which execute long term relational agreements between partners of different nationalities.

1-1-2- The creation of production units or subsidiaries

The internationalization of production has come to complete that of the exchange of goods and services. Indeed, the creation of a production unit is also considered as a classical productive strategy which fits into a framework of a greater commitment on the part of the company. The decision to produce abroad may be attributed to such reasons as the desire to bypass protectionist barriers, to be near markets or in order to improve the production factors (labour, raw material, etc.).

However, the investment in such locations poses a great degree of risk especially with regard to the dependence on the environment of the host country and the problems of control and coordination between the parent company and its subsidiaries. These subsidiaries fit within a broader range which is a result of the pressure from both the parent company and the international environment of the host country.

After studying the classical strategies of exportation and production abroad we will look at the current strategic orientation.

1-2- The current strategic orientation

According to the OECD (Compagnac, 2000) and due to financial globalization and the new technologies, the conventional strategies are giving way to new ones that combine a range of cross-border activities such as exportation and the supply abroad, foreign investment and international alliances. The recent practices of the international development that required particular attention are mainly, mergers and acquisitions and international alliances.

1-2-1- International mergers and acquisitions (M&A)

In the late eighties and since 1995, the phenomenon of takeover by merger or acquisition involving firms from different countries has grown considerably. As a matter of fact and statistically speaking, the value of the international M & A has grown from less than 100 billion dollars in 1987 to reach 720 billion dollars in 1999 and 1 trillion dollars in 2000 (UNCTAD, 2000). The UNCTAD report stated that they are the main cause of the expansion of foreign direct investment of the period. It seems that acquisitions are the most important because less than 3% of the international M & A are mergers. The resort to such strategies may be attributed to many reasons. In effect, they mainly allow a rapid penetration into the market, taking a dominant position, an increase in the size of the firm, the acquisition of strategic assets, seeking synergy or scale effects and seizing financial opportunities.....etc.

Mucchielli and Kholer (2000) claimed that at the functional level, M&A can be classified into three types: The international M&A also known as the horizontal M&A which can group together the companies that provide the same type of product. The second type is the vertical one which can combine companies seeking control of the production line through an upstream or downstream integration or both. The third type, on the other hand, refers to the conglomerate M&A which are often guided by the search for immediate return achieved through the purchasing of undervalued assets.

Additionally, both the M & A and the business creation are part of the same category of direct foreign investment, but they differ in terms of their objectives, risks and consequences. As far as the host country is concerned, investment through business creation is accompanied by an increase in the number of companies and necessarily creates new jobs. By contrast, investment through merger or acquisition can trigger such concerns (UNCTAD 2000) as the local market domination by multinationals which can threaten the national culture and sovereignty. Similarly, the problem of non-coincidence of the objectives of foreign firms and those of the local ones can pose the problem of job destruction and lack of additional productive capacity.

1-2-2- The international alliances

With globalization, the increased investment in technology, the geopolitical developments, the opportunities of growth in several international markets and the need for a local presence made business cooperation increasingly essential. Therefore and as it is the case with mergers and acquisitions, international alliances have increased more than fivefold in the decade 1989-1999 (Sokai and Kang, 2000). Indeed, they constituted a noticeable aspect of globalization. For the same period, 68% of strategic alliances were international and involved mainly the OECD countries with a share of 92%.

Moreover, alliances are considered as a means to combine skills, expertise and to share risks, costs, cooperation and flexibility. With reference to all these advantages, Mintzberg (Leo 1990) argued that alliances are a realistic strategy to adapt to a complex and hostile environment. These strategies, however, are not riskless especially at the international level. The main problems are related to: the lack of balance of power between partners, certain opportunistic behaviours and cultural conflicts.....etc. As for the forms of alliances we can distinguish between the joint venture, subcontracting, corporate-venturing, licensing, franchising and piggy-back.

Michalet (1998) found out that the new features of the international development are dominated by two complementary aspects. On the one hand, the various forms of international development are increasingly inevitable and on the other hand, there is a tendency to reduce the importance of the firms tangible contributions in favour of profits from intangible assets.

Now, we will move to the investigation of the logics urging the firms race to acquire capacities at the international level as cited by Freidheim (2000).

2 - The logics behind international expansion

The research firm Booz. Allen and Hamilton (Freidheim, 2000) identified three logics according to which the race towards internationalization has evolved. The product logic which ruled in the 70s, the logic of position during the 80s and the skills logic in the 90s. Freidheim (2000) has also made projections for the years 2000s when the networks logic will reign.

2-1- The product logic

During the seventies and according to this logic, the emphasis was on the products performances. Companies sought to sell their products abroad or to produce in the best possible ways. Accordingly, the international trade and production abroad were considered as the optimal modalities that would satisfy these motivations. Indeed, the predominance of trade as the expansion strategy of the period has resulted in reducing internationalization to simple exportation.

In addition, the two world wars have confirmed the failure of the commercial expansion as a means to conquer the international markets. It is thanks to peacekeeping (the emergence of the United Nations) and the setting of common trade rules (GATT) that the international trade has grown considerably thereafter.

2- 2 – The position logic

During the eighties, the environment was characterized by an industrialization that focused on the machinery and equipment, inventions, factories and the production capacity. The main objective was to control the goods and the best way to achieve this was to be the owner. In fact, the efficiency of production and growth were the pivot of evolution. The emphasis was on the size as a key factor to increase the probability of success and facilitate cost recovery (Descgardins1997). Being integrated in this logic, the company that internationalizes aims to strengthen its position, or to achieve economies of scale and expand its trading scope. The establishment or the acquisition of outlets, the creation of production subsidiaries or the acquisition of local companies are the possible strategies that can meet these requirements.

2- 3 – The skills logic

Gradually, the market acquires a global dimension and the environment changes. Within the new international setting, the competition and the production method are constantly evolving thus leading companies to take into account the severe constraints that affect their strategic choices. Among such constraints are the rising costs, the transition from scarcity to abundance of products, the need for flexibility and the changes in the competitive fields (Descardins (1997)). Under such conditions, companies must focus on their strengths and perform at the highest levels in all aspects of their trading activities. Therefore, the search to upgrade skills has become the fundamental requirement of the period.

In this regard, an international strategy based solely on exportation, the establishment of subsidiaries, or the acquisition of local firms has become insufficient. Hence, alliances seemed to be the adequate answers to the new requirements. Freidheim (2000) claimed that alliances appear at a time when businesses have no choice but to collaborate so as to face the new challenges.

2- 4 - The networks logic

During the 2000s, two partners alliances will be substituted by the networks of the firms whose main objective is the international domination of a trading sector (Freidheim 2000). Therefore, the creation of such networks at the international level will transform the businesses into large or giant companies that will invade all the regions all over the world through a network of local partners. Table 1 below summarizes the different internationalisation logics and their corresponding motivations.

Table 1: The internationalization logics

Logics	Products (the 70s)	Position (the 80s)	Skills (the 90s)	Networks (the 2000s)
Motivations	<ul style="list-style-type: none"> - Producing with the best possible means. - Selling these products abroad. 	<ul style="list-style-type: none"> - Strengthening its position - Reaching economies of scale. - Broadening its trading scope. 	<ul style="list-style-type: none"> - get or strengthen an advantage due to a change in conditions or opportunities. - Optimising the R&D production or marketing costs. - Being competitive enough to face the increased competition. 	<ul style="list-style-type: none"> - Dominating and expanding the business sector worldwide.

Source : Freidheim (2000)


3 - The hypothesis

After investigating the logics behind the resort to the different strategies and their evolution as well as the motivations that correspond to each logic and its evolution, we can state that there exists a certain overlap between the internationalization strategies and logics. Indeed, the evolution of logics starting from the product logic, position, skills until networks reveals that the factors motivating the businesses international development have changed over time. Within the same framework of evolution, there has been a movement from an international development based on exchanges towards strategies that aimed at strengthening the local presence, the skills and the networks across the world.

Therefore, we can say that in terms of the product logic and if the company wants to sell its products abroad or optimize its production, it will resort to exportation or relocation. If it seeks to strengthen its position, the company could in this case set up or expand its subsidiaries abroad or opt for the merger or acquisition. Moreover, with the increasing competition, the technological advances and the rise of nationalism (Freidheim 2000), the cooperation with local partners through alliances has become the best way in the race towards skills. Finally, alliances have also become the most appropriate strategy that would meet the ambitions of leading the transformation of the business sector across the world which can be achieved through the logic of networks. Table 2 below summarizes these relationships:

Table 2: The logics and the corresponding strategies

Logics	Product	Position	Skills	Networks
Strategies	- Exportation - Establishing sales and production subsidiaries	- Establishing subsidiaries - Merger& Acquisition	- Merger&Acquisition - Alliances	- Alliances



With reference to these findings, we can claim that the logics guide the choice of the internationalisation strategies and thus we introduce the following hypothesis:

- Hypothesis: *The choice of each internationalization strategy follows a definite expansion logic. In effect,*
- ⇒ *The choice of exportation is guided by the product logic.*
 - ⇒ *The choice of creating subsidiaries is guided by the logic of the product or position.*
 - ⇒ *The choice of merger and acquisition is guided by the logic of the position or skills.*
 - ⇒ *The choice of alliances is guided by the logic of the skills or networks.*

We will next check if this hypothesis will be actually confirmed with the food- processing businesses in Tunisia. However, we will start first by investigating how the problem of internationalization strategies of these businesses is posed at the international practice.

4 - The international practice

It is obvious that the phenomenon of the internationalization of the food- processing industry is neither new nor resulting from globalization. Historically speaking, the internationalization of agriculture and food originated from the cultural exchanges and the interrelations between civilizations through people’s transfer of food pieces and recipes that contributed to the diversity and wealth of the cooking habits all over the world (Malassis, 1995). Given that the present research is carried out in the Tunisian food- processing sector, the investigation of the international practice concerning the internationalisation strategies will be restricted to the multinational firms of food products since they are the channel for the globalization of the food industry and still they are the key players worldwide. As a matter of fact, Tozanli (1996) statistically declared that 90% of the first hundred food groups belong to the Triad countries where 40% are European, 30% are American and 20% are Japanese.

4-1- Motives for internationalization

The basic motives for the internationalization of the large multinational firms are summarized in the following three points:

- ⇒ The saturation of local markets of developed countries along with the increase in population and food needs in the developing ones (Perez, 1989).
- ⇒ The strong competition in the oligopoly of the Triad countries (United States, Europe and Japan) urges firms to develop their trading activities in countries where competitive pressures are less strong.
- ⇒ The international opening, the imitation behaviour between firms and the convergence of consumer preferences across the world have also explained the rapid growth of businesses in this path.

4-2- The different internationalization strategies adopted

As far as the food- processing sector is concerned, the choice of a particular strategy is influenced by the features of the products and the localization of the industrial and consumption areas. The technological developments,

institutional conditions as well as the modifications in the structure of costs and prices have also changed the internationalization conditions and forms in the food industry (Perez, 1995). The following is a detailed description of the performed strategies in multinational firms of food:

The exportations: With regard to exportation, Chominot (1996) noted that there was a tendency towards regionalization rather than globalization. Indeed, more than half (57%) of world exchanges were internally performed between America, Europe and Asia. The United States is the largest exporter of agricultural products with a 20% share of the world trade.

The foundation of subsidiaries: Investing by creating subsidiaries is the less frequently adopted strategy by the multinational firms of food. Indeed and between 1987 and 1995, among 2774 restructuring operations carried out by the first one hundred multinational firms of food (Tozanli, 1996), only 4.1% were devoted to the creation of subsidiaries. Furthermore, the observation of the origin of the subsidiaries of these first one hundred firms reflects the dominance of Europe which created more than half of the foreign subsidiaries, followed by the U.S. and then Japan.

Acquisitions: in the recent decades, the international development of the food multinational firms has taken place mainly through the use of acquisitions. Indeed, among the 2774 restructuring operations mentioned above, 64.5% were related to purchases and equity participation while sales and similar transactions represented only 29.3% (Tozanli, 1996). It is to be noted as well that 53% of acquisitions were performed by the European firms, 26% by the American ones while only 4% were of Japanese origin (Rastoin et al., 1992).

The alliances: Compared to other sectors and with a share of only 1.95% (Kang et al., 2000) it was found out that alliances is a weakly influential strategy in the food industry. Additionally, the contribution of this strategy to the restructuring of the first one hundred multinational firms of food was also low (9.8%) compared to that of acquisitions (64.5%). The Cooperative modalities that were frequently performed are licensing, franchising as well as alliances in joint ventures that developed so as to quickly take advantage of the new markets or to jointly develop a new product. The latter are the most favourable strategies of the Japanese firms.

5 - Results and empirical analysis

The present research assumed that in the case of Tunisia, larger enterprises are more concerned with the internationalization and have more choices. In fact, a questionnaire was administered to 41 food companies whose capital equals one thousand dinars or even higher. These companies belong to the 147 businesses from the sample "4000" of the API (the agency for the promotion of industry) which includes firms employing 10 or more persons.

The results of the survey show that unlike Western markets of food products, the local one is not saturated as 92% of companies found that the demand is growing while it is stable for the rest 8%. A significant trend was also observed at the level of international practice and was also encountered in the Tunisian case: it is the oligopoly of the sector by reducing competition to a limited number of powerful businesses structured in groups. This phenomenon is attributed to the fact that in the food industry, the profit margins are very small (Bleeker, 1993), this explains the reason why companies seek to keep a leading position and concentrate to seize opportunities for synergy and cost reduction.

In the following section, we will investigate the strategies adopted by the Tunisian food- processing firms, the logics that oriented these choices as well as the relations between them.

5-1-The performed strategies

In this respect, it was found out that one company can on the one hand use different strategies at once (exportation and foreign partnership at the same time). On the other hand, it may jointly resort to various forms of alliances or exportation. That is why, in the following table the total rates of the different statistics goes over 100% in many cases.

Table 3: Strategies performed

Exportation 93%	Alliances 37%	Creation of subsidiaries 27%	M&A 3%
100% Direct	73,33% Joint-ventures	90,9% Sale	100% Merger
65,78% Subcontracted	46,67% Licenses	9,1% Production	0% Acquisition
7,89% Concerted	6, 67% Franchising		
	6,67% Subcontracting		

Table 3 indicates that exportation is the strategy most frequently used by most of the food- processing businesses (93%). This seems to be evident given that the Tunisian country is known for its agricultural products: olive oil, citrus, dates, seafood, etc. Each of these choices will be deeply analysed below:

The option for exportation: In this respect, we can say that the Tunisian food companies surveyed prefer the direct and subcontracted exportation. In fact, 100% of these companies have resorted to direct exportation procedures. 52.63% exported through a representative, while 26.31% prefer to use an external agent to market their product. Similarly 26.31% came to establish sales subsidiaries.

Moreover, 65.78% of the firms within the sample have adopted the subcontracted exportation. Indeed, the resort to an importing distributor is a fairly common method practiced by 42.1% of companies. By contrast, 23.68% of firms export through trading companies and only 7.89% of companies sell their products in collaboration with local partners.

For example, companies exporting olive oil, cold storage and frozen seafood rely on their competitive advantage at the international level. This makes the choice of exportation a classic choice that is related to the traditions of the industry and far from being developed. The seasonality of production and the characteristics of the products (perishable) reflect the narrowness of the local market. The latter is an important motive to export the surplus of products. Thanks to the experience and the ability to directly control activities, these companies are more opting for controlled exportation arrangements.

As for the other motives for internationalization, we note that the pursuit of profit is the most frequent one (94.74%) followed by other reasons in a descending order of importance: taking advantage of opportunities on a temporary contract (63.16%), the narrowness of the local market (60.53%), the market diversification (60.52%), selling a well established product in the local market (55.26%), following the internationalization of sales (50%), measuring the competitiveness of the product (35.84%) and lengthening the product lifetime (26.32%).

Obviously, the majority of these motives are largely reactive. The motives of invasion, however, are limited to certain enterprises which are already advanced in the process of internationalization. Similarly, the choice of the exportation mode is dependent on the degree of involvement of the company in this process. In fact, the variety of methods practiced by one company and the diversity of motivations show that the company involves intermediaries to export at the beginning of its international development. It then strengthens its presence through local partners until it finally settles through commercial subsidiaries and direct relations with its customers.

The option for alliances: it turned out that we cannot actually talk about alliances in itself within the boundaries of the Tunisian companies internationalization. It is rather about partnership in its simplest forms. Indeed, the most frequent types of partnerships in all branches (for 73.33% of cases) are the joint ventures. The latter does not actually mean common business where two cultures confront, two management styles and multicultural personnel, rather they are sometimes family businesses often run by Tunisians and the foreign participants are but simple minority shareholders. On the other hand, the other forms of partnership which were observed are license agreements (46.67%), franchise (6.67%) and subcontracting (6.67%). These forms are exclusively performed in industries manufacturing products related to new consumption habits such as drinks, biscuits and yogurt. These processing activities are growing more and more. This requires the provision of a well known international know- how strategy. This explains why the motivations of the access to new technologies, know-how and new markets are decisive for 75% of the companies in partnership.

The option for merger: The only merger encountered in the sample is related to the business of Catering Tunis Air and the Belgian company Eurest, a manufacturer of meals for air fleets. This case of horizontal merger aims to benefit from synergies sought by this integration.

The option for production abroad: The only case of overseas production is related to a company belonging to the meat processing industry which was set up in a neighbouring market. The company was motivated by the fact that this type of consumption is not widespread enough for these clients as well as the desire to be closer to a market that it dominates quite effectively.

5 -2- The favourable logics

The simple tabulation shows that the logic of position is the most dominant in 67.5% of companies, followed by that of skills (40%), at a third position comes the logic of product (27.5%) and finally the network logic which is the least important and therefore the more secondary for 77.5% of companies.

The product logic: this dominates the branches exporting agricultural products (oil), and seafood (fish). This is quite obvious since the activity of these industries is to export. Indeed, the companies that adopt this logic are primarily compelled by the desire to sell their products abroad.

The network logic: it seems evident that the desire to dominate the industry in the world is far from being a possible motivation for the Tunisian food- processing companies. That's why the investigation has shown that this logic is secondary for 77.5% of the companies. It is crucial to only 5% of the companies. However, two Tunisian companies are the exception. The first is among the world leaders in the exportation of dates and distributes to all continents, while the second company produces ready meals for aircraft fleets and its customers are diversified around the world. Thus, it seems quite obvious that these two companies seek to lead their industries worldwide.

The skills logic: this logic ranks second in terms of domination after position. Indeed, the search for competitiveness to confront the fierceness of competition is the main factor motivating companies that have chosen this approach. 50% of them belong to the branch of milk and its derivatives; the rest is shared between the branches of cereals and its derivatives, oils, fruit and vegetables. In addition, the search for advantages over competition is translated in a race to a certification in order to acquire all the international quality standards.

The position logic: This is the most determining logic for 67.5% of the companies surveyed. The majority of these firms are producing cereals and its derivatives (23.53%) as well as sugar and its derivatives (17.65%). It is to be noted that in the branches concerned with the strengthening of their position, there is the availability of groups with diversified business fields that are well positioned in the local market.

5-3- The relationship between the logic and strategies

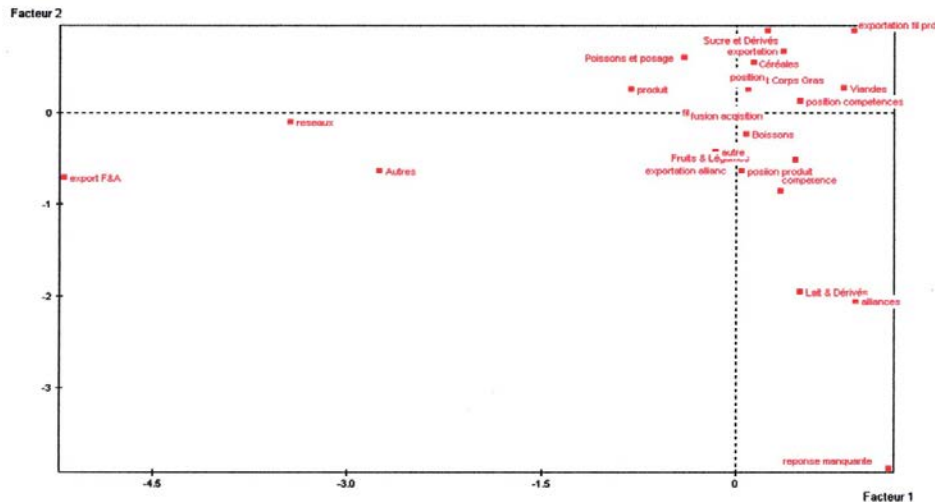
The results of the cross tabulation shows that:

- ✓ 71.05 % of the exporting firms were led by the logic of position while only 26.31 % of them preferred the logic of product.
- ✓ 72.72 % of the businesses that established production or trade subsidiaries were influenced by the logic of position while only 9.09% were motivated by the product logic. More particularly, the choice of creating a production subsidiary was guided by the logic of position.
- ✓ As for the companies in partnership: 73.68% were guided by the desire to improve skills while 52.63% were motivated by the logic of position.
- ✓ The only business which chose the merger was jointly motivated by both the logic of product and that of networks.

The factor analysis allows us to investigate the relationship between the logics and the internationalization strategies. In fact and using common axes, we can present the spread of individuals (companies) and variables (logics and strategies) in a simplified manner. We found out that axis 1 is represented exclusively by the modality "Exportation and M & A" (located on the negative side of the axis) which gives a contribution of 30% compared to 34.4% that is the contribution of the whole axis. Its square cosine is 0.67 while the other terms are very close to 0. Following the same approach and as far as the logics are concerned, we can conclude that it is the logic of

network which is well represented on the first axis as well as the industry "Other" as shown in the representation of the factorial design below (figure 1).

Figure 1: Factorial design representing: logics, strategies and trading branch



Accordingly, the network logic and the strategy of merger are positively correlated because they are represented having negative coordinates and are linked by proximity ties as indicated in figure 1. This confirms the fact that the company which has chosen the merger acts according to a logic of network and belongs to the trading branch "Other" since its activity is somewhat distinct which is the preparation of meals.

The same reasoning allows us, through the interpretation of the second axis and the observation of the factorial design, to show the close relationship between alliances and the logic of skills on the one hand, and exportation and the logic of position on the other hand. Given that this reflects a close correlation, we can confirm the same results of cross tabulation concerning the choice of exportation and alliances.

The lack of a good representation of the production subsidiary establishment modality on the first two axes leads us to move on to other factorial designs where we found out that it is best represented on the negative side of the fifth axis. If we look for the logic that is best represented we find that of position/ product and the meat industry.

However, it should be noted that the observation of factorial designs shows that the proximity links are not very close. This implies that the logics and the strategies are not too strongly correlated, but we can at least confirm the existence of a link.

Furthermore, the observation of the scatter diagram shows that the majority of the points are close to the centre. This means that the frequency of the modality is high indicating that the majority of companies have a frequent common behaviour. Indeed, we noticed no big difference in the behaviour of the food processing companies surveyed; the majority are exporting, in partnership and act according to a logic of position or skills (except for two unique cases whose choices are differentiated namely the merger and the creation of production subsidiary).

Conclusion

The study of the Tunisian food processing businesses showed that exportation ranked the highest in terms of the strategies most frequently practiced as a form of international development. It also indicated that the direct modalities are the most frequently used. Partnership is placed in a second position and manifests itself mainly through joint ventures and licensing agreements. However, production abroad and the merger were encountered only once within the sample.

As for the logics, it is the logic of position which sovereigns followed by that of the skills. This is credited to the fact that these companies are essentially encouraged on the one hand by the search for a better scope and the strengthening of their position in terms of competition and on the other hand, by the desire to access foreign know-how and technology.

Table 4 below states the expected results and those confirmed through the analysis:

Table 4: Expected and obtained results

Strategies	The logics motivating the choice			
	Expected results	The cross tabulation result	Factorial analysis result	Results confirmed by the two methods
Exportation	product	Position	Position	<u>Position</u>
Creation of subsidiaries	Product/Position	Position	Position/Product	<u>Position</u>
Merger & Acquisition	Position/ Skills	Product/ Networks	Networks	<u>Networks</u>
Alliances	Skills / Networks	Skills / position	Skills	<u>Skills</u>

Evidently we used the results confirmed by the two methods (cross tabulation and factorial analysis) which allow us to assert the following results:

- ✓ Contrary to the expected result, both the choice of exportation as well as the creation of a subsidiary are guided by the logic of position instead of that of product. The desire to strengthen the position is due to the fact that nowadays, companies are not only concerned with products. Rather, they seek to maintain a dominant position in the industry including the food sector where profit margins are very thin.
- ✓ The only particular case of merger encountered is incited by the networks logic.
- ✓ In accordance with the current research hypothesis, the choice of alliances (partnerships) is guided by the logic of skills.

The discrepancy between the results obtained and the ones expected is related either to the specificity of the branch of study or to the particularity of some cases that cannot be generalized. However, this does not call into question the assumption that the choice of the international development strategy is guided by a well determined logic.

Implications and future researches

In a word, we can say that through this study, our contribution falls into two aspects: conceptual and operational. The former is manifested through a research proposal making a connection between the logics and the international development strategies. The latter (through the study of the international practice and the investigation) could raise the Tunisian firms awareness of the currently dominating logic as well as the strategies massively practiced worldwide. This could therefore reflect on the need for withdrawal of the Tunisian food-processing companies in order to gain a national concentration of the trading sector that would accordingly increase their opportunities in the global business world.

Additionally and since we found that companies were using different strategies and logics at the same time, it seems that the highlight of the evolution of these logics and strategies according to the phases of the internationalization process of companies deserves more interest and opens new horizons of this study. Indeed, the generalization of the study to other sectors could also enrich the analysis and generate some other differences in terms of characteristics, requirements or even the traditions of each branch.

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