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**DIGITAL INTERNATIONALIZATION:
AN EMPIRICAL ANALYSIS IN THE WINE INDUSTRY**

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ABSTRACT (Ita)

Durante gli ultimi anni si è parlato molto di internazionalizzazione come processo e come strategia che le aziende, piccole, medie e grandi dovrebbero adottare per sopravvivere in un mondo sempre più internazionale. Una delle cause e dell'origine dell'industrializzazione è stato l'avvento di Internet e di conseguenza di tutti i servizi che offre a mettere in contatto aziende fisicamente distanti. Nell'ultimo decennio, un servizio di Internet che ha preso il sopravvento sono i social media. I social media sono delle piattaforme che permettono di comunicare istantaneamente con chiunque abbia un profilo in quella piattaforma.

È proprio a grazie alla possibilità di raggiungere chiunque possieda una connessione in brevissimo tempo, che le aziende hanno iniziato ad usare i social media come mezzo di comunicazione, tanto da essere inseriti come parte fondamentale nelle strategie di marketing, da cui appunto ha preso il nome il cosiddetto social media marketing.

In questo lavoro, in primo luogo, è stata fatta una panoramica sull'internazionalizzazione. Successivamente, è stata analizzata l'evoluzione di Internet fino ad arrivare ai social media. Infine, è stata condotta un'analisi empirica su alcune aziende italiane del settore vinicolo per capire come internazionalizzazione e social media vengono gestiti da un punto di vista pratico.

ABSTRACT (En)

Over the last few years there has been much talk of internationalization as a process and as a strategy that small, medium, and large companies should adopt in order to survive in an increasingly international world. One of the causes and origins of internationalization has been the advent of the Internet and consequently all the services it offers to put physically distant companies in touch with each other. In the last decade, one Internet service that has taken over is social media. Social media are platforms that allow instant communication with anyone who has a profile on that platform.

It is because of the ability to reach anyone with a connection in a very short time, that companies have started to use social media as a means of communication, so much so that it has been incorporated as a fundamental part of marketing strategies, hence the name social media marketing.

In this paper, firstly, an overview of internationalization was made. Next, the evolution of the Internet up to social media was analyzed. Finally, an empirical analysis was carried out on some Italian companies in the wine sector to understand how internationalization and social media are managed from a practical point of view.

INTRODUCTION

The aim of this thesis arises from the need to identify two issues that characterize today's society, and consequently companies. On the one hand, the need to internationalize as a strategic step for the growth of the business, on the other hand the breakthrough of the Web 2.0, such as the use of social media that has completely changed everyone's daily life. In fact, it is important for companies to internationalize because they can exploit a competitive advantage that they already have in their country (Nanut, Tracogna, 2015) or they can increase their turnover by selling to foreign customers.

The evolution of the Web has led people to interact and communicate in a new different way compared to the past, mainly due to the advent of social media that allow instant communication, that is mostly based on sharing of contents, and reach people from all over the world with just one click. This new tool has therefore influenced the way companies communicate, making them adopt making social media a vital and integral part of their marketing strategies.

By combining the two aspects, social media and internationalization, it is largely known that companies can have a win-win strategy. Social media and the Internet in general can shorten distances and speed up communication between distant countries.

However, even though the Internet has shortened the distances, it does not mean that the cultural aspect has been overcome. Nowadays needs and habits are much

more similar compared to the era before the Internet, but people still have different points of views. The goal of this study is indeed to analyze how companies can internationalize by using social media. Thus, simply translating the message into several languages is not always the most effective solution, even if it is the fastest, in order to overcome the cultural barriers.

Assuming that, the work is divided into three chapters, the first two review the literature on international marketing and social media marketing, while the third represents an empirical study on Italian companies in the wine industry.

The first chapter is about the internationalization process itself, how the Internet affected it and the impact on the Internet in the process. The second chapter will analyze how the web has changed over the years, followed by an analysis of social media and social media marketing, and how culture influences these new technological tools.

The third chapter concerns the empirical research of companies in the wine industry, with a deep insight on how they deal with digital internationalization.

CHAPTER 1

The internationalization process

1.1 Research problem: digital internationalization

A significant shift has occurred in the world economy. National economies are part of the global economic system. Globalization is the unstoppable trend in the world that has been generated by the speed of communication and economic exchange, the complexity and size of the networks of international trade. Internationalization is the process in which businesses develop strategies and operational systems to work with businesses and people around the world to gain sustained competitive advantage. It is the process that links places and firms around the world and identifies the strategies implemented by companies to operate outside national borders in order to gain market share, reduce production costs and acquire competitive advantages. Internationalization originally referred to the process of increasing involvement of enterprises in international markets. Consequently, managers and companies must adapt to the rapid change that globalization brings. Nowadays, internationalization is a vital part of every economy. It can be based on macro-economic dimensions, but it is also connected to the locational strategy of firms, and it is examined from a range of different perspectives.

The internationalization process can concern the commercial sphere, that of purchasing, production, research, and development or the financial one, depending on the objectives of the company that intends to expand abroad. In the past large companies were the only ones that had the resources, economic and knowledge, to face this "change", today even small companies, thanks to globalization, can begin to internationalize.

However, by looking at the Italian exports, there is strong evidence that products are shipped in relatively close countries with similar cultures despite the fact that the Italian products are known all over the world. It is clear then firms should open up to new ways of internationalizing. The biggest way was due to the evolution of the Internet that led new global markets to be born.

Another aspect to keep in mind is the connection among performance, digitization, and internationalization. There is a positive relation between these aspects, indeed it is largely demonstrated that those companies which have adopted the digitization strategy managed to face a crisis or even increased their profits.

The third aspect concerns the fact that internationalization and digitization are usually treated as different topics: the first topic is managed by the sales department while the second one by the IT department. This perspective is confirmed by academic literature as well: by analyzing academic databases there are very few papers that analyze digital and internationalization together, although there are many about internationalization and digital marketing.

Internationalization is the process that allows companies to go abroad. In order to set this strategy with digital tools, firms must be aware of the difference between *physical distance* and *cultural distance*.

At the beginning, the Internet was meant as the e-commerce that deleted distances between buyers and sellers even if there were some logistics issues. Despite the fact that geographical barriers were cancelled, cultural barriers are still present since the *global customer* is not born yet. Nowadays, customers are open to new cultures and new experiences but there are still differences among them due to ethnic constraints.

The German Chancellor Willy Brandt by saying “If I’m selling to you, I speak your language; if I’m buying dann müssen Sie Deutsch sprechen” (then you must speak German), wanted to tell the effectiveness of marketing adaptation (linguistic and cultural) towards buyers. In fact, companies believe that, by translating the website in English (that is the international language), they will automatically increase their performances. There are some countries in which there are many linguistic varieties¹, so managers should reflect on the fact that customers might have different cultures and purchasing behaviors.

¹ For example, in China there are seven main linguistic varieties: Mandarin Chinese (the so-called standard Chinese), Wu (that includes Shanghainese), Xiang, Gan, Hakka/Kejia, Yue, Min (experts believe that it has up to seven partitions).

1.2 Internationalization theories: a literature background

According to Treccani, “*in an economic system internationalization is a process deriving from the performance of one (or more) of the activities that characterize its functioning along a dimension that involves several nation-states. The inexorable consequence of a process of internationalization more and more extensive (involving a growing number of States) and ever more intense (which determines in each country a progressive degree of openness to foreign countries, defined in terms of greater trade in goods, services, financial activities and foreign direct investments) is called globalization*”.

Internationalization is growing especially in the last decades and indeed, it is characterized by a persistent globalization. For instance, by looking at the Italian case, it confirmed that the trend is growing (Figure 1.1).

Figure 1.1: Weight of exports of goods and services on Italy's GDP



Source: Ice, 2019/2020

The internationalization was born with Hymer in 1960. Indeed, before his theoretical approach, the phenomenon was seen as an international flow of goods, without linking it with the business activities. In particular, there were two different strands that analyzed the trend:

- Theories of international trade which was explain by two models: absolute advantage and comparative advantage (that in turn has two versions: the first one refers to the Ricardian theory² and the second one refers to the Heckscher-Ohlin model³).

- Balance of payments theories.

However, after the Second World War, these theories were not able anymore to explain international trade. Hymer, instead, was the first economist who elaborated an internationalization theory, the so-called **Hymer theory**. The theory is based on the fact that a company that internationalizes suffers from liability of foreignness. Indeed, when a company operates in its own market, it has advantages in terms of language, economy, culture, society, etc., that can become barriers in another country, implying considerable costs to overcome them. Although these are fixed

² The so-called comparative advantage was developed by Ricardo. *“When one nation's opportunity cost of producing an item is less than another nation's opportunity cost of producing that item. A good or service with which a nation has the largest absolute advantage (or smallest absolute disadvantage) is the item for which they have a comparative advantage”*.

³ It is a consequence of the Ricardian theory. The model suggests that in international trade, *“countries in which capital is relatively plentiful and labour relatively scarce will tend to export capital-intensive products and import labour-intensive products, while countries in which labour is relatively plentiful and capital relatively scarce will tend to export labour-intensive products and import capital-intensive products”*.

costs that can be amortized, there are other costs that represent a disadvantage until the firm is seen as foreigner.

However, once the company is perceived as “local”, sometimes, this company even overcomes local competitors because it has different resources and competencies compared to a local firm. This difference is the reason for the internationalization process: enjoy some advantages over local businesses, able to balance the mitigating effects deriving from entry barriers to foreign businesses. These companies have then a threefold opportunity to enter a new foreign market, depending on many factors such as the comparison between internal and external benefits:

1. Export of products or services;
2. Licensing;
3. Investments abroad.

According to Hymer, one firm can have an advantage over another because of internal resources, luck, historical events. However, he suggested that, despite the initial fortune, this does not imply that it is endless because there might be a wrong decision that makes them lose the international advantage.

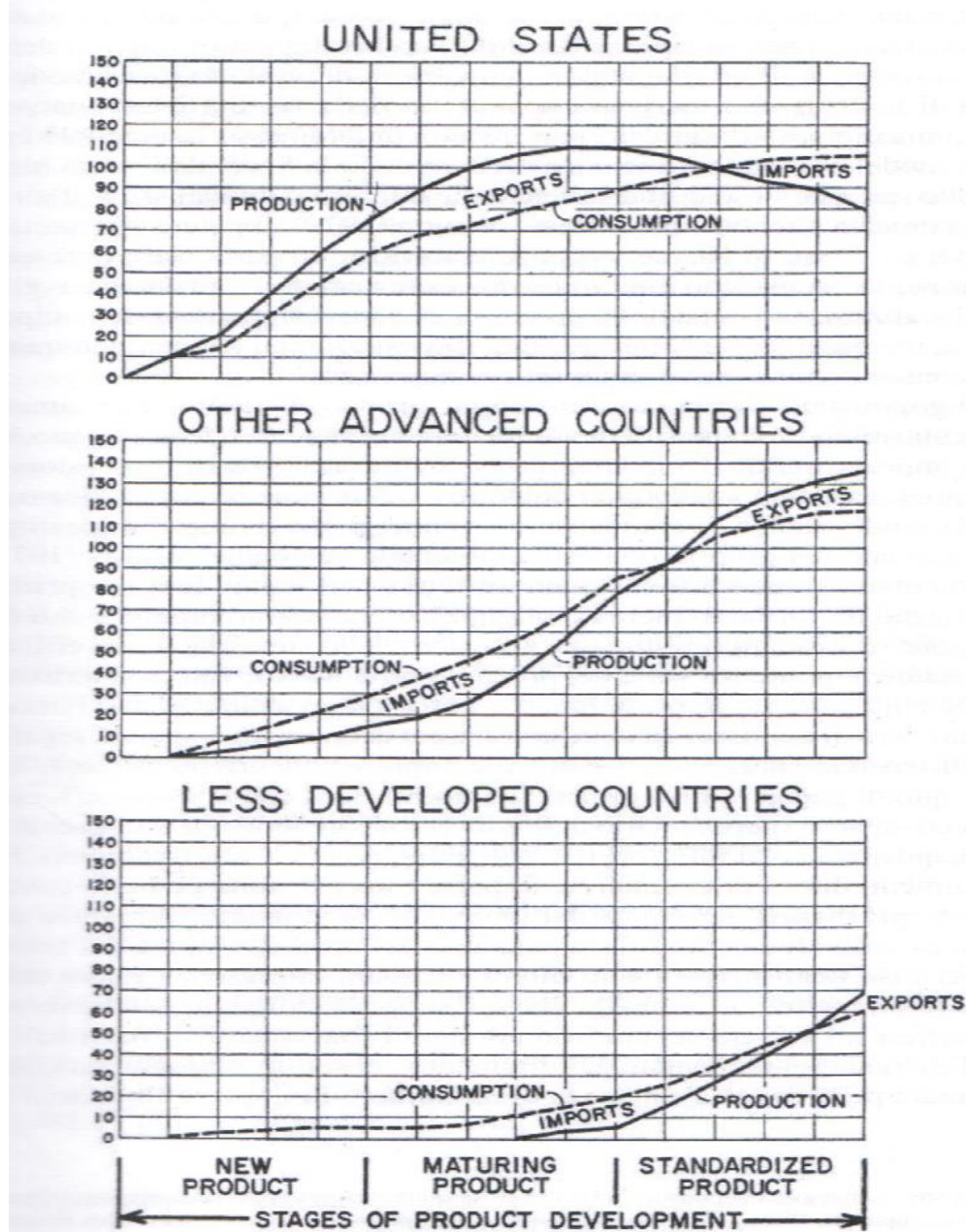
After Hymer, many scholars tried formulating other theories of internationalization, but it seems that they have just elaborated what Hymer did. There are two main locations where these theories developed: Cambridge in the US and Reading in the UK.

1.2.1 Cambridge theories

These theories have two currents:

1. Product life cycle theory that is the one of Vernon (1966). It is based on the hypothesis that companies in industrialized countries, having equal chances of access to new scientific knowledge, are not equally likely to apply this knowledge to the creation of new products. Companies located in countries characterized by a relatively advanced outlet market indeed enjoy an innovative advantage that allows them to anticipate the dynamics of demand from other countries. The following figure summarizes this theory (Figure 1.2).

Figure 1.2: product life cycle theory



Source: Dematté, Perretti, Marafioti (2003), p7

2. The oligopolistic vein which includes numerous theories influenced by Hymer.

The common aspect of this approach is the description of the multinational company as a large company whose existence is supported by a competitive advantage of oligopolistic or monopolistic origin, that makes it capable of compensating for the advantages that local companies possess when operating in their own national environmental context.

1.2.2 Reading theories

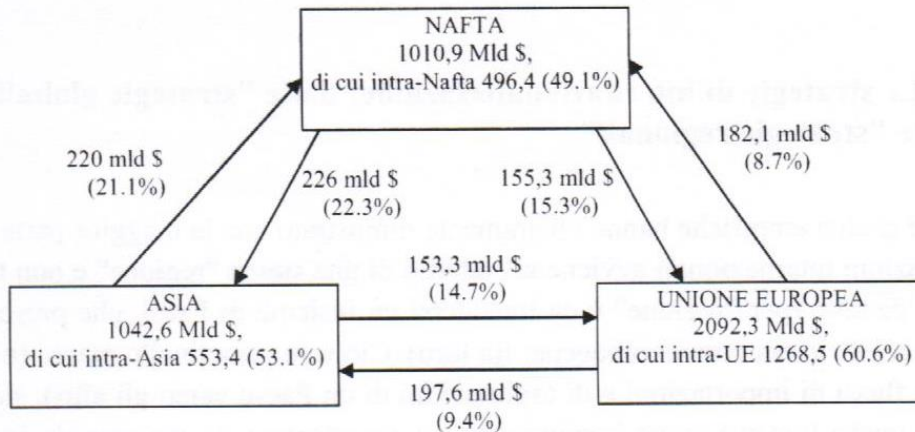
This theory mainly applies the concept that Coase and Williamson elaborated to a multinational company. In fact, the multinational company is represented by a complex institutional model that extends its economic activities abroad through forms of internal organization as they are more efficient and advantageous than using the market.

1.2.3 Internationalization strategy: from “global strategies” to “regional strategies”

According to Silvestrelli (2008), most of the international transactions happens within the same region⁴ and not between distinct regions. This characteristic is valid, both in a macro level (imports and exports from a country to others) and in a micro level (imports and exports from a company towards other countries' firms).

⁴ The researcher suggests that by region he means a set of countries that have socio-economic characteristics that are homogeneous to each other.

Figure 1.3: trade flows between the three main macro geographical areas of the world



Source: Silvestrelli (2008), p32

Indeed, by looking at the Figure 1.3 above, considering the macro-regions of the European Union of the Nafta area⁵ and of the Asian countries, the share of exports of each of them to the others is in fact reduced compared to the share that refers to intra-regional trade. It should be noted that only about 20% of USA exports go to the European market and 10% to Japan, only 8% of European exports go to the USA and less than 1% to Japan, Japan exports 28% to the USA and only 16% to the European Union. Indeed, the main multinational companies (such as Walmart and Carrefour) tend to adopt regional strategies, rather than global strategies, by designing and manufacturing products that meet the expectations of customers in a given region.

⁵ NAFTA: North American Free Trade Agreement, a North American free trade agreement between the USA, Canada and Mexico that entered into force on January 1, 1994.

There are very few companies that can be defined as truly global, that is, with a balanced distribution of turnover among the main macro-regions and almost all of them operate in the telecommunications and high-tech computer sector (Rugman and Verbeke, 2004, p 8).

As stated by Silvestrelli (2008), Nike on the other hand, is an emblematic case of the globalization of procurement and production activities without a corresponding globalization of the sales activity. In fact, it generates 58.2% of the turnover of the North American markets, but 99% of its production is carried out of the market of origin.

The global strategy does not therefore appear to be the only effective strategy in the current competitive economic context. The reference framework for the formulation of marketing policies assumes a predominantly regional rather than global dimension. Regional strategies are the expression of semi-globalization, or rather of a globalization that has only occurred halfway: national markets cannot be seen either as an indistinct whole, nor as individual entities completely different from each other (Ghemawat, 2003).

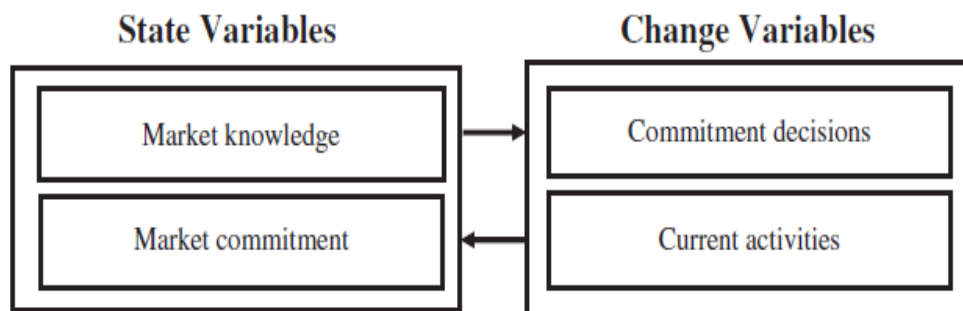
1.3 Internationalization: the Uppsala model

The Uppsala model was introduced by Johanson and Vahlne (1977) to explain the internationalization process of firms. In recent years, the importance of networks and the evolution were added to the model in order to keep it still valid today.

The model was born after the Second World War when Swedish exports saw an extraordinary growth. The reconstruction of the European infrastructure created a peak in the technology demand shipped by the Swedish, which had cutting edge engineering companies.

The goal was to explain the internationalization *process*, not internationalization. As the following figure shows, it is an interchange between commitments and experiential learning (Figure 1.4).

Figure 1.4: Uppsala model 1977 version



Source: Johanson and Vahlne (1977, p26)

The model is divided between two kinds of variables: state variables that included *market knowledge* and *market commitment* and change variables that included *commitment decisions* and *current activities*. The starting point and the driver are the knowledge of the market that allowed managers to take decisions. Once the decisions were taken, the *current activities*⁶ began and then ended with

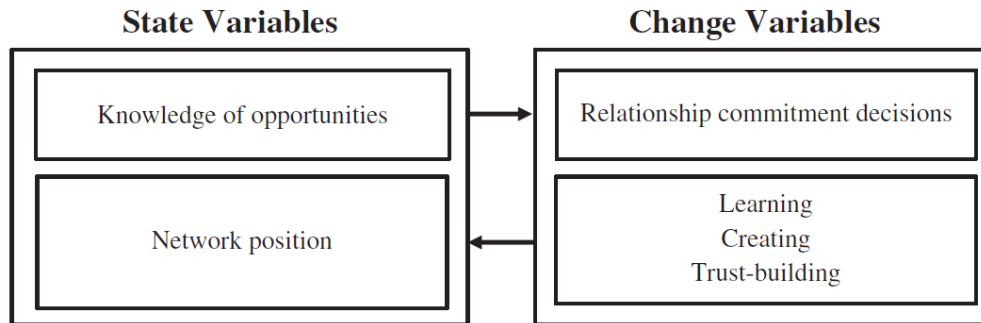
⁶ With current activities the researchers meant the operation and the experiences that were made.

the market commitment. The latter had two dimensions: one relating to the geographic allocation of activities and one relating to the degree of commitment on each national market. According to Jan-Erik Vahlne the model is still valid because it is a general and dynamic representation of the internationalization process.

However, since 1990 a new aspect related to the network⁷ view on industrial markets was introduced because it was thought to build the context in which internationalization should be explained (Johanson & Vahlne, 1990). Relationships between organizations were discovered to be crucial for every kind of business, mainly for those who had in mind to internationalize. Network positioning was an important competitive advantage in order to pursue the investment of internationalization. The principle of networks was the relationships among customers and suppliers with the intention of exchanging information and adapting. Indeed, members of a network are insiders, enjoying benefits such as awareness of opportunities ahead of outsiders, for example leading to internationalization (Johanson & Vahlne, 2009). Accordingly, Johanson and Vahlne drew the new version of the Uppsala model (Figure 1.5).

⁷ Network is the total number of relationships that firms have.

Figure 1.5: Adjusted Uppsala model 2009 version

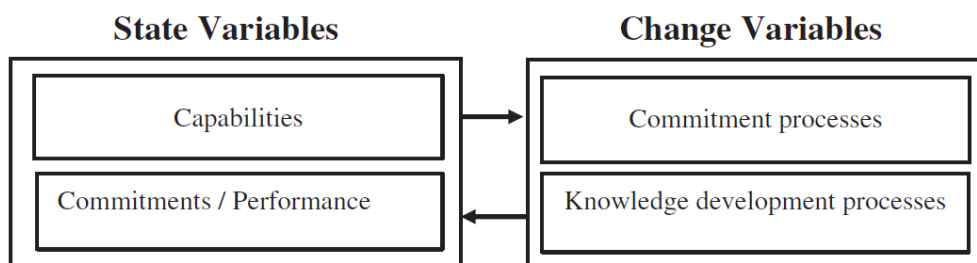


Source: Johanson and Vahlne (2009: 1424)

The new model has the same structure but with different touchpoints. Firstly, *knowledge of opportunities* had different characteristics and different ways of learning, for example, market knowledge (that was in the first Uppsala version) and business knowledge. As already mentioned, once firms were aware of the opportunities, they needed to form relationships to commit decisions. Trust-building is an essential prerequisite for learning and even more so for developing new knowledge and for relationship building generally (Morgan & Hunt, 1994; Nahapiet & Ghoshal, 1998).

In 2017 the Uppsala model was renewed as Figure 1.6 shows.

Figure 1.6: Uppsala model 2017 version



Source: Vahlne and Johanson (2017: 1092)

The new version introduced capabilities as a state variable. In this way, the model makes it comprehensible how internationalization and globalization follow an improved technological advantage and why increased economies of scale are required. Vahlne defined the capabilities operational that has the aim of serving the customers and dynamic that develops operational capabilities to stay fit in relation to a changing environment. Capabilities give the company a firm-specific advantage and so they have to be compared to those of competitors to understand if it is an advantage or not. Moreover, the two aspects of commitment refer to the previous performance and to the commitment for the future. The change variables have been adapted to the evolution of the business environment.

1.4 The internationalization process of Italian SMEs

Internationalization is a rapidly expanding phenomenon on a global level, which has also involved Italian companies, especially in the last two decades. Nanut and Tracogna (2015) argued that the Italian model is based on SMEs and so, the internationalization process is completely different from multinationals.

In fact, the international projections of Italian companies have over time been released from the size of the company, and it is precisely from the smaller dimensional segments but also from the district agglomerations that the most dynamic contributions to the expansion process on foreign markets have come of the Italian industry, also in terms of direct investments (Lipparini, 2002).

The biggest expansion was significant in the North-East of the country, in fact, based on data collected by *Fondazione Nord-Est*, in 2000, more than the 70% of the companies that had over 100 employees, had business relations abroad. In addition, the percentage weight of turnover achieved abroad was very high, often higher than that of many large multinational companies. This was an important result since it meant that Italian companies were responding to the changes that were happening in the market. A new phase had taken hold, characterized by a condition of widespread globality (Grandinetti and Rullani, 1992; 1996).

Consequently, the SMEs Italian internationalization has specific characteristics that are worth analyzing. According to Nanut and Tracogna (2015), the companies that they analyzed, were not always aware that they were placed within a scenario of internationalization. Most Italian SMEs businesses, indeed, were facing an indirect internationalization (Cafferata, 1993; Rispoli, 1994). That is, small businesses can connect to the international environment even independently of the direct placement of their output in foreign markets:

- or because they operate as terminal links in the "supply chain", fine-tuning the finished product and serving a national or local market, but purchasing goods and services from an upstream international chain;
- or because they produce intermediate goods and services for industrial users, who in turn serve an international market.

Furthermore, even when there was a planned internationalization strategy, SMEs faced two important limitations (Lu and Beamish, 2001):

- the so-called liability of foreignness (Hymer, 1976), which refers to the fact that the knowledge and skills that an SME has developed by operating in its original home market are often not suitable for operating in new international markets;
- the so-called liability of newness (Stinchcombe, 1965), which refers to the fact that entering a new market, especially if with a branch or subsidiary, involves challenges and risks very similar to those of a real startup. Companies needed to build and develop relationships with stakeholders, to consolidate a reputation and legitimacy on a local basis, and to recruit and train new workforce.

As a result, the researchers concluded that Italian SMEs preferred to export rather than internationalize with direct foreign investments. Additionally, Italian companies were mostly based on family management that were characterized by scarce use of managerial profiles and organizational forms structured to address the challenges of internationalization. However, this way of internationalizing did not mean that companies had a less evolved model of internationalization because they still considered the phenomenon important. The competitive advantages on which Italian SMEs leverage are in fact mainly the "local" ones of which Porter speaks in his model of the "diamond" (Porter, 1990).

Indeed, the competitive advantages of the Italian companies are in fact strongly rooted in the territory and are intrinsically "global" in nature, as they are suitable

for be exploited internationally without a high degree of adaptation of the offer to different markets, thanks to the so-called “made in Italy”.

Another important characteristic is that in the country, international trade is based on industrial districts (i.e., a set of companies that produce the same goods). Fortis (2000) called these districts “spontaneous multinationals”, because it was not the result of the strategic design of leading companies; multinationals due to their importance in terms of size (turnover and employees) and market shares at an international level (Table 1.1).

Table 1.1: The weight of the main Italian districts on world exports (1996 data)

Goods	Districts	Share of world exports (%)
Wool fabrics	Prato	19-20
Wool fabrics	Biella-Vercelli	14-15
Silk fabrics	Como	24-26
Women’s socks	Castel Goffredo	40
Tanned leathers	Vicenza	10
Footwear	Ascoli Picenno-Macerata	5-7
Glasses	Belluno	15-17
Goldsmith	Arezzo	13-15
Goldsmith	Vicenza	12-13
Furniture and kitchens	Como-Milano	8-9
Furniture and kitchens	Treviso-Pordenone	4-5
Ceramic tiles	Modena	38-40
Packaging machines	Bologna	13-15

Source: Fortis (2000)

These data represented the internationalization process that allowed SMEs Italian companies to gain a remarkable level. However, by deeply analyzing the companies, in the country there was not a proper strategy. Indeed, the “made in Italy” export still represented a competitive strategy but the lack of a structured approach to international operations appeared to be a factor of potential weakness within a scenario that is gradually changing as a result of some evolutionary phenomena such as: the increase in the scale of the markets (with the consequent dimensional problems) and competition from new players worldwide, and the tendency to relocate Western companies to low-cost countries.

Nanut and Tracogna (2015) suggested that in the following years, Italian SMEs will significantly change the consolidated governance and management models, with extensive interventions on the fronts of governance, strategies, management, and finance.

1.5 The Internet revolution: its impact on businesses

“The internet (1960s) is a system of networks and devices connected together via cables or wireless; it is a physical infrastructure made by a series of computer that can communicate with each other and exchange digital information”.

It is now largely known that the Internet provided and has been providing a new way of doing business. Through the web, firms can communicate ideas, create content, and exchange information. The internet has also allowed people and

company to reach anywhere and anytime any kind of user that has a connection, putting the firm at the center of the global stage from the very beginning of its birth.

The internet, as many scholars argued, is also available to small firms, offering them a priceless international value. On the one hand, the internet reduces marketing costs, time to reach users, on the other hand it increases the contact between buyers and sellers, offering a direct and an instant link with foreign markets.

According to Hamill and Gregory (1997, p. 13) *an internet connection can substantially improve communications with existing foreign customers, suppliers, agents, and distributors, identify new customers and distributors, and generate a wealth of information on market trends and on the latest technology and research and technical developments.*

Technological changes lead also to adopting a new way of doing business, such as e-commerce websites, easy international collaborations. They are also useful to exchange know-how and intangible skills, difficult to quantify. Furthermore, firms, especially SMEs, are becoming more adaptable, flexible, and specialized in order to ride the wave. They also have access more easily and cheaper to new infrastructures that normally were only available to large companies. However, the Internet has been continuously changing over the last years, mainly due to the fact that the technology is changing, and the demand is shifting. This implies that firms and individuals are mutating their way to work or interact, moving physical contents

to digital. This shift has become known as Web 2.0 and is leading the new wave of global firms.

The Web 2.0 has brought about a paradigm shift, for many started with the opening of new ways how customers can directly interact with the company (i.e., SMS, blogs, likes, reviews). As stated by Bell and Loane (2010, p 216), *Web 2.0 is a set of economic, social, and technology trends that collectively form the basis for the next generation of the Internet – a more mature, distinctive medium characterized by user participation, openness, and network effects*. The main applications are:

- the Web is used as a platform;
- contents and data are the drivers;
- users are encouraged to participate and contribute to the creation of contents;
- software easy to build and use.

Indeed, many businesses have been using the tools related to Web 2.0 in order to link themselves with customers and suppliers and even to engage them in the creation of content. This Web 2.0 shift is going to change the way companies are doing business characterized by user participation and network effects. Chesbrough (2003) coined the term “*open innovation*” related to the new ways of how large companies will flexibly combine internally and externally technologies in order to develop new businesses and open new paths to market. It has been demonstrated

that those companies which have an *open innovation* approach will bring closer and more focused relationships with customers both B2B and B2C.

One important aspect is that potentially Web 2.0 will become a “disruptive technology” that circumvents internal boundaries and hierarchical barriers. Consequently, information and knowledge will flow easier and faster in and out a firm offering a greater potential for bottom-up and customer-driven innovation that might lead to a shift in managers’ perspective and force them to quickly adapt to new changes in order to gain competitive advantage. Additionally, Web 2.0 will allow companies to make themselves known internationally since it is cheaper and simpler to reach people everywhere. However, the web evolution will be deepened in Chapter 2.

As Figure 1.7 shows, the Internet users represent 4.66 billion of the population so companies need to take care of this aspect when they internationalize, while the world internet penetration⁸ stands at 59.5%, but the values could be even higher due to problems related to the correct tracking of internet users related to the COVID-19 pandemic.

⁸ The relationship between the number of Internet users in each country and its demographic data.

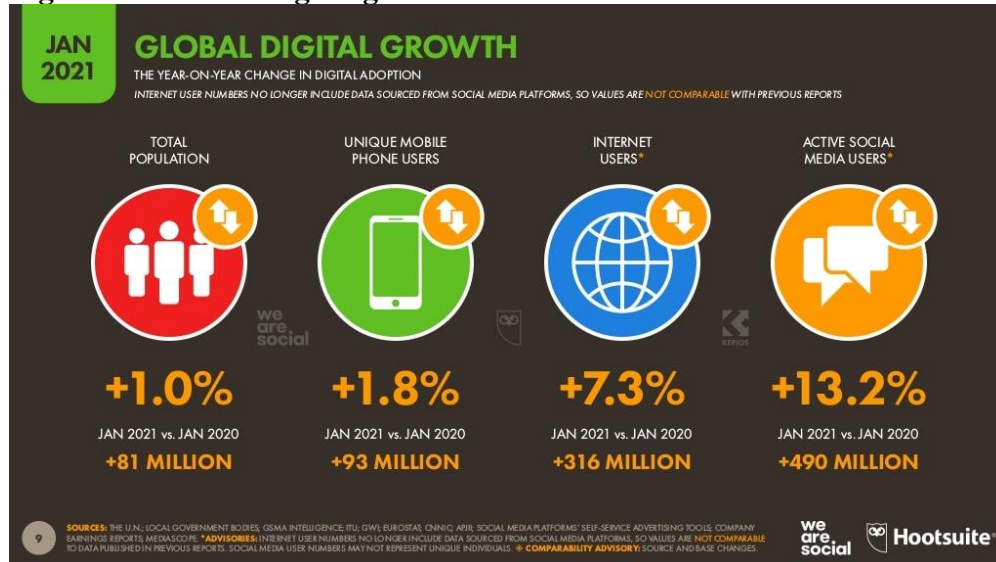
Figure 1.7: Digital around the world.



Source: wearesocial, 2021

Indeed, from one year to the next, precisely from 2020 to 2021 there was an increase of 7.3% of Internet users that corresponds to more than 300 million people. Contrary to what it can be thought, this growth is not directly proportionally to the population growth. The population growth is only 1% while the Internet users' growth is seven times more. (Figure 1.8)

Figure 1.8: Global digital growth



Source: wearesocial, 2021

1.6 Internationalization through the Internet

The Internet has the potential to improve the efficiency of market transactions. By using the Internet companies can reduce their search costs significantly and increase their ability to respond flexibly to new market opportunities as a result of reduced sunk costs. The Internet then has the potential to reduce uncertainty due to doing business in foreign markets. Since the uncertainty about foreign markets (as perceived by firms' decision-makers) has been considered a crucial barrier to foreign market expansion, the Internet may be a tool that speeds up foreign market expansion in the hands of international managers.

Moreover, the Internet allows the costless distribution of information, and it can increase the efficiency of market transactions. As a result, the internationalization

process has been changing and it can emphasize the learning by doing aspects of the internationalization theory.

However, the information asymmetry can be difficult to predict and quantify. Indeed, companies in their internationalization process intrinsically own some information that they do not share. Further, companies need to be aware whether the information provided by the Internet is believable or not. In a business-to-business company that operates in an international context it is difficult to spot whether a piece of information is credible just by comparing it to its domestic market. In fact, information asymmetry transactions are wider, consequently, the measures to reduce asymmetry must be accordingly stronger.

According to Petersen, Welch and Liesch (2002), they made three different predictions of how the Internet could affect (or not affect) firms' foreign market expansion, including the speed of initial entry into foreign market operation.

Prediction One: Modest Internet Effect on Foreign Market Expansion

In the first prediction the Internet has a very modest effect. This is because the foreign market penetration requires a local presence. Indeed, very few products can be sold in foreign markets since they need to adapt to customers' needs (that can vary from country to country) and in response to government regulations, and so it is difficult to enter that market without a local presence. Modification does not restrict itself to the adaptation of the physical product, but encompasses physical distribution, marketing, sales, and after-sales activities.

In accordance with the scholars, internationalization theory and agency and information theory support the fact that the Internet has a moderate effect. According to the internationalization theory, indeed, the Internet does not provide experiential knowledge, whilst as for the agency and information theory, the Internet may appear to be a poor foreign market expansion instrument due to adverse selection problems (low perceived credibility of the data offered by the Internet) and because of its limitations in terms of mediating experiential knowledge.

Prediction Two: The Internet Induces Faster "Foreign" Market Expansion

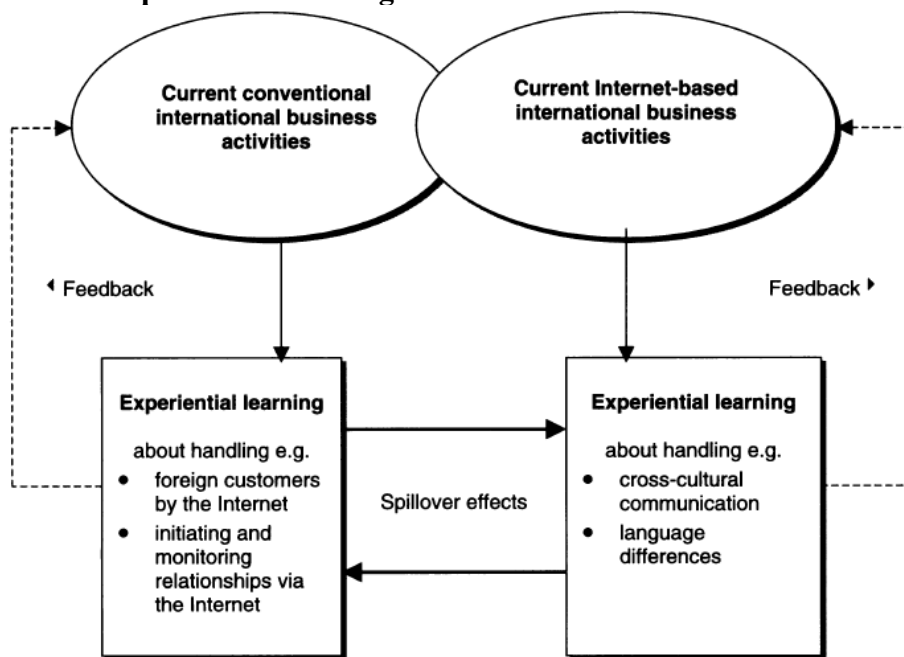
Contrary to prediction one, the second prediction is that, over time, the Internet will evoke faster foreign market expansion of firms. The optimism is based on three main factors:

1. international transaction efficiency. An important component of this feature will be the reduced search costs associated with locating international customers and from the customers' point of view the increased exposure made possible through the Internet. The Internet will also allow faster reaching customers. In this prediction, the adverse selection problem of the Internet is recognized but companies can face it by developing Internet-related routines for reviewing information obtained via the Internet.

2. experiential learning. According to this prediction, the Internet makes easier the process of experiential learning and managers take account of this. Companies,

even if they use the Internet, gain experiential knowledge because they still need to deal with foreign clients and cross-cultural exchanges. (Figure 1.9 explains the experiential learning via the Internet).

Figure 1.9: experiential learning via the Internet



Source: Petersen, Welch and Liesch, 2002, p 212

3. reduced sunk costs. The Internet holds the potential for catering to customer segments to their full extent. Given the existence of an unexploited need for standardized, but price competitive and easily accessible products, companies can penetrate foreign markets via the Internet without involving themselves in substantial and irrevocable foreign direct investments. In this way, the sunk investment proportion of firms' international market expansion is reduced.

Prediction Three: The Internet Causes Rash Foreign Market Expansion

Prediction Three envisages a situation of a temporary overconfidence in the Internet's attributes as an international business transaction medium. Firms might be enticed by the Internet to embark on rash (rapid and diversified international expansion) foreign market expansion but unsuccessfully. Prediction Three argues that companies will misjudge situational factors associated with the use of the Internet, leading to an overemphasis on diversification strategy.

Table 1.2 summarizes the three predictions.

Table 1.2: Underlying Assumptions of the Three Predictions

Prediction	I	II	III	
			initial perception	reality
Foreign market risk/ disadvantage	Substantial	Minor	Minor	Substantial
Accumulation and transfer of tacit knowledge via the Internet	Difficult	Possible	Possible	Difficult
Adverse selection problem of Internet	Serious	Negligible	Negligible	Serious
Need for local adaptation & presence	Substantial	Limited	Limited	Substantial

Source: Petersen, Welch and Liesch, 2002, p 216

While this table shows the results that the Internet has on the internationalization process (Table 1.3).

Table 1.3: Resulting Internet effects on international market expansion of firms

Prediction	I	II	III
Predicted pace of expansion	No/moderate change of pace	Faster expansion	Faster, but impetuous expansion
Pattern of geographical expansion	Concentric expansion	Indeterminate	Indeterminate → Concentric contraction
Allocation of int'l marketing resources	Concentration	Diversification	Diversification → Concentration
Role of knowledge in expansion process	Constraining	Catalytic	Catalytic → Constraining

Source: Petersen, Welch and Liesch, 2002, p 217

These are three possible scenarios that firms can face when they internationalize. In particular, the denominator of the three predictions is knowledge. Indeed, firms can acquire and learn through the Internet.

1.7 The impact of the Internet on the internationalization process: challenges and benefits

Despite the fact that internationalization is a process that every company aims to start, the empirical evidence led to a scenario studded with lights and shadows. The lights concern the improvements achieved and are mainly related to the structure of web sites, relationship, and the presentation of products. The shadows relate to some elements of the Internet marketing mix (distribution, communication, and pricing), and are also connected to the strategic guidelines of the enterprises. Cedrola and Battaglia (2012), in particular, analyzed the case of SMEs.

There are some features that can influence Internet exploitation. For instance, the age of the company (born globals have a different analysis), the oldest and the newest SMEs are more reluctant to use the Internet because the first still rely on traditional strategies, while the second lack of financial resources. In addition, the usage depends on the IT knowledge, on the number of employees and the size of the company (Dholakia, Kshetri, 2004), the perceptions and attitudes of management, the strategy pursued by the company: orientation to profit and in the short term would negatively affect the strategic exploitation of the network. Further, another element that influences the use of the Internet is the perception of the Internet used by competition and customer service conveyed through the network (Dholakia, Kshetri, 2004).

However, scholars also analyzed the benefits coming from the usage of the Internet. The first one refers to the cost reduction by limiting the use of the telephone for sales and marketing services and replacing the printing and distribution of communication material with its publication on the website and by eliminating brokers through the ecommerce. The second advantage refers to opportunities that the Internet provides to its users. Indeed, it allows companies to introduce new products, it is open twenty-four hours a day, seven days a week (customer service and sales are possible whenever), it can reach people everywhere, even small firms are able to compete in a global context. There are also competitive advantages since a company can be the first which introduces a new capability and

so it realizes a competitive advantage until competitors reach the same skills (Stockdale and Standing, 2004).

In addition, there are communications improvements. According to Kotler (2004) the Internet reduces asymmetric information since it speeds up the information flows and information is always updated. Consequently, it allows companies to have better control.

Another advantage is that the customer service is obviously improved. Through the creation and consultation of databases it is possible to obtain in real time data relating to the availability of goods or to requests presented to customer service (Chaffey et al., 2001). A greater customer orientation can then be supported in the possibility of customizing the offer, with particular reference to digitizable products. Additionally, the technology innovation brought to a closer relationship between customer and producer that through the Internet, they can collaborate and share information.

Despite the numerous potentialities expressed, to date SMEs have tended to "assist" the process of evolution of the network, allowing themselves to be only partially involved. Research carried out by Vescovi (1999) on a sample of small and medium-sized Italian companies, highlighted six recurring problems relating to the introduction of the internet in the corporate marketing mix. The critical aspects identified relate to the following topics:

- definition of a clear marketing strategy;

- change of marketing rules and paradigms;
- integration with traditional marketing tools and activities;
- firm belief and involvement in the internet project marketing;
- development of human resources for internet marketing;
- implementation of changes in the marketing organization.

However, the Internet is still an opportunity for companies. Firms that want to be defined as “internet oriented” (Cedrola, 2012) should consider the Internet as a component of the company structure, then integrate it with all business sectors. This implies that the company must reorganize and reengineer its business. It has also to have clear its goals, its targets, and its strategies.

1.8 Technology and internationalization process: the Born Global firms’ phenomenon

The internationalization process of firms has been the topic of widespread research efforts during the past 30 years. It has been demonstrated that firms do not face anymore incremental stages with respect to their international activities, they often, from the very beginning of their birth, start international activities such as entering very remote markets directly and in multiple countries at once. These firms have been called Born Global Firms. (McKinsey & Co., 1993); (Knight & Cavusgil, 1996); (Madsen & Servais, 1997). This phenomenon is thought to be a consequence of more global market conditions and new developments of infrastructures. Some

researchers think that Born Globals have a new theoretical way of doing business and so it opens us to new studies, other authors believe that, although the behavior is different, they do not act differently in their fundamental processes compared to other firms.

However, according to Rasmussen and Madsen (2002), they tried to understand if, when it is talked about Born Globals, the market is facing a new form of international firms and then why scholars should pay attention to these firms.

Both theoretically and empirically they argued whether the Born Global concept was just renewed, or if it was a new type of international firm, which had not been seen before. They then understood that if they took some highly international firms and identified them as Born Globals, it was then possible to achieve a better understanding of these firms' behavior compared to the remaining ones, and if there is a different comportment, how do they differ from the "old" international firms.

In order to clarify this concept, they started from its history and the definition given by Tamer Cavusgil in the first scholarly article about Born Global firms in 1994:

There is emerging in Australia a new breed of exporting companies, which contribute substantially to the nation's export capital. The emergence of these exporters though not unique to the Australian economy, reflects 2 fundamental phenomena of the 1990s: 1. Small is beautiful. 2. Gradual internationalization is dead (Cavusgil, 1994, p.18).

The idea of Born Globals was firstly used in an Australian survey that was about analyzing new exporters amongst the small and medium sized production firms. Contrary to what scholars argue today, the focus was on firms, which recently had begun to export and on firms with a growing export, the so-called emerging exporters. However, what was important in the firms, was that they saw the world as one, large market. Two important results emerged from the survey:

1. As for the home market-based firms if they wanted to expand, exporting was their major choice. Hence, their wish to grow drove them to export, while reduction of costs or competition was not seen as the reason to export.

2. As for the other part of the group (they were called Born Globals), they started to export after less than two years after their birth. The peculiarity of these firms was that they view the world as their marketplace from the outset and see the domestic market as a support for their international business. (McKinsey & Co., 1993, p.9)

Cavusgil (1994) interprets the McKinsey report so that gradual internationalization is dead. Everybody, even the smallest firm, has access to information about the export markets and can begin to export right from the birth of a new firm.

The following table shows other concepts suggested about Born Globals (Table 1.4)

Table 1.4: Born Globals concepts

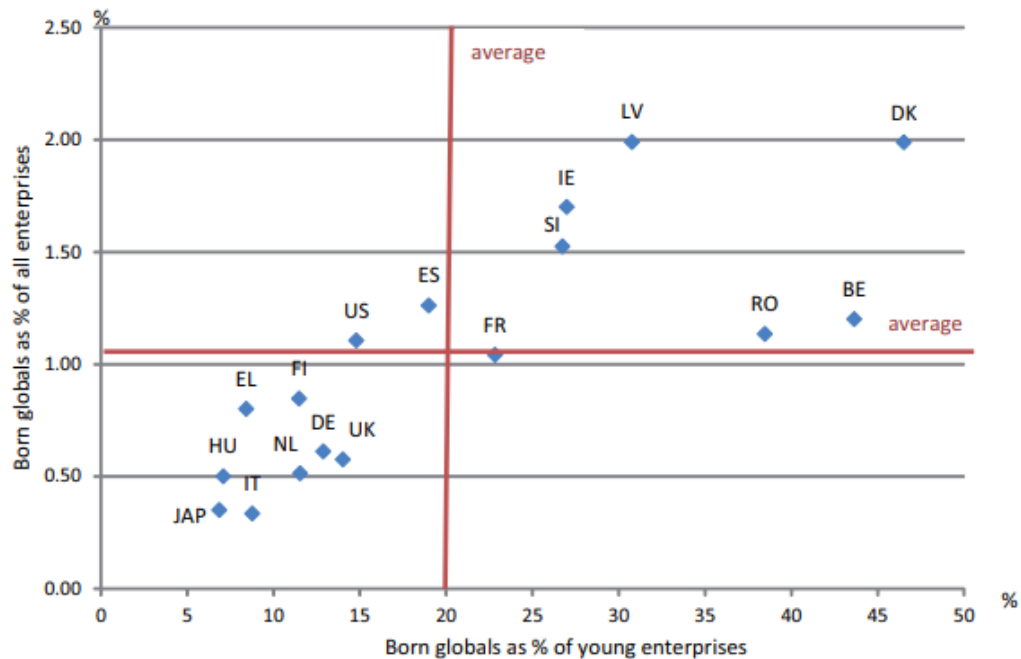
Authors	Background	Conclusion/result
(McKinsey & Co., 1993)	Born Global. Survey amongst 310 production firms with a new export	25% of the firms had an intensive export within the first two years after the foundation of the firm. Export in average 75% of their sales
(Cavusgil, 1994)	Born Global. Interpretation of (McKinsey & Co., 1993)	Small is beautiful. Gradual internationalization is dead
(Knight & Cavusgil, 1996)	Born Global. Summary of existing research + articles from newspapers. Firms with an export of 25% or more within the first 3-6 years.	Factors that lead to the existence of Born Globals: Growing number of niche markets all over the world. Changes in production and communication technology. Growing number of international networks.
(Madsen & Servais, 1997)	Born Global. Summary of existing research + a number of Danish case studies	The classical stage models are valid for the Born Globals if the founder's experience and the internationalization of the markets is taken into consideration.

Source: Rasmussen and Madsen (2002)

As seen, there is absolutely neither a clear definition of a Born Global nor an exact operational definition. 'Born Global' as a concept can instead either be seen as an umbrella under which global start-ups, high-tech international firms, etc. can be studied – or we can work with a precise empirical definition.

From the following figure, it is clear that the percentage of Born Globals among young enterprises (with an average of 20%) is much higher than the Born Globals among all enterprises (with an average of 1%). Indeed, these percentages prove that nowadays, firms are more likely to see the world as a single market and so their internationalization process is intrinsically related to their birth (Figure 1.10).

Figure 1.10: Born Globals as a share of young and all enterprises, selected EU Member States, US, and Japan, 2008



Source: Eurofound (2012)

Today, technology makes it possible for companies with limited resources to perform functions that previously needed to be done by hundreds of employees. Born Globals are heavy users of internet-based services like Google Apps, Skype and Amazon or FedEx delivery (Mettler and Williams, 2011; Schneor, 2012) in their communication, distribution, marketing, and knowledge management. As

social capital built up through networks is essential for such companies, the recent rise of social media, networking and online collaboration tools provides new opportunities and is used more readily by them than by large multinational corporations (MNCs) (Renda, 2011), (Eurofound, 2012).

While the role of virtual functions in levelling business for Born Globals is generally accepted (Turner, 2012), the results from research on the contribution of the Internet usage to Born Globals' export performance are rather inconsistent. It goes without saying that higher the Internet usage, higher the number of countries which Born Globals can operate in without being a person (Arenius et al, 2005). However, Pezderka et al (2012), suggested that the Internet can help to perform better if companies set up proper strategies.

Further, Born Globals own high innovation capacity and they are able to serve customers in a very innovative way. In addition, scholars highlight the link between the tendency to innovate and early adoption of internationalization (Aspelund and Madsen, 2009). One reason for this is that innovation is an important contributor to the competitive advantage in foreign markets (Acs et al, 2008). However, it is unclear whether the higher level of innovation is due to internationalization or if the firms were innovative before taking on international business.

Petersen et al. (2008, p. 1097) argue that "*entering foreign markets is a knowledge development process, and the entering firm may realize a significant discrepancy, that is, the firm identifies a gap between the knowledge possessed and*

the knowledge needed for accomplishing the foreign business venture", yet they say few studies focus on how firms reduce the knowledge gap. One area in which internationalizing firms may reduce the knowledge gap, as well as decrease the tolerable risk, is by entering culturally proximate markets. In addition, Johanson and Wiedersheim-Paul (1975) brought in the notion of physic distance in order to justify the fact that firms, when internationalizing, choose to enter similar markets to avoid uncertainty. Hence, firms, once gained experience, move to distant markets. Chetty and Campbell-Hunt (2004) suggested that Born Globals should culturally enter proximity markets in their early phase, and then move to distant markets. However, other studies suggested that once Born Globals start their internationalization process, they quickly enter other culturally distant markets worldwide.

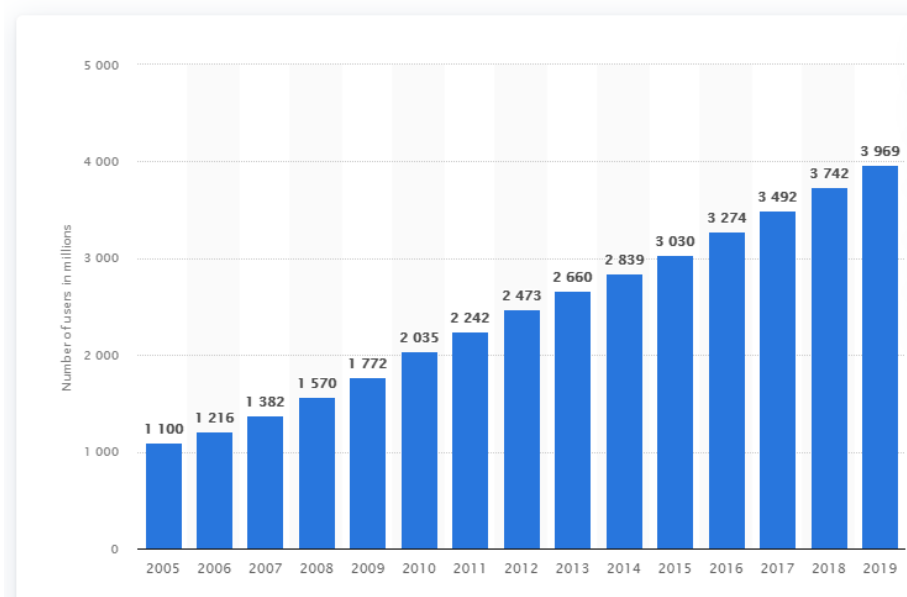
CHAPTER 2

The social media revolution

2.1 Web evolution

According to Hiremath and Kenchakkanavar (2016), Internet users have increased exponentially from its birth (Figure 2.1).

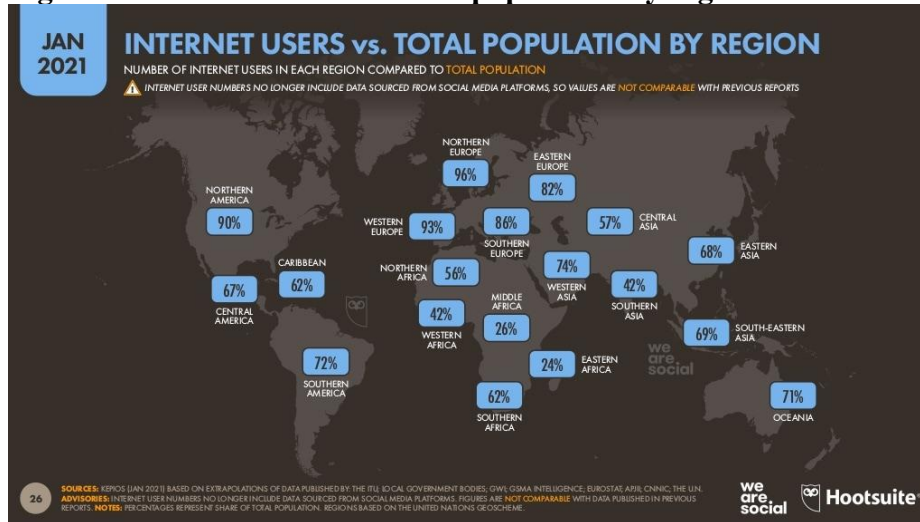
Figure 2.1: Number of internet users worldwide from 2005 to 2019 (in millions)



Source: Statista, 2021

However, Figure 2.2 below shows that the percentage of Internet users varies among regional areas. Individuals in North America, West and South Europe tend to spend more time on the Internet compared to the rest of the world.

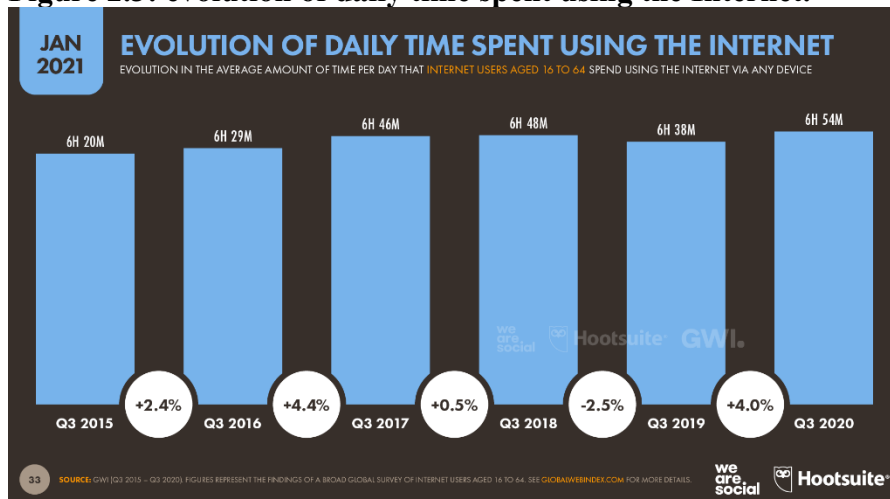
Figure 2.2: Internet users vs total population by region



Source: wearesocial, 2021

Most people today can hardly imagine a life without the Internet. As a matter of fact, people spend even more time on the Internet, such that from 2015 to 2020, indeed, the daily time spent using the Internet has increased by +4.0% (Figure 2.3).

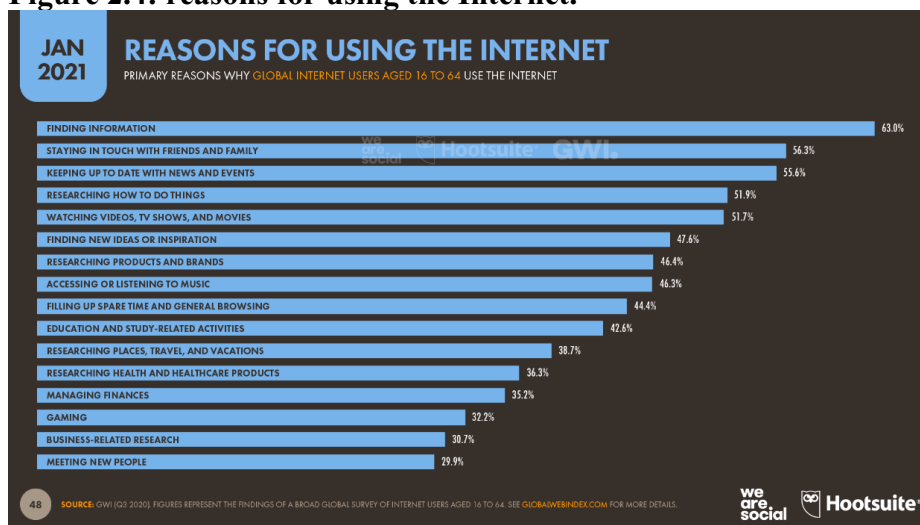
Figure 2.3: evolution of daily time spent using the Internet.



Source: wearesocial, 2021

The search for information is the main motivation that leads people to connect, in fact almost two out of three people, when questioned about it, cite the search among their main reasons for using the Internet (Figure 2.4).

Figure 2.4: reasons for using the Internet.



Source: wearesocial, 2021

According to Treccani, the “*World Wide Web allows to share hypertextual documents (that are composed of visuals, texts, and sounds), by exploiting the Internet⁹. All the documents are collected together in web pages stored in a portion of the server memory that are grouped together organized according to some structure, the so-called sites. In order to be accessible, web pages are built through appropriate descriptor languages, such as HTML (hypertext markup language),*

⁹ The Internet was born in the 60s. It was created for military purposes, and it became something commercial only in the 90s. Before people did not own a connection at home. The Internet is a system of networks and devices connected via cables or wireless. It is a physical infrastructure made by a series of computers that now can communicate with each other and exchange digital information.

which allows to indicate both the content of the pages and their display format on the user's browser”.

The fast development of the World Wide Web (WWW) represents a groundbreaking phenomenon in today's society which has progressively incorporated the use of modern innovative technologies and has redefined how individuals look for information, and how people communicate with each other.

According to Hiremath and Kenchakkanavar (2016), the World Wide Web has the ability to present huge amounts of complex, multimedia information that is deeply connected and cross-referenced through hypermedia links. However, it has also concerns, since users can become disoriented due to the huge amount of information. Nowadays, people can use the WWW to communicate worldwide with other users. It can also facilitate the work by integration computing and communication technologies. It collects thousands of information worldwide and it makes it accessible to all those who surf the web.

The Web was established by Tim Berners-Lee in late 1989¹⁰ and since then, the web of documents has morphed into a web of data. Specifically, three different stages might be identified in the evolution of the Web that is the Web of documents

¹⁰ In 1989, Tim Berners.Lee, researcher at the European Laboratory of Particle Physics (CERN) developed the World Wide Web and the communication protocols that form its backbone. He projected a new international system of protocols that distributed hypermedia servers and allowed to arrange electronic documents around the world. (Cohen-Almagor, 2011).

(Web 1.0), the Web of people (Web 2.0) and the Web of data (the still-to-be-realized Web 3.0) (Anderson, 2007).

Whilst the first stage, Web 1.0, was about connecting information and getting on the net, Web 2.0 is about connecting people, allowing people to use the Web in first person by uploading own contents and the next stage, web 3.0, the so-called Semantic Web, is about representing meanings and connecting knowledge in ways that make users' experience with the Internet itself more relevant, useful, and enjoyable.

2.1.1 Web 1.0: the first generation of Web

Web 1.0 ran approximately from 1989 to 2005 (Aghaei, Nematbakhsh & Farsani, 2012). Web 1.0 is referred to as the first generation of World Wide Web which was basically defined as” *It is an information space in which the items of interest referred to as resources are identified by global identifier called as Uniform Resources Identifiers (URIs)* “(Choudhury, 2014, p 8096).

In Web 1.0 there was a very small amount of writers (only web developers were able to create and share contents) and users could just enjoy the content delivered. In the first generation of the Web, people that were not experts, were not allowed to create content and upload them. The only thing that they could do, was to download the content the organization or the Web developers wanted users to see. Therefore, Web 1.0 was mainly a read-only type of web.

The idea behind Web 1.0 was to make a common information space for Internet users. According to Hiremath and Kenchakkanavar (2016, p 707), “*the Web 1.0 is a system of interlinked and whole protocols included HTTP, HTML, URI Newer Protocols are XML, XHTML and it provides hypertext documents through accessed using the Internet*”.

Therefore, websites appeared as integrated static HyperText Mark-up Language (HTML) pages that rearranged infrequently (Singh, Gulati & Gulati, 2011) whose main goal was basically to share information for anybody and create an online presence.

2.1.2 Web 2.0: the second generation of Web

The term Web 2.0 was officially introduced in October 2004 and coined by Dale Dougherty (O’Reilly Media) and Craig Cline (Media Live). Tim O’Reilly (2006) defines “*Web 2.0 is the business revolution in the computer industry caused by the move to the internet as platform, and an attempt to understand the rules for success on that new platform. Chief among those rules is this: Build applications that harness network effects to get better the more people use them*”.

The technologies of web 2.0 allow assembling and managing large global crowds with common interests in social interactions.

Another definition provided by Stephen Fry (2008) (actor, author, and broadcaster) of Web 2.0 is “*an idea in people’s heads rather than a reality. It’s*

actually an idea that the reciprocity between the user and the provider is what's emphasized. In other words, genuine interactivity, if you like, simply because people can upload as well as download".

However, Web 2.0 has more than one definition. According to Choudhury (2006), it can be defined as Technology Centric which means that the Web has become a platform with software above the level of a single device. It can also be defined as Business Centric that is a way of architecting software and businesses. In addition, the Web is User Centric definition that indicates that the Social Web is often used to characterize sites that are composed of communities. It is all about content management and new ways of communication and interaction between users, Web applications that facilitate mutual knowledge production, social networking increases user to user information exchange.

Web 2.0 is thought to be a read-write web. Accordingly, Web 2.0 refers also to all the Web applications that allow social interactions by encouraging users with profile-based user account. Social networking sites focus on new avenues for communication and relationship with users (Kenchakkanavar, 2015). Web 2.0 is also identified the knowledge web, people-centric web, and participative web. Web 2.0 is the big new innovation that the Internet through new technologies (thanks to the Web) has brought. The Web 2.0 included technologies and services and it consists of blogs, Bookmarking, Calendar, Audio, Chats, E-commerce, E-mail,

Games, Portals, E-learning, communication, really simple syndication (RSS), Mashups, Tags, etc., (Hassan, Sarhan, & El-Dosouki, 2012).

Sometimes it can happen that even though the new technology encounters expectations of the mass user at large, these technologies may face lots of consequences from the external environment which could limit the flow of technology in presenting results, which might not be feasible and might lead to degrading the performance of the technology as a whole. For instance, the interconnectivity and the share of knowledge between platforms across communities are still limited (Anderson, 2007).

2.1.3 Web 3.0: the third generation of Web

Web 3.0 is a term coined by John Markoff of the New York Times in 2006 and represents the third generation of the World Wide Web, usually conjectured to include semantic tagging of content. By extending Tim Berners-Lee's explanations, the Web 3.0 would be something akin to a "read-write-execute" Web. Web 3.0 refers to the creation of high-quality content and using web 2.0 technologies as an enabling platform (Zeldman, 2006).

Web 3.0, also called semantic web, is a web that makes people's lives easier and more intuitive with smart applications. Indeed, it overcomes some of the Web 2.0's limits. For instance, the interconnectivity and the share of knowledge between platforms across communities is not anymore limited. In addition, the semantic web

will allow computers to behave like humans because it is a new way of processing information and giving advice. Web 3.0 will manipulate the information on people's behalf.

The Semantic Web is a vision about an extension of the existing World Wide Web where computers can make meaningful interpretations of data like the way humans process information to achieve their goals. Semantic web enables computers to better manipulate information on our behalf.

In addition, the foundation of the Semantic Web is data integration; indeed, data is converted into meaningful information which can be collected, stored and analyzed by software agents.

However, Web 3.0 has limitations as well. The World Wide Web contains many billions of pages that can be redundant. The Web 3.0 is also pretty vague. This arises from the vagueness of user queries, of concepts represented by content providers, of matching query terms to provider terms and of trying to combine different knowledge bases with overlapping but subtly different concepts. Further, inconsistency emerges during the development of large ontologies, and when ontologies from separate sources are combined. Lastly, the Web 3.0 can be misleading when the producer of the information is intentionally deceiving the consumer's information.

To conclude, it might be useful to summarize the main differences among Web 1.0, Web 2.0 and Web 3.0 (see Choudhury, 2014). (Table 2.1)

Table 2.1: Comparison of Web 1.0, Web 2.0, and Web 3.0

WEB 1.0	WEB 2.0	WEB 3.0
1996 – 2004	2004 -2016	2016+
The Hypertext Web	The Social Web	The Semantic Web
Tim Berners Lee	Tim O’Reilly, Dale Dougherty	Tim Berners Lee
Read Only	Read and Write Web	Executable Web
Millions of User	Billions of User	Trillions+ of Users
Echo System	Participation and Interaction	Understanding self
One Directional	Bi-Directional	Multi-user Virtual environment
Companies Publish Content	People Publish Content	People build application though which people interact and publish content.
Static content.	Dynamic content.	Web 3.0 is curiously undefined. AI and 3D, The web learning
Personal Websites	Blog and Social Profile	SemiBlog, Haystack.
Message Board	Community portals	Semantic Forums
Buddy List, Address Book	Online Social networks.	Semantic Social Information

Source: Choudhury, 2014, p 8099

2.2 Defining social media

What drew the interest of scholars on the Web 2.0 was the advent of new types of applications that are social media. Social media are a set of cellphone or web-based technologies through which people interact and share various contents (Kietzmann et al., 2011). Social media totally changed the Web landscape since

they brought new ways for the users to deal with information. Moreover, social media have fundamentally changed the way users communicate, collaborate, consume, and create. As such, they represent one of the most transformative impacts of information technology on business, both within and outside firm boundaries.

Before the rise of platforms such as Facebook or Twitter, there were only two ways that enabled people to communicate. The first one referred to public broadcast media (television, radio, and newspaper). Through this way, the broadcaster was not able to directly “study” the public even if it could persuade the audience to join them. The second way of communication, also called “*dyadic communication*” (Miller et al, 2016), were media that enabled one- to- one conversations (telephone conversations).

With the development of the Internet, the separation between private and public media changed. In fact, an email could be sent to a group of people, there were bulletin boards, specialized forums, chat rooms and blogging, which appealed to wider audiences, as well as other group media such as CB radio. However, most everyday communication still remained dominated by public broadcasting and private dyadic.

The Web 2.0 led to the rise and considerable growth of social media paired with a scaling down of public broadcasting to become individuals posting to groups composed by a few hundred people that interact among themselves.

At the same time the development of text messaging and internet services such as MSM and AOL took place, further developed with the rise of smartphones, in particular BlackBerry Messenger (BBM), were the precursors to WhatsApp or WeChat. These platforms are used by smaller and more private groups than Facebook or QQ. According to Miller et al, (2016), all users can post equally on these platforms because they are composed of a small amount of people (they do not include all the users' networks). They are particularly important since for young people that text-based communication has largely replaced voice- based use of the phone.

According to Kaplan and Haenlein (2010), social media is a revolutionary new trend that companies should be interested in. Nowadays, businesses have increasingly less control over the flow of information available about them in the virtual reality. If an Internet user types the name of the brand on Google, what comes up in the first page results, is the corporate page, but also the corresponding page on Wikipedia, usually the social media page of the brand and reviews of that specific brand. Contrary to the past, when companies were able to control the information about them (thanks also to strategically press messages and good public relations managers), companies have a limited power on the flow of information that concerns them. In fact, they do not have neither the knowledge, nor the chance or even the right to alter public posts and comments made by their customers.

Managers and companies have not properly understood what social media is and they tend to use interchangeably Web 2.0 and User Generated Content.

Although some applications might give the idea of what social media is, it is needed to draw a line to two related concepts that are frequently named in conjunction with it: Web 2.0 and User Generated Content.

As stated by Kaplan and Haenlein (2010, p 61), *“Social media is a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of User Generated Content”*.

Differently, Web 2.0 is *“term that was first used in 2004 to describe a new way in which software developers and end-users started to utilize the World Wide Web; that is, as a platform whereby content and applications are no longer created and published by individuals, but instead are continuously modified by all users in a participatory and collaborative fashion”* (Kaplan and Haenlein, 2010, p 61).

When Web 2.0 denotes the ideological and technological foundation, User Generated Content (UGC) can be seen as the sum of all ways in which people get into the use of social media. In order to be perceived as UGC, it needs to fulfill three requirements: it needs to be posted either on a publicly accessible website or on a social networking site accessible to a selected group of people (it means that contents exchange via emails or instant messaging are excluded); second, it needs to show a certain amount of creative effort (it means that it is not a mere copy of an

already existing content); and finally, it needs to have been created outside of professional routines and practices (it means that the content was created with a commercial purpose in mind) (OECD, 2007).

Even though UGC were already existing before the Web 2.0 rise, the mixture of technological drivers (i.e., faster broadband availability), economic drivers (i.e., tools to create UGC) and social drivers (i.e., “digital natives”), the creation of UGC nowadays is totally different from the 1980s.

Inside the general definition, different types of social media need to be recognized. In order to classify them, Kaplan and Haenlein (2010) suggested a set of theories related to the domain of media research (social presence, media richness) and social processes (self-presentation, self-disclosure), that are the two main components of social media. With reference to social presence theory, media diverge in the degree of “social presence¹¹” they allow to come up between two communication partners. The higher the social presence, the larger the social influence that the communication partners have on each other’s behavior.

The concept of media richness assumes that the aim of any communication is the resolution of vagueness and the decrease of ambiguity. Indeed, some media have a different amount of information that can be transmitted in a specific time interval so that to reduce vagueness and ambiguity of the message.

¹¹ Short, Williams, & Christie (1976) defined social presence as the acoustic, visual, and physical contact that can be achieved.

Regarding the social dimension of social media, the idea of self-presentation refers to people's desire to control the impressions that they make on other people in any type of social interaction. On the one hand, this implies to have an influence on other people, on the other hand, it is the wish to create an image that is coherent with one's personal identity.

By combining the first dimension, that is based on the richness of the amount of information and on the degree of social presence that the social allows, with the second dimension, that is based on the degree of self-disclosure it needs and the type of self-presentation it allows, Kaplan and Haenlein (2010) outlined different types of social media (Table 2.2).

Table 2.2: Classification of social media by social presence/media richness and self-presentation/self-disclosure

		Social presence/ Media richness		
		Low	Medium	High
Self-presentation/ Self-disclosure	High	Blogs	Social networking sites (e.g., Facebook)	Virtual social worlds (e.g., Second Life)
	Low	Collaborative projects (e.g., Wikipedia)	Content communities (e.g., YouTube)	Virtual game worlds (e.g., World of Warcraft)

Source: Kaplan and Haenlein, 2010

- Collaborative projects (low self-presentation/self-disclosure - low self-presence/ media richness): they enable end-users to create projects jointly and simultaneously. The main idea is that working together will lead to a better outcome.

- Blogs (high self-presentation/self-disclosure - low self-presence/ media richness): is the oldest type of social media. Blogs are similar to personal web pages (they can be about the author's life, or all pieces of information related to one topic, i.e., travel), managed by only one individual that allows interactions with others through the comments section.

- Content communities (low self-presentation/self-disclosure - medium self-presence/ media richness): the main goal is to share contents between users. There are many different types of media such as videos, texts, PowerPoint presentations, etc. Users usually do not need to create a personal profile.

- Social networking site (high self-presentation/self-disclosure - medium self-presence/ media richness): social media that allow users to connect with people, send emails, invite people, send instant messages through the creation of a personal profile.

- Virtual game worlds (low self-presentation/self-disclosure - high self-presence/ media richness): these are platforms that can reproduce a three-dimensional environment where users can create a customized avatar and interact with other avatars as if they would be in real life.

- Virtual social worlds (high self-presentation/self-disclosure - high self-presence/ media richness): these allow inhabitants to choose their behavior more spontaneously and live a virtual life like their real life.

However, it is limiting to define what social media is based only on those that presently exist because there will be introduced new successful platforms, while some current platforms might disappear. Nowadays, some social media are used only to private users while others are used only by public companies. With the addition of new platforms in the future, there might be a link (called scale) between public and private types of social media.

Along with Miller et al, (2016), there are two key types of scale. The first is the connection from the most private to the most public. The second is the scale from the smallest group to the largest groups. Despite the fact that we can still distinguish private dyadic conversation and public broadcasting, what will change is the so-called *sociality*, that is the way in which people interact with each other to form social relations. The best way to define what is now called social media, in the future will be called “*scalable sociality*”, that is the new types of platforms that will come up (Figure 2.5).

Figure 2.5: Scalable sociality

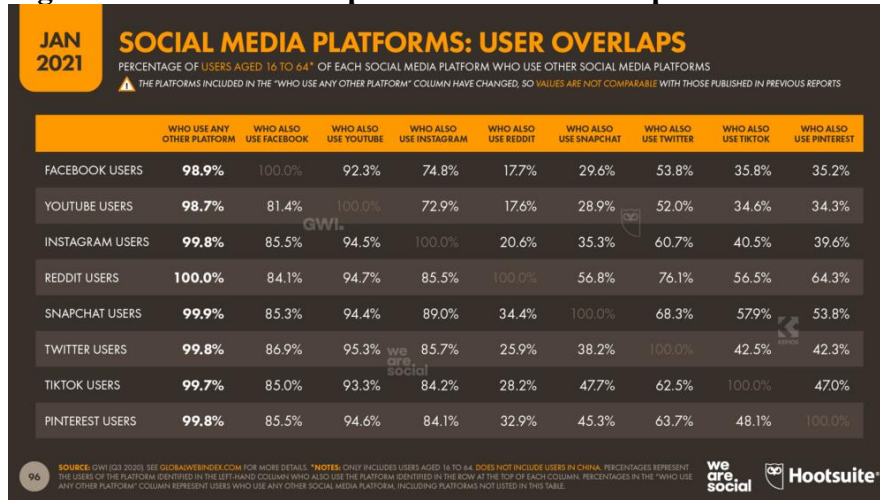


Source: Miller et al., (2016)

Along with Madianou (2012), Miller had developed an approach called ‘*polymedia*’, that means that the use of social media is linked to the use of other platforms. According to them, people might have believed that the cost or access to these platforms justified why users chose one media or platform rather than another.

The key takeaway is that brands do not need to be active on every single platform, and in fact the data show that a presence on just one or two of the larger platforms offers the potential to reach almost all of the world’s social media users (Figure 2.6).

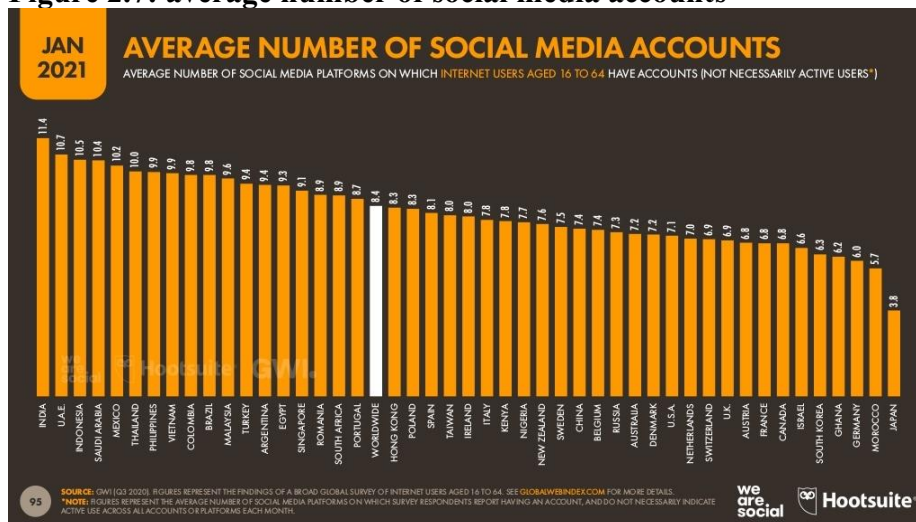
Figure 2.6: Social media platforms: user overlaps



Source: wearesocial, 2021

Today, however, people seem increasingly free to choose between these platforms, and so may be judged on their preferences. Indeed, as shown in the next figure, the worldwide average number of social media accounts is 8.4. The country that has the highest number is in India with 11.4 accounts per person while Japan has the lowest number with “just” 3.8 of accounts per person (Figure 2.7).

Figure 2.7: average number of social media accounts



Source: wearesocial, 2021

Further, with polymedia people can also delineate different kinds of sociality on the diversity of their social media platforms. Indeed, GWI data clearly show that people use social platforms for a variety of different reasons. However, Miller et al. (2016) suggests that the usage of a platform rather than another one is surprisingly irrelevant to finding explanations for why and how people use social media. Whether to use a platform over another depends also on the country and on the culture as it will be described in 2.3.

Furthermore, Miller (2016) pointed out that when the study of the Internet began, people talked about two worlds: the virtual and the real. By now it is very evident that there is no such distinction; the online is just as real as the offline. Social media has already become such an integral part of everyday life that it makes no sense to

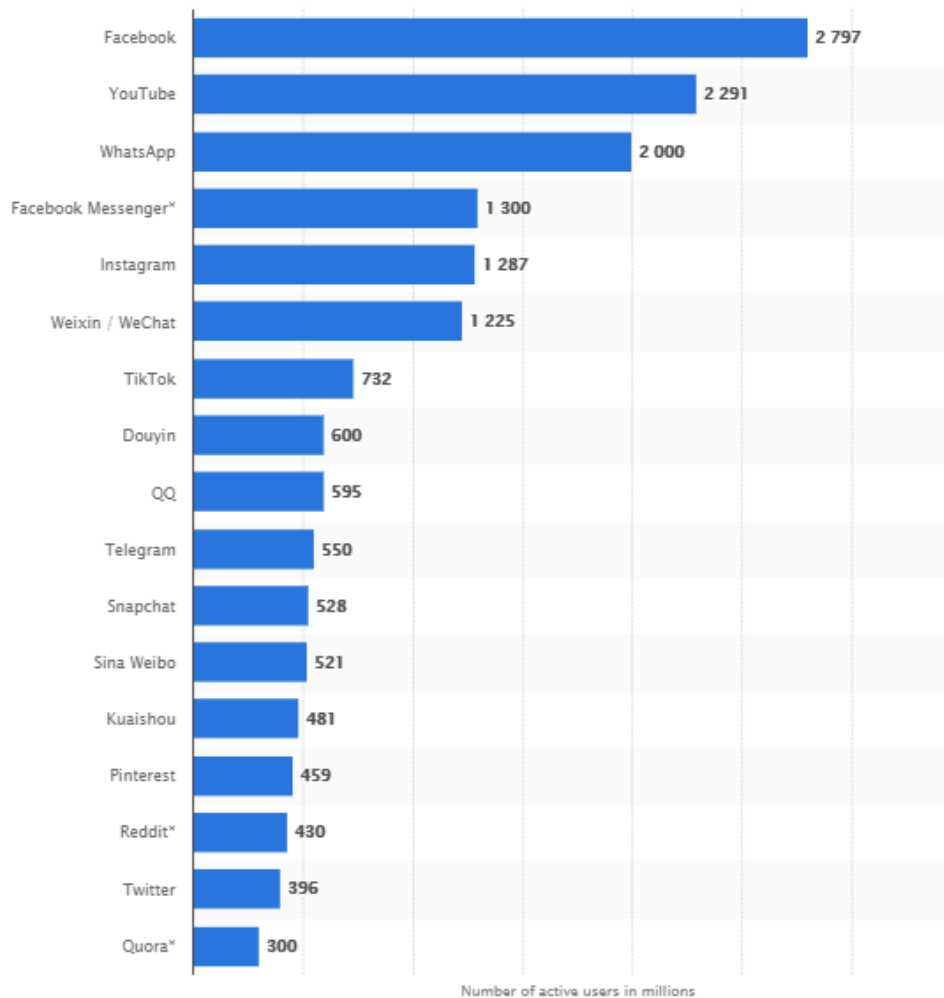
see it as separate. Today there are a lot of different touchpoints that refer to online as well as offline, and sometimes they are even indistinguishable.

2.2.1 Social media: a global phenomenon

Individuals use social media to catch up with friends, shop, and stay up to date on the latest news (Hootsuite, 2021). In 2020, the global social penetration rate reached 49 percent, with East Asia and North America having the highest penetration rate at 71 and 69 percent respectively, followed by Northern Europe at 67 percent. The power of social networking is such that the number of worldwide users is expected to reach some 3.43 billion monthly active social media users by 2023, around a third of Earth's entire population. In 2023, an estimated 800 million of these users are expected to be from China alone and approximately 450 million from India (Statista, 2021). In addition, the website points out that the potentiality of social networks is still considerable as numbers as well as the users' engagement demonstrate.

The market leader social network is Facebook that has more than 2 million of users, followed by YouTube and WhatsApp (Figure 2.8).

Figure 2.8: Most popular social networks worldwide as of April 2021, ranked by number of active users



Source: statista blog, 2021

Recent analysis found out that the 92% of the countries analyzed (i.e., 167) use Facebook, despite the difficulties of perception and the bad press (Vincos, 2021). In fact, it has continued to grow during the last year, exceeding 2.7 billion monthly users, of which 1.8 billion are connected at least once a day. The main network for

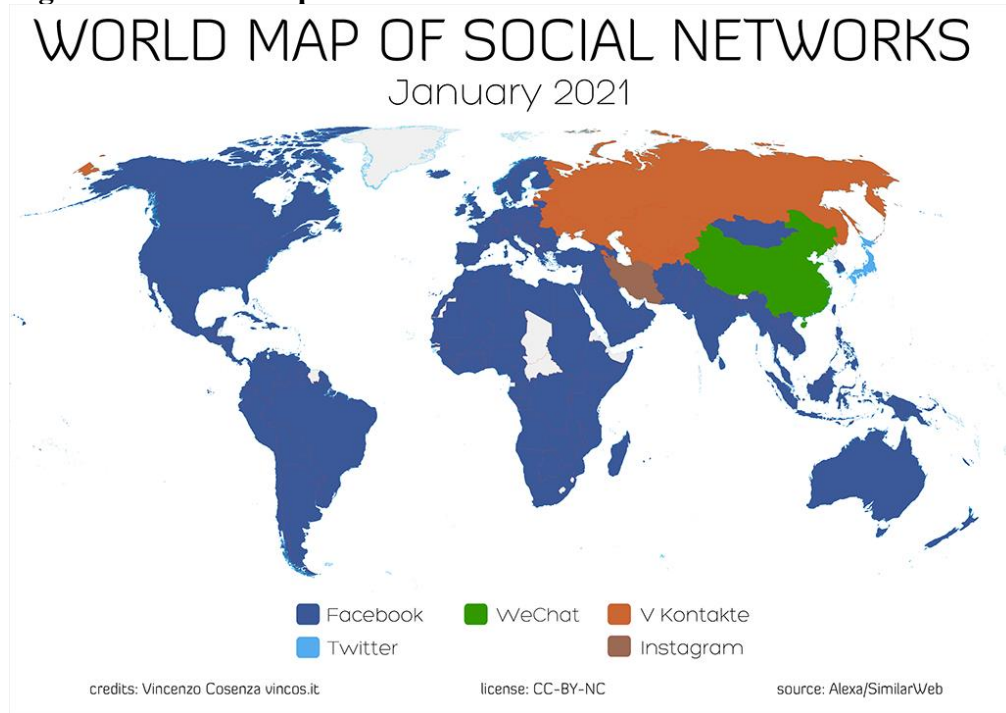
Facebook is Asia, while in Europe it has reached a saturation and is no longer growing, while the United States and Canada have also lost two million daily users.

The territories of the former Soviet Union are completely conquered by VKontakte, launched by Pavel Durov. It resists not only because it has Russian roots, but also because it allows degrees of freedom that a Western social network could not afford. Here it is possible to exchange illegal content (software, videos, music, books) and exercise freedom of expression without great controls.

In China, the favorite social network is WeChat which has over 1.2 billion active users per month. WeChat is an atypical and original application, a super app that includes the most disparate services, those of messaging, social networking, games and the ability to purchase products and services, even from the public administration. In fact, it is the state app heavily controlled by the government, but it is also a reference point for the evolution of Western Instant Messaging and Social media services (here an overview of internet use in China).

Another social media used in Japan is Twitter that is preferred to Facebook, although in the last year Instagram has begun to appeal to many young people (Figure 2.9).

Figure 2.9: world map of social networks

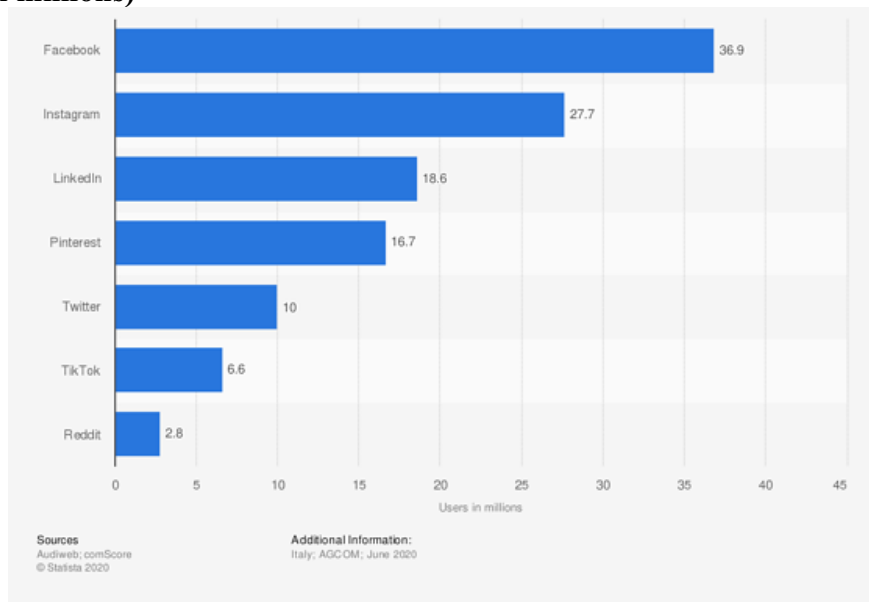


Source: vincos blog, 2021

Accordingly, companies, when they internationalize, they need to take under consideration where to be active.

In Italy there is a different distribution. Indeed, even if Facebook is the most used social network, the second place goes to Instagram and the third to LinkedIn (Figure 2.10).

Figure 2.10: number of users of main social networks in Italy in June 2020 (in millions)

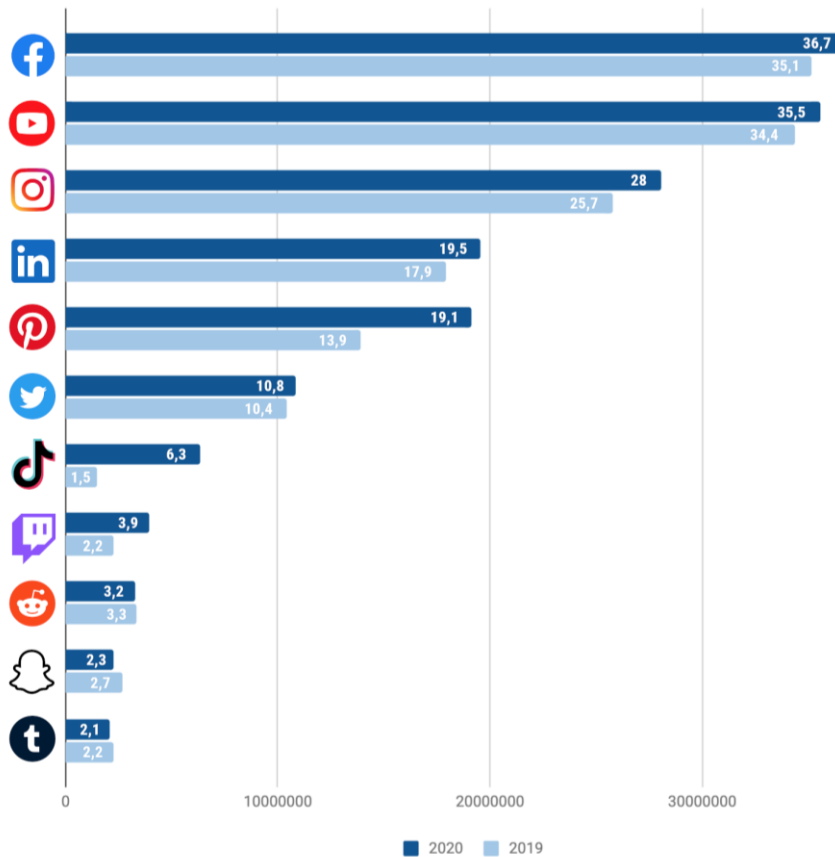


Source: statista, 2021

There is instead a slight difference in the main used social media in Italy in 2020. The top three social media used are Facebook, YouTube, and Instagram. Compared to 2019, in 2020 almost all the social media that belong to the ranking have increased the number of users (Figure 2.11).

Figure 2.11: Social media in Italy 2020

ELABORAZIONE VINCOS.IT / DATI AUDIWEB-NIELSEN



Source: vincos blog, 2021

2.2.2 Social media marketing

According to Zarella (2010), new Web technologies allow the creation and distribution of faster and easier contents. The rise of social media has brought to a new type of marketing, the so-called social media marketing. This new term has different meanings according to different scholars:

- According to Pham and Gammoh (2015, p. 325), Social media marketing is *“company’s process of creating and promoting online marketing-related activities on Social media platforms that offer values to its stakeholders”*.

- According to Dwivedi et al. (2015, p.291), Social media marketing is *“a dialogue often triggered by consumers/audiences, or a business/product/service that circulate amongst the stated parties to set in motion a revealing communication on some promotional information so that it allows learning from one another’s use and experiences, eventually benefitting all of the involved parties”*.

- According to Tuten and Solomon (2017, p.18), Social media marketing is *“the utilization of Social media technologies, channels, and software to create, communicate, deliver, and exchange offerings that have value for an organization’s stakeholders”*.

According to Vinerean (2017), social media marketing is strictly related to advertising. A blog post, a tweet or a video can be seen by millions of users for free, therefore companies do not need to pay anymore thousands of dollars to promote their products or services. Brands can conduct promotional campaigns and reach their target audience through social media at a very low budget compared to what companies used to do in the past when they needed to reach their target audience. Facebook in 2016 gained \$27.6 billion in total revenues, with an overall daily active user of 66%, of its total of 1.8 billion users (Facebook, 2016). This means that approximately 1.8 billion people are giving companies and brands (local and

global) the opportunity to advertise themselves. However, although many studies (Duffett, 2015; Carrillat et al., 2014; Mir, 2012) confirm that Social media are important in advertising, other studies (Bannister et al., 2013; Chandra et al., 2013; Kodjamanis and Angelopoulos, 2013) demonstrate that there are negative attitudes towards ads, hence, they do not generate any purchasing decisions, while others use Social media only to compare prices but they tended to experience negative cognitive and affective attitudes for brands appearing in the ads.

A company that decides to use social media for their marketing purpose, set specific objectives including stimulating sales, increasing brand awareness, improving brand image, generating traffic to online platforms, reducing marketing costs, and creating user interactivity on platforms by stimulating users to post or share contents. Moreover, companies can use social media to understand how consumers view a firm or its actions (Schweidel & Moe, 2014).

According to Kapoor et al. (2018), the above-mentioned social media usage is mainly concerning private sectors (which also use social media as their means of communication) because social media in public sectors are mainly used to share information and encourage user engagement.

In addition to promoting, social media are used by marketers to build long-lasting relationships with customers. In fact, the use of social media allows marketers to collect valuable data about customers in order to provide them personalized messages and offers. Customized offers could produce from five to

eight times the return on investment (ROI) on marketing expenditure and can raise sales by more than 10% (Cochrane, 2018).

As stated by Kingsnorth (2019), the social media revolution has completely changed the Internet and customers behavior. Due to the speed of the penetration of the Internet, over 65% of the world now is online (Internet World Stats, 2021). Accordingly, online and offline worlds cannot be kept separated because customers do not distinguish anymore between what is online and what is offline.

However, even though anyone knows and speaks about social media, there is a huge difference between a company that uses social media for marketing purposes, and a company that has a marketing strategy based on social media. According to Tuten (2020), companies come through three phases when they use social media. The first phase is the “*trial*” phase, that is when companies start to adopt social media platforms, but they do not consider social media as an integral part of the overall marketing plan¹². Companies are experimenting with a new way of doing marketing and communication by exploring the potential of social media. However, companies in the trial phase do not look at social media as an explanatory stage, a process that is evolving.

¹² “A marketing plan is a strategic roadmap that businesses use to organize, execute, and track their marketing strategy over a given time period. Marketing plans can include separate marketing strategies for the various marketing teams across the company, but all of them work toward the same business goals”.

The second phase is called the “transition” phase, that is when the company has a bit more experience, but it still does random activities, but a more organized way of thinking about the use of social media starts to develop in the organization. Companies are on the right track even if they do not have completely made up a strategic approach.

The third phase is when companies set up a wise social media strategy, the so-called “strategic” phase.

In order to create a social media marketing strategy, Hootsuite has summarized eight steps. The first step is to choose social media marketing goals that are in line with business objectives. This step is composed of setting SMART¹³ goals and tracking meaningful metrics. Although numbers of followers or likes are easy to track, but they are difficult to value, companies can focus on engagement, click-through, and conversion rates (companies can also track different measures for different platforms). Social media goals should line up with the overall marketing objectives.

The second step is to learn about the target audience by creating buyer personas¹⁴ and gathering data about the platform that those specific buyer personas use. Going

¹³ According to T. Doran (1981) a goal should be SMART, that is the acronym of Specific (a goal shouldn't be generic, but it should be sufficiently detailed to measure real problems), Measurable (a goal has to be defined using quantifiable terms), Achievable (a goal has to be attainable considering its financial and human resources), Realistic (a goal must be reasonable based on data and trends; do not exaggerate or overestimate), Time-Based (a goal must have a deadline).

¹⁴ “A buyer persona is a semi-fictional representation of your ideal customer based on market research and real data about your existing customers”. (Hubspot, 2021)

on, companies should know who their competitors are through a competitive analysis (they can also understand what they are doing well and wrong) and social media listening (searches of the competition's company name, account handles, and other relevant keywords on social media, what they post and other people's opinions about them). The fourth step is about doing a social media audit in order to analyze the situation in which the company operates before setting the strategy and understanding the role and the purpose of each social media.

Further, once they have decided which networks to focus on, companies should sign in on that social media platform and improve the profile. After this step, companies always need to make their brand unique, for instance by drawing inspiration from other businesses that are great on social (Social media success stories, award-winning accounts and campaigns, and so forth). The seventh step consists of creating a social media content calendar, that is a plan that organizes companies' publishing schedules by date so they can keep track of deadlines, better manage the content creation team, and create transparency with all parties (HubSpot, 2021).

The last step regards the evaluation and the adjustments of the strategy also by looking at performance metrics.

2.2.3 Social media usage: objectives and outcomes

The rise of social media has led to changes in how organizations carry out their daily activities (Olanrewaju et al., 2020). Social media is expanding its status as an essential communication channel for businesses, but it has the potential to be much more.

According to Ciprian (2013), social media provides advantages to businesses. One above all, social media is an effective and inexpensive tool that marketers use to reach a large number of targeted audiences within less time and very little effort. According to Forbes, 94% of corporates are using social media and 85% said that it has given their business more visibility. Secondly, branding can be done successfully on social media, especially for small businesses that, according to Socialmediatoday, 83% of customers prefer to connect to the brand on Facebook, while for others Facebook has become their main website. Further, customer acquisition is easy on social media since almost half of the population owns at least one social media account. In 2013, 36% of marketers acquired customers via Twitter, 52% via Facebook and 43% via LinkedIn. Moreover, social media enables direct customer interactions thanks to interactive methods such as Question and Answers, Polls, etc. According to Socialmediatoday, 53% of marketers are using social media as a two-way conversation and engagement tool. Social media marketing can also generate more contacts, hence increasing sales. A study by Socialmediatoday showed that 71% of social media users are more likely to buy

products from brands that they are connected to on social media websites. Social media produces almost double the marketing leads than any other marketing tool.

Importantly, several outcomes of social media usage have been identified in the literature (Olanrewaju et al., 2020). For instance, Alarcón-del-Amo et al. (2018) suggest that the higher use of social media leads to higher business performance, both financial and non-financial. Furthermore, Parveen et al. (2015) considered enhancement in customer relations, customer service activities, improvement in information accessibility, and cost reduction as the results of Socialmedia usage in the organization. Solis (2010) found digital advertising and promotion, handling customer service issues, mining innovative ideas, and building customer relations as the consequences of social media. In addition, consequences like business process performance (Ainin et al., 2015), crowdfunding performance (Kang et al., 2017), and innovation performance (Pérez-González et al., 2017; Scuotto et al., 2017) have been stated. The need to associate the results of social media usage to the organizational level has also been recognized as a research requirement (Cao & Ali, 2018).

However, according to a report from Sagefrog Marketing Group, 88% of managers are not able to measure how social media really influence the results. Additionally, managers have unrealistic expectations of using social media or they have lack of experience (that is immaturity in the usage of social media) that make their expectations fail.

Despite the fact that scholars have determined the consequences of social media, the organization's maturity level in using this technology and its performance consequences relevant to each maturity level have not been dealt with (Schlagwein & Hu, 2017). In fact, when companies set up social media strategies, they must be in line with the organization's maturity and the expected performance consequences. If the floor is not prepared for the use of social media and the organization is immature, the strategy will be obstructed (Chan & Swatman, 2004).

Moreover, due to the differences among social media, it must be used a social media over another one, according to the organization's maturity level to gain profitable results (Hanafizadeh & Shafia, 2021). The capabilities of social media are different. The difference of social media types and the capabilities each platform provides the organization with affects the consequences of using them. Hence, it is very important to take the different nature of social media into account when identifying the types of their performance consequences.

Social media changes all the time, so it is important to keep up with the evolution of the platforms and to keep looking for ways to optimize your use of available tools, for instance Twitter and Snapchat recently announced major changes.

Kaplan and Haenlein (2010) made a list of ten points in order to give advice for companies when they decide to use social media. The first one is about the choice of social media. Indeed, the choice of the social depends on the target audience. On the one hand, there are social media that are mainly used by a certain group of

people, on the other hand, some features of some applications are not useful to a specific company for its communication.

The second advice the two Scholars suggested was to either create an application in-house or to pick the application the company selected. In some cases, the already existing applications fit the communication of the company. In these cases, the company can take advantage of the popularity and the user base, while in other cases the perfect application is not available yet. In addition, a company can decide to use one or more applications in order to reach as many users as possible. However, in this latter case, all the contents in different applications must be aligned. The fourth advice that Kaplan and Haenlein (2010) gave, was the fact that integration is the key. This means that in customers' eyes, even though a company has different applications, they reflect the corporate image. Further, it is worth that a part of the employees has access to the company's profile in order to develop a guideline for social media usage. Being active should also be something intrinsic in the usage of social media. Indeed, if companies want to create interactions and discussions they need to post regularly and fresh contents. Another important characteristic is that the social media company profile is supposed to be interesting to give customers the possibility to interact. Kaplan and Haenlein (2010) claimed that companies need to be humble on the usage of social media. Once the company has decided to join one social media, it needs to spend some time discovering all the features and the functionalities of the application. Indeed, usually the

applications are much older than the idea of the company to join the platform. Another advice concerns not to be too professional. Indeed, they suggested trying to blend in with other users. The last piece of advice Kaplan and Haenlein (2010) gave companies was to be honest.

2.3 The use of social media in international marketing strategies

As already shown in the first chapter, the internationalization process is not only addressed to big companies. Internationalization is a relevant strategy to expand their market abroad before seeing market shares stolen by new competitors on the national territory, even for small and medium enterprises.

However, according to Google Doxa Digital just 12% of small and 48% of medium enterprises deal with foreign countries, mainly conflicting with the difficulty to the commercial partner, approaching in a non-strategic way and with insufficient tools.

Additionally, the low level of digitization does not help companies although they are willing to increase their digital abilities. By leveraging digital channels, companies incur in relatively lower costs compared to other marketing channels, especially as regards the exploration of foreign markets. Moreover, digital marketing campaign's results can be monitored accurately and easily measured, thus offering the possibility to modify in real time these activities, starting from online advertising campaigns, on search engines or social networks for example.

Web marketing¹⁵ is crucial throughout the internationalization strategy, from the very beginning to the very end. Indeed, in the approach phase, analytical tools such as Google Adwords Keyword Planner, Google Trends, SEMrush, Google Analytics, and many others are useful to analyze carefully foreign markets, and in the effective launch of campaign phase is crucial in terms of brand awareness (for instance on social media).

Nevertheless, in order to set up an effective internationalization strategy, SMEs should realize that the digital approach they use internally (in their country of origin) might not be repeated equally abroad. In order to be successful, the international digital strategy must be characterized by three factors (Cepar.eu):

- Translation of the site in multiple languages. The goal of the companies is to increase online traffic also from foreign consumers. Therefore, it is necessary to translate your website into other languages. It is first of all necessary to analyze the target audience, that is, to understand which languages are the most spoken by the users who will use the site and to which the company wants to address.

¹⁵ Web marketing refers to marketing activities that are carried out online, coordinated with traditional promotion and sales strategies. Thanks to new technologies, there has been an increase in the number of communication channels that are almost free, although the message must be adapted (both the tone of voice and the content) to each channel. In this way, the final customer becomes a prosumer (producer + consumer, consumers, today the customer not only consumes but also produces content and product.) due to Web 2.0 philosophy. Although Web marketing has several goals, attracting qualified leads as little time as possible is the main way to grab the attention and to keep a trace of them, to retain potential customers.

- Social editorial plan and multilingual blog content. As stated above, it is important to have contents translated in more than one language to reach a broader range of audience. The editorial plan is a strategic and operational document that allows you to organize content for social media, but also for blogs, magazines, editorial publications, and newsletters. It is a strategic tool, structured to pursue specific marketing objectives and which allows you to keep under control the activities to be carried out on the various distribution channels chosen.

- Ad hoc geo-localized campaigns. Every country has different customs and traditions. It is a strategic approach to have a geo-localized campaign to make it more effective and persuasive.

In addition to these factors, in order to define the strategy to be pursued, companies should add more technical activities to rebuild the corporate website, should do an historical analysis and decide whether to set physical offices in the countries to be presided over.

Further, it is essential within a business plan, to adopt suitable multi-platform positioning strategies using all the channels and platforms that web marketing makes available to companies, for instance SEO (*Search Engine Optimization*) able to position the company website on search engines (i.e., Google, Yahoo!) over time, SMO (*Social media Optimization*) and SMM (*Social media Marketing*) that allow the company to manage the Social channels correctly, defining upstream targets and

objectives to be achieved, the platforms on which to work and the contents to be delivered.

It goes without saying that social media can be a tool in order to perform marketing activities. However, setting up an international social media strategy is not as simple as it seems to be. Despite the fact that signing up on social media is a simple and a free operation, its usage could be challenging, especially in an international context due to “cultural problems”.

According to Bartoloni et al. (2019), despite the ongoing globalization, there are still cultural differences among customers’ behaviors towards vendors. In fact, it is well known that culture is one of the main factors determining differences in consumers preferences and buying behaviors, and it can also be applied to the online world.

As studied by Hofstede (Calabrese, Capece and Scarpetta, 2011, paragraph 2.3), societies can be individualist or collectivist. Xu-Priour et al. (2014) discovered that social media must be used in collectivist countries (i.e., China or Taiwan) where social media are considered as “influencers” in people’s decision-making process. These cultures are based on trust and in the identification of opinion leaders. On the other hand, in individualist countries (e.g., Australia or UK) the purchasing decision is not influenced by social media. In this case, customers are more influenced by the cost/benefit relationship and so the attention should be on creating and sharing valuable and attractive contents. This classification reflects the use of social media:

collectivist people believe that social media are necessary to interact with others, while individualist people use brands' social media accounts mainly to get discounts, coupons and gifts. This implies that companies must adapt their social media strategy to the cultural characteristics in order to engage users from different countries (Bartoloni et al., 2019).

From the firm's point of view, it has been shown that the localization of the content and the structure of the website affects its own performance, in terms of higher usability, trust, and conversion rate (Yalcin et al.2011; Sinkovics et al. 2007; Cyr 2014). Moreover, cultural matters can be related to the choice of social media such that the main social media in China is WeChat, while in Russia it is VKontakte (see Paragraph 2.2.2). This means that businesses need to personalize their social media marketing strategy that fits for each country.

Depending on the level of cultural distance, adaptations of social media may be more or less strong. There are two radical solutions (Bartoloni et al, 2019):

- *Local* strategy: adapt the strategy (language, contents, ...) to every country the company decides to open a social media account. On the one hand, companies can manage practicalities (time zone, local events), on the other hand, companies need to invest more resources (both financial and human).

- *Global* strategy: the company has one profile, and the communication is standardized. This approach is much cheaper and easier, but it can be less effective in terms of users' engagement.

In the middle of these two solutions, there is the so-called *multi-local approach* that refers to companies that have both the dedicated and the international social media profiles, but they still promote specific initiatives in order to stimulate the engagement of users in the targeted market.

2.4 The role of culture in influencing digital tools

The cultural characteristics of a population influence the use of the Internet and ultimately the design and content of a website in order to properly meet the users' needs in terms of navigation methods, use of content, security and so forth.

According to Calabrese, Capece and Scarpetta (2011), belonging to a culture rather than to another unconsciously manipulates habits and behaviors that influence the preferences of the user when browsing via the web. Thus, it is easy to understand how the export of a website to different countries is not solved with the mere translation of the text or the modification of the date format, but requires careful and appropriate customization to the reference audience of the culture's markers, that is, those elements of the design of a site that are prevalent and possibly preferred within a cultural group (Barber and Badre, 1998), such as layout, symbols, multimedia contents, language, navigation and colors.

The following paragraphs will explain Hofstede's model that summarizes the features of a culture through the introduction of five dimensions, and Hall's model

that proposes a cultural classification based on the degree of linguistic explanation that characterizes the communicative style of a population.

2.4.1 Dimensionalising culture: the Hofstede model

Hofstede's empirical research (between the end of the 60s and the beginning of the 70s) focused on a project called HERMES, with the aim of emerging the cultural values of the interviewees through a questionnaire. He analyzed a sample of 116000 questionnaires sent to IBM's employees in 71 countries. The groups interviewed were chosen similarly (regarding training, education, age, work etc.), except for the nationality. If any difference came up though, they were therefore most likely due to personal differences on the one hand, and to nationality on the other. The results allowed the researcher to classify (in a 100-point scale) the cultural characteristics peculiar to each country being interviewed in five cultural dimensions (Calabrese, Capece, Scarpetta, 2011). (Figure 2.12)

- *Power Distance Index* (PDI): the distance from power allows to understand how the less powerful members of a country's institutions and organizations expect and accept that power is unequally distributed; this concept implies that the level of inequality exists as a function of the level of acceptance of the followers rather than the imposition capacity of the leaders. According to Hofstede (2001), countries with a high PDI prefer to have hierarchical bureaucracies with strong, authoritarian, feared, respected, and never contradicted leaders by their subordinates. On the

contrary, countries with low PDI believe in equality with leaders more focused on collaboration, also with their subordinates.

- *Uncertainty Avoidance Index (UAI)*: it refers to the rejection of uncertainty in unknown situations. According to the researcher, countries with higher UAI try minimizing risks with technology, while countries with a lower UAI are more tolerant of different opinions and they quickly adapt to changes.

- *Individualism (IDV)*: individualism, as opposed to collectivism, allows us to understand how, within a society, the individual is integrated into the group. He believes that in more individualistic societies, individuals need to take care of themselves and of their closest relatives (people must be independent and they have to differentiate from the others). In collectivistic societies, people are part of a group since their birth that will protect them throughout their lives in exchange for absolute fidelity.

- *Masculinity (MAS)*: masculinity versus its opposite, femininity, refers to the distribution of roles and power within the sexes and analyzes the values of society such as modesty, assertiveness (female pole) and competitiveness (male pole). In masculinity countries, it is emphasized the status, career, remuneration, while in more feminine countries the focus is on human relationships and the quality of life starting with work. Moreover, unlike female ones where equality predominates, masculine societies are characterized by the fact that they place a great distinction between men and women, giving the former greater powers.

- *Long-Term Orientation* (LTO), so-called Confucian dynamism: refers to the importance that a society gives to the future in comparison to the one given to the present or the past. Accordingly, Hofstede believes that long-term societies tend to be persevering, to arrange their relationships according to their social status, to be savers and to strongly feel shame, but not guilt. On the other hand, short-term orientation concerns values that are more oriented towards the past and the present such as respect for traditions and commitment to social obligations and the safeguarding of one's honor. He thinks that these two different attitudes influence decision making processes.

Figure 2.12: Hofstede's dimensions of culture

Cultural dimension	Definition	Examples
Power distance	<i>Power distance</i> is the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally.	Low: U.S. and Canada High: Japan and Singapore
Individualism and collectivism	<i>Individualism</i> describes cultures in which the ties between individuals are loose. <i>Collectivism</i> describes cultures in which people are integrated into strong, cohesive groups that protect individuals in exchange for unquestioning loyalty.	Individualistic: U.S., Australia, and Great Britain Collectivistic: Singapore, Hong Kong, and Mexico
Masculinity-femininity	<i>Masculinity</i> pertains to cultures in which social gender roles are clearly distinct. <i>Femininity</i> describes cultures in which social gender roles overlap.	Masculinity: Japan, Austria, and Italy Femininity: Sweden, Norway, and Netherlands
Uncertainty avoidance (UAI)	<i>Uncertainty avoidance</i> is the extent to which the members of a culture feel threatened by uncertain or unknown situations.	Low: Singapore, Jamaica, and Denmark High: Greece, Portugal, and Japan
Confucian dynamism	<i>Confucian dynamism</i> denotes the time orientation of a culture, defined as a continuum with long-term and short-term orientations as its two poles.	Long-term: China and Japan Short-term: U.S. and Canada

Source: Hofstede, 1991, p.28

2.4.2 understanding cultural differences: the Hall's model

Edward T. Hall believes that culture is communication and communication is culture. Indeed, people communicate in a certain way because they grow up in a specific culture with its rules, norms and symbols that allow them to identify individuals who belong to the same group. However, since people have learnt these rules and norms in childhood, we are generally unaware of how culture affects people's behavior and their way of communicating (Figure 2.13).

According to Calabrese, Capece, Scarpetta, (2011), Hall identified two kinds of cultures based on the degree of linguistic explication of the language of a given culture:

- *High-context cultures*: cultures in which, in communication, the meaning of the message is mainly fixed in the context and cultural traditions and the communicative codes applied are implicit. The context is therefore of greater importance than words (such as Japanese, Chinese, Koreans, African Americans, and the Mediterranean peoples). In high-context cultures, people are part of a homogeneous group that, due to their strong history and tradition, does not change over time. In these cultures, people have an extensive network of information between family members, friends, colleagues, and clients, and they have large numbers of personal relationships. This implies that in the communicative context, the meaning that one wants to convey through a message (written or verbal) is not necessarily contained in the words that compose it: gestures, use of space, silence,

and even elements related to status (age, sex, education, family, titles and affiliations) are means that allow the transfer of meanings.

- *Low-Context Cultures*: cultures in which communication codes are explicit since most of the information in the message is found in words and meanings are less dependent on the context (i.e., Germans, Scandinavians and North Americans). In low-context cultures, groups are less homogeneous, consequently, the communication is occasional, and people need further detailed information in order to converse. This means that in the communicative context, the meaning that one wants to convey through a message (written or verbal) is definitely contained in the words that compose it.

Figure 2.13: Cultural classification according to the Hall model

	<u>High-context Cultures</u>
	Japanese
H	Chinese
I	Arab
G	Greek
H	Mexican
	Spanish
	Italian
	French
	French Canadian
	English
	English Canadian
	American
L	Scandinavian
O	German
W	German-Swiss
	<u>Low-context Cultures</u>

Source : Herselman, Marlien & Greunen, Darelle, (2010)

This difference sometimes results in misunderstandings because, on the one end, the small amount of information given by high-context cultures is perceived as vague and ambiguous by low-context cultures, on the other hand, high-context cultures are impatient when too much information is given to them by low-context cultures.

Additionally, the researcher proposed a further classification of cultures based on the conception they have of time, described as a sort of "silent language" that communicates meanings and puts order between activities. Hall has identified two very different ways of perceiving and organizing time, often in contrast with each other (Calabrese, Capece, Scarpetta 2011):

- *monochronic time* (low-context cultures): cultures respect time and deadlines by using time in a monochronic way, that is, "one thing at a time".
- *polychronic time* (high-context cultures): there are not rigid schedules to be respected and delay is allowed.

There is a link between the two models, in particular between Low\High-Context Cultures and PDI and IDV indexes. According to Hofstede (1991), Low-Context cultures tend to be individualistic and have a low PDI, while High-Context cultures tend to be collective and have a high PDI. This can be explained by the fact that in individualistic cultures people have less interpersonal relationships, so communication must be more detailed and more explicit. On the other hand, in collectivistic cultures, due to the presence of strong relationships, a lot of

information is already shared between individuals, and this allows for less formal communication and more focused on symbols and rituals.

CHAPTER 3

The empirical research

3.1 The wine industry

Wine is one of the products appreciated worldwide, thanks to a new dynamic of consumption and production. In recent years more traditional markets, such as Italy, France and Spain, have been lagging behind emerging countries, where wine has only recently become part of local eating habits (eulerhermes.com, 2018). However, the Italian wine market still remains important for both the economy and culture. Therefore, this sector was chosen for the empirical analysis because it is one of the most representative of the Made in Italy products abroad.

According to Amfori (2020), Italy is one of the world's most ancient winemaking countries. In addition, this industry has been growing since 2014, allowing Italy to be a leading country in the production of wine in terms of volume (the volume produced has increased by around 34% in the past five years) and exports. However, although the country is a leader in the wine industry, at the beginning of the last century it faced challenges, mainly due to the high production standards which the country was able to overcome through the implementation of strict regulation, authenticity, and labelling requirements. The most important

regulation dates back to 1963, the so-called Denomination of Origin (Denominazione di Origine Controllata, DOC) Law. The introduction of these regulations led Italy into a golden age of winemaking. Over the past 50 years, these regulations have dramatically improved the quality of grapes.

In 2018, Italy's production of wine has increased by 29% compared to 2017. The industry has succeeded in increasing the overall value of Italian wine by 70% over the last decade, allowing wine producers to have a greater revenue per bottle (Amfori, 2020).

Italy, France, and Spain are the main producers of wine in the world which together account for 53% (in Europe), and in 2020 they witnessed a sharp rise in their wine production compared to 2019.

However, while for Italy the 2020 production volume remains in line with respect to its last five-year average, for France and Spain the gap is wider.

3.1.1 Internationalization in the wine sector

According to Rete Rurale Nazionale (2020), some of the main countries that consume wine do not produce it. Indeed, it is evident that producers put a strong focus on the export by following the internationalization of wine consumption. In addition, by looking at the statistics of the Organizzazione Internazionale della Vigna e del Vino (OIV), the export of wine has increased by 40% since 2013.

Moreover, in recent years, the structure and composition of world exports has experienced some significant changes. This was due to several factors: Covid in the first semester of the year, trade barriers as a consequence of geo-political tensions, such US tariffs against some European countries, among others.

Nonetheless, the global volume of exports is in line with the average of the last ten-year. Despite a decrease in exports, in 2020 Italy was still the largest exporter, accounting for 20% of the global market. In addition to Italy, Spain, France, Chile, Germany, and South Africa witnessed a notable reduction in exports, whilst Australia, Argentina, USA, Portugal, and New Zealand recorded increases compared to 2019 (OIV, 2020).

In 2020, the international trade of wine in terms of volume was mainly dominated by the three European countries (Italy, Spain, and France) that together exported almost 52% of the world market. Among other large exporting countries of the EU, Germany, faced a decrease in the export volumes whereas Portugal recorded a positive growth. New Zealand, Australia, Argentina, and the USA recorded an increase in exports while South Africa and Chile registered a drop in their exports.

In terms of main wine importers, the UK, Germany, and USA are the principal importers, accounting for 39% of the total. Indeed, these countries are the main buyers of Italian wines (Figure 3.1).

Figure 3.1: Top importers of Italian wine in 2018

Germany	26,19 %
United States	17,04 %
United Kingdom	14,89 %
France	4,44 %
Canada	3,99 %
Switzerland	3,69 %
Sweden	2,40 %
Netherlands	2,36 %
Russia	2,17 %

Source: amfori, 2020

They are followed by the USA, Netherlands, Canada, China, Russia, Belgium, Portugal, Japan, and Sweden (OIV, 2020).

3.1.2 Social media marketing in the wine industry

Nowadays, consumers have many more quality wine options. They have at hand the Internet and social media that they can use to be informed about products and brands. As a matter of fact, wineries need to adapt to this new digital era in order to overcome the competition. According to Viana (2016), wineries need to share contents on social media that enable customers to interact with the brand. The contents should be as personal as possible to grab more the attention that leads to interactions. Hence, if the goal of the campaign is to have more clicks, the company should communicate “personally” with the customer.

Focusing on quality and consistency is crucial. The company should identify the topics that are the most interesting for customers and create contents based on them. The audience likes to learn more about the people behind the wines, family stories, and “when to drink” and “how to” videos (Viana, 2016). Additionally, people like to read educational posts so wineries can post recipes and updates from the winemaker to get more attention on social media. However, they need to focus on quality and be authentic even in the online channel.

Therefore, it is important to develop a content strategy, and content calendar and establishing the tone of voice on social media (Viana, 2016). Once the strategy has been implemented, wineries will understand whether they are successful on social media.

Viana (2016) argues that *“the main social media marketing purpose in wine sector is expressing the wine brand unique value to customers and its digital presence should do it when producers are not talking personally to them”* (Viana, 2016, p.4).

One of the first steps is to define the target audience by determining frequency of online interactions, the contents they either look for or like, and the platforms they use. In order to set the social media strategy, wineries must be aware of the regulation applied in the wine industry. Indeed, their communication is addressed to people of legal purchase age, before allowing people to interact, the brand advertisers need to require age affirmation. Finally, wineries should post what

people want to talk about. Nonetheless, the *conditio sine qua non* to succeed is to set a social media marketing that fits for them, as well as an editorial calendar.

An effective content marketing strategy on social media should invest efforts in storytelling¹⁶. People who drink wine expect to read a story around the product (how the wine is elaborated, the methods, the producers, the territory, etc.). Wineries can use *virtual experiences*, that are videos, explaining about viticulture and wine, *experiential content*, contents about positive memory and to remind people to share their experiences, and *wine tourism* that is an important tool to share visitors' experiences on social media and instigate other people to visit the winery.

Another way to promote the product is to find professional bloggers in order to collaborate on campaigns and projects. Indeed, the main reason why people buy wine is because they have had recommendations. The role of professional bloggers is to persuade their audience to turn into brand advocates by promoting their products and events. They can impact people through their contents thanks to word of mouth. People trust them because they are one of them. Summing up, "*bloggers hold the power to format and impact public impression of brands, challenging wine brands to determine how they will work with them and contribute to influencers frame their message honoring the brand to the public*" (Viana, 2016, p.5).

¹⁶ "Storytelling is the process of using fact and narrative to communicate something to your audience. Some stories are factual, and some are embellished or improvised in order to better explain the core message" Hubspot, (2020).

Moreover, the key is to establish specific goals and measure the results in order to understand what works and what does not. It is important to set a winery culture, being in mind what should appear online, and based on that, create, or improve social media with goals and audience.

It is a challenge to wineries to find an effective way to use social media which actually yields positive results on incomes.

In some countries (i.e., the USA), wineries are controlled by the governments on what they do online. They are mainly affected in two distinct ways. First, they cannot run contests that gift wine, secondly, they must take under control of user generated contents in order not to promote irresponsible drinking. Thus, wineries must be aware of this before undertaking any social media or digital wine marketing. However, companies can still look for complementary goods (such as cookbooks, corkscrews) suitable for their goals and partner with them to promote contests and reward loyal customers. Wineries can also like, share, and comment on their fans' contents to informally reward them. According to Viana (2016), it is better to run contests within loyal followers rather than having a huge number but no genuine fans. Once wineries have true followers, they can send newsletter and product reviews. On the other hand, authentic customers will share companies' posts on their own.

In addition, wineries can use tools such as winemaking virtual tasting videos and QR Codes to give more information about the product. Promote the product in

different situations is encouraging the consumption of the product as well and thus increase sales.

3.2 Research methodology

A qualitative exploratory analysis was carried out to investigate the current use and adoption of social media for international marketing purposes in the wine industry. This methodology helps to provide an in-depth analysis of the topic. In fact, social media are a fairly new tool that companies, and in particular the marketing departments, have to deal with. In addition, due to the fact that the topic is quite new, it is still a work in process that companies are planning. Hence, a qualitative analysis is the most appropriate way to understand the strategies marketers are going to use.

First, we conducted a content analysis on websites and social media of thirty Italian companies in the wine sector (we selected these thirty companies because we looked for wineries in Italy, and these were the companies that had a website, for the companies that are in the Marche region, we selected the main companies).

The initial content analysis was employed to get preliminary information on the international orientation of Italian wine companies as well as an overview on how they use social media for international marketing purposes. The following table shows some characteristics of the selected companies.

Table 3.1: Analysis of the companies contacted

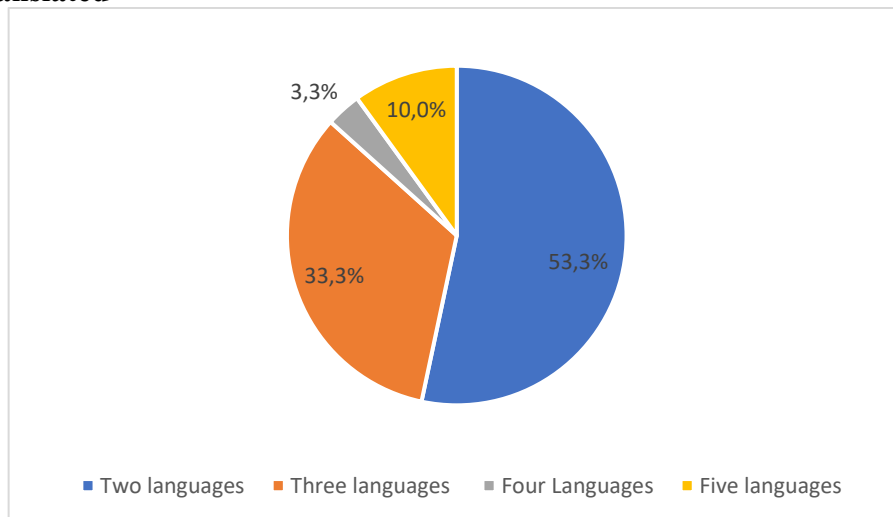
	Headquarter	Number of social media	Number of languages in which the website is translated (Italian included)
1	Emilia-Romagna	2	2
2	Emilia-Romagna	2	5
3	Marche	5	3
4	Marche	4	2
5	Marche	4	2
6	Marche	3	3
7	Marche	2	3
8	Marche	4	2
9	Marche	3	2
10	Marche	3	2
11	Marche	3	3
12	Marche	2	3
13	Piemonte	1	5
14	Sicily	2	2
15	Trentino-Alto Adige	6	5
16	Trentino-Alto Adige	3	2
17	Tuscany	4	2
18	Tuscany	4	2
19	Tuscany	4	3
20	Tuscany	5	4
21	Veneto	6	3
22	Veneto	3	2
23	Veneto	1	2
24	Veneto	6	3
25	Veneto	4	3
26	Veneto	3	3
27	Veneto	5	2
28	Veneto	4	2
29	Veneto	2	2

30	Veneto/Emilia-Romagna	1	2
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Source: own elaboration

First of all, it is clear that all the companies export because their website is translated in at least one language that is English. Indeed, 53.3% of the websites of the companies selected has been translated in another language (English in 100% of the cases), while 33.3% into three languages (among all the companies that translated their website in three languages, 92% is represented by German, while the remaining 8% is Chinese), 3.3% in four languages and 10% into five languages (Figure 3.3). In websites where there is more than one language, German emerges as a foreign language, meaning that Germany is an important market where Italian wines are exported.

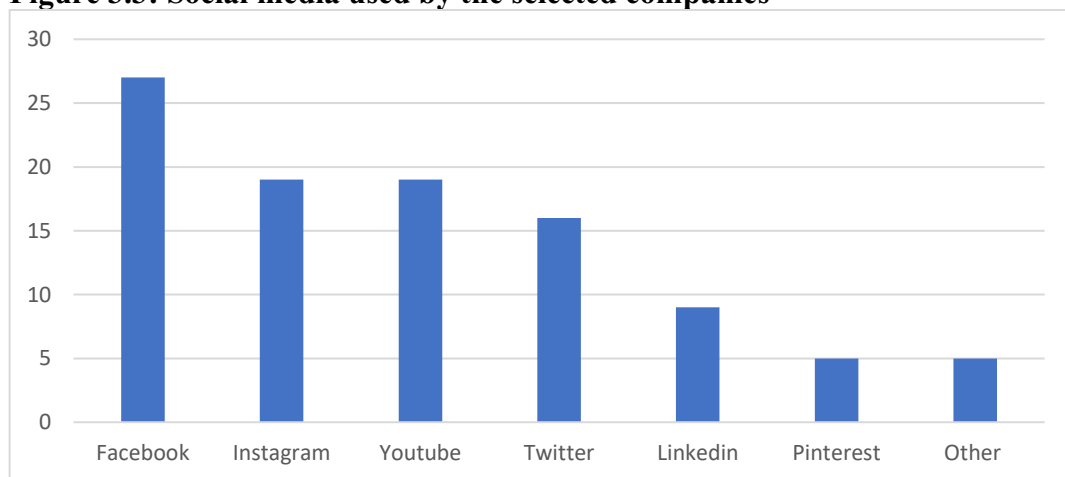
Figure 3.2: Number of languages in which the websites analyzed are translated



Source: own elaboration

By looking at the number of social media, companies have up to six social media as previously shown in Table 3.1. Most of the companies have from two to four accounts on social media and the main social media used are Facebook, Instagram, YouTube, and Twitter. Indeed, 90% of the companies have a Facebook account, 63% of them have an Instagram and a YouTube account, 53% have a Twitter account, 30% a LinkedIn account, 17% a Pinterest account, while 3% have either a Sina Weibo, or a WeChat, or Flickr, or a TripAdvisor, or an RSS account (Figure 3.4).

Figure 3.3: Social media used by the selected companies



Source: own elaboration

As for the contents, they mainly post the same topics, such as bottles of wine, vineyards, events and awards they have received. The types of contents are mainly videos and photos because they are the most suitable contents for the platforms they use. Among all the companies analyzed it has not emerged a trend in their publications: sometimes they post the same contents for all the social media they

own, other times they focus on one social media, and they rarely post on the others. The tone of voice is mainly colloquial and semiformal. Moreover, the language they use is Italian even though for some posts they translate the caption (the caption is then in two languages).

The second part of the study is a multiple case study (Yin, 2014) that employs semi-structured interviews as a primary data collection method. The thirty companies were reached via forms in their websites, phone calls and emails. Among all the companies selected, six of them replied. In turn, one company said that they prefer to collaborate in few projects that are set up between the student and the company itself, from the beginning of the study, while another said that they were busy in that period. The four remaining companies were interviewed. For privacy reasons, the interviewed companies will remain anonymous. Consequently, we will refer to them as Case A, Case B, Case C and Case D. The interviews lasted about fifteen/twenty minutes and they consisted of three phone calls (Case A, B and D) and a videocall (Case C). The interviews are the most common types of data collection method, and they are also useful to analyze the point of view of the interviewee (Della Porta, 2010). Therefore, this method fits the purpose of the study as the usage of social media depends on the decisions that companies make, hence it is pivotal to analyze their point of view.

The themes of the interviews can be classified in four parts: the first part was about an introduction of the company, the second part consisted of questions

regarding their internationalization process (i.e., when they started to export, where they export), the third part was about social media (i.e., how they use social media, which contents they post), in the last part it was asked if the companies will invest on marketing and social media in the future and how Covid impacted them.

The information collected through the content analysis allowed to triangulate data resulting from semi-structured interviews. This was extremely valuable to build the within-case and then cross-case analysis.

3.3 Within-case analysis

3.3.1 CASE A

Description

Case A is a family business with 60/70 employees that has started three generations ago. Their activities consist of winemakers, landowners, and vineyards, in more than 200 hectares between Le Marche and Abruzzo regions. They also follow the production of wine. Therefore, they take care of the entire chain, from the agricultural part to the controlling of the vineyards.

The grapes and wine they deal with, are all native and local of the areas of the Adriatic Coast and the company since the beginning (since the 50's) has specialized in the production of DOC¹⁷, DOCG¹⁸, and Riserva wines. Today the

¹⁷ Denominazione di Origine Controllata

¹⁸ Denominazione di Origine Controllata e Garantita

company exports to over 50 countries around the world and the division of sales can be 65% abroad, from Japan to Canada, the United States to Europe, and 35% Italy.

In Italy they sell mainly to the so-called Ho.Re.Ca. (Portale Horeca, 2020)¹⁹ channel, so the restaurants, wine bars, hotels. They are not present in an important way in the modern channel that is the large-scale retail trade (only with some products that are sold in local supermarkets, therefore Marche and Abruzzo). For some years, they have been investing a lot in activities related to wine tourism as the family owns a hotel. In the last few years also Le Marche and Abruzzo regions are growing in notoriety as touristic regions; thus, they have implemented a lot of activities related to wine tourism and tasting.

International strategy

Regarding export, the most important markets are also those that are the main ones for the Italian wine industry in general, i.e., the United States, Canada, Germany, UK, and Japan. They have different products (more than 25 labels), also having large vineyards owned they are able to offer different solutions of products as categories and as their own stylistic setting, what they sell abroad and in Italy is very similar and also as shares that are 55% red wines and 45% white wines.

¹⁹ "Ho.re.ca is intended to define a specific commercial sector, that of "Hotellerie-Restaurant-Café" it refers to companies: Hotels, restaurants, catering, restaurants and bars, with this meaning, therefore, include all activities related to consumption away from home also called Away From Home, AFH".

In almost all the traditional markets Case A has an importer for each state to whom they give the exclusivity of their labels that buys the product and then resells them in the market. Before the pandemic, they supported these importers by visiting them, proposing the wines, and promoting wines in the relevant markets. Some markets like Canada, Sweden, and Finland where the alcohol market is monitored by the state, the company sells directly to the state, which then resells to the final consumer.

The main channels Case A used to communicate with their customers until a few years ago, there were the Vinitaly trade fairs in Verona, Prowein in Dusseldorf, and fairs in China and Japan, and Asia in general. The first contacts were made and will continue to be made at trade fairs. Then there is a continuous relationship that they maintain via telephone, email and virtual meetings. These are contacts that they keep with their established partners when there is to plan activities or exchange information.

Web site and social media usage

They have an internal person who deals 24 hours a day with all these aspects of Marketing and Communication. However, they talk with an external press agency regarding the world of traditional printing both paper and digital and then, they turn to specialized agencies on targeted projects.

As far as social media are concerned, communication via these platforms is in general mainly dedicated to consumers, to the wine lover, to the one who then goes

to buy the bottle, as well as to wine shops and restaurants. They invested and they are investing in this time on the website, trying to make it as complete as possible and as updated as possible and they consider this process as a priority. As for the main social media channels, (Facebook, Twitter and YouTube) they have a specialized person who prepares daily content so that social media profiles are always updated. In this way, the importer, but also the user, the sommelier and the enthusiast can find in real time what the latest news of the company is.

For at least 10 years now, they have invested on social media. The motivation that led them to open an account on social media is mainly the fact that they are pushed by customers, passionate, consumers near and from foreign countries to always have updated news, the possibility to understand the status of the harvest, the latest news on the new labels, the awards received by wines. Because of that, they realized that social media could be an important channel for the dissemination of information, thus they have been also structured internally in order to have everything carefully monitored. They do not make e-commerce activities because of business choice; therefore, their wines are not sold through the corporate website, but they rely on those who are dedicated and specialized operators in the world of wine, and, through their companies, they sell their wines. However, they have a shop within the winery where the ones who come to visit them can also buy directly from the winery.

The contents they post on social media vary. According to them, Facebook is much more informative characterized by a greater depth, and there is the possibility to write some textual parts that they manage depending on the content either English or Italian. Instagram focuses on images; hence they look for suggestive images of their vineyards, their territories, or products if Case A launches a new label. On Twitter they usually retweet articles that are related to them. On their site, they try as much as possible to keep updated product information and awards. Accordingly, Case A has a precise and specific editorial plan that they share every quarter internally with the property or the commercial office then marketing and communication.

Case A thinks that social media presence is a great way to advertise and to do communication. Indeed, they do not do advertising campaigns, neither on social media, but they focus their presence on content that they develop and then they share them with their fans, followers and those who follow them as enthusiasts or with professionals. They focus advertising campaigns on other platforms or on other sites, specialized media such as Gambero Rosso. These websites are followed by fans in the field of food and wine in that case they study ad hoc campaigns, and, things to these websites, there is the possibility that business relationships are created.

The person who is in charge of their social media is constantly updated, also because social media changes rapidly, both in the way they are used and in the way

they reach the end user. Surely it is an effort of continuous updating to understand the trends because then they always have to relate them to the wine industry. Hence, the effort they find in implementing their social media strategy is that they need always to be updated.

One remarkable point is that they received a very important award (Premio del Consorzio Gavi). They were chosen among the 10 most active Italian companies on social media during the pandemic and thus they believed that working in that way have had an important return in terms of visibility.

Furthermore, the company will invest budget on social media and on the Web in general, and actually there is an investment going on, because Case A is rethinking its website with a major investment that should be ready by spring 2022.

The last point that was discussed was how Covid affected them. On the one hand, it was obviously an unexpected situation and therefore it created some difficulties. On the other hand, the company was able to react in the right way with a certain flexibility and speed, and by having different markets and different channels, they were able in one way to lose market share, but, on the one hand, to gain other market shares. Summing up, they were able to manage this situation.

Digital internationalization

The company is aware of the importance of both the digital and the internationalization strategies. Indeed, they translate the website in another language, even though they do not differentiate on the digital aspect because they

mainly post for the Italian market. This is because they sell to importers abroad and they do not have a shop online from which people can buy. In addition, due to the fact that they meet importers and distributors in trade fairs, they do not reach customers through social media.

Analysis of Case A's social media and website

As Table 3.1 shows, Case A has got 3 profiles on social media that are Facebook, Twitter, and YouTube.

On Facebook, the company is followed by 5044 people, and they have been active since 2011. On average they are 50 likes for each post, and they are used to posting on Monday, Wednesday, and Friday. However, there are some posts that have been published on different days because they were celebrating special occasions (e.g., the award they received, an Italian holiday, interviews). Their typical posts consist of a picture (which has wine as a main subject in a bottle or in a glass) with the relative description and related hashtags.

On Twitter, they joined the platform in 2010, they follow 169 accounts, while they are followed by 1300. They are less active on this account because the last Tweet goes back to April. However, the typical post they have on Twitter is the picture with a brief description. Sometimes, they also have a link in the description that sends back to the article in their magazine about the post (for instance, if the post is about the launch of a new bottle of wine, the link sends back to the article related to this launch).

On YouTube, the company has been active since 2011, they have 87 subscribers and more than 28 thousand views. They post almost once per month and the videos last for about 2 minutes even though some are longer. In addition, they have some playlists where are grouped videos that belong to the same “topic”, for instance events, journeys through the territories of their vineyards.

Concerning the website, the layout is simple (with a prevalence of black and gold that refer to their logo) and in the first page it is visible the languages in which the website can be translated (Italian and English), and the social media they have. Indeed, by clicking on the icon of the social media it goes directly to their profile. There are two images scrolling that allow the person who is surfing the website to have a look at their history, territories, and vineyards.

Even though they do not have an ecommerce, they allow customers to buy their wines via email or phone call and the wines can be delivered anywhere in the world with the possibility to customize each package.

3.3.2 CASE B

Description

Case B is a corporate group, one of the most important wine producers in Italy. Their headquarter is in Trentino region but they have offices also abroad. The total number of employees is around 450 worldwide, of which more than 250 are based here in Trentino where there is the operative center of wine production, the winery.

They tend to be a very variegated reality with many brands and also many hectares of vineyards, they are present in many markets, and about 80-85% of their turnover comes from the export. However, for them the Italian market still remains a very important market from a qualitative point of view, even if it holds a small percentage of 15% of their turnover. As farmers, they are in Trentino, but the parent company is a cooperative owned by 1,600 families of members who are owners of a vineyard by statute. To be a member of the winery, it is necessary to be a viticulturist and therefore to have a vineyard. However, since the number of members is very large (1600), they own a small plot of land. Each member has one or maximum two hectares, so it is almost like a family business. And these small companies, these families clearly work daily on their own vineyards, and they are followed by Case B's team of agronomists who clearly work daily with them in order to produce the best grapes both from a qualitative point of view as well as from a sustainability point of view of and wholesomeness of grapes. They deliver the grapes at the end of the harvest in September in the winery in Trentino where they are entrusted to the vinification process.

The winery is located in the Trentino headquarter which is also the logistic hub for all our shipments abroad, therefore it is inside a structure, a very beautiful work from an architectural point of view which was realized twenty years ago by the city planner and architect as a work of reconversion of a land that was once industrial, and subsequently he planned the construction of the winery according to criteria

both of urban planning (therefore of attention to be included in the territorial context) but also with attention to the most advanced technologies for winemaking and sustainable winemaking, from the usage of solar panels to underground winemaking, a whole series of activities of attention to consumption to be little impactful on the environment.

In Trentino they have two wineries where they produce Trentino wines (they have many brands) and sparkling wines. In addition, in Sicily they have two estates where they produce Sicilian wine.

Moreover, they have a whole series of other brands with commercial partnerships of wines from all over Italy, but this is more a commercial part. Strategically for them, the Trentino DOC and Sicilian wine are their focus.

International strategy

Case B exports all over the world, and the main export markets are the United States, Canada, Germany, Northern Europe, UK, Southeast Asia, Japan and then all the former Soviet Union countries these are the biggest. Numerically they export in about 60/70 countries.

Among all the countries they export to, it is clear that the United States is the one that generates the largest volumes, but strategically Italy and Germany and Northern Europe are also important. Case B reaches these countries through different ways. In the United States (where, in order to sell wines, a company needs to have an importer who then sells to distributors) and in Germany they have their

own offices hence they are their importers. In the US, they import with their own company (a subsidiary of the group) and in Germany they have an office near Munich. In the other countries instead, they have trade agreements with importers.

Their internationalization process began around the late 70s/80s. The internationalization process did not start exactly when the company was founded because there used to be a lot of bulk wine sales. Later, their marketing and commercialization department were able to boost their wines.

Website and social media usage

Regarding the social media usage, Case B particularly believes in social media, thus, it has been since more than ten years that they have social media accounts.

They decided to open to social media because they believe that direct communication with the consumer without any mediation is important. Indeed, the results have proved them right because by adding all their followers from all their channels, they now exceed 900 thousand followers. In fact, their online communication is strategic. However, they also have an offline type of communication because they care a lot about multichannel communication.

As a consequence, they work every day on social media. They make an annual plan, with quarterly checks and then monthly editorial plans where they establish what to post. They post on social media from three to four per week depending on the country. They generate all the content from the headquarter, sometimes with the help of photographers, hence they have all original contents. The company is

partially helped by a marketing agency in the process of posting contents on social media, and they are also helped with sponsored communication.

They have a clear plan regarding when, what and where to post that they decide in their annual Master Plan. However, their main focus is on the story of the wine, the story of the territory and the opportunities for consumption and therefore the lifestyle. They use social media to reach their customers, both Italian and foreigners.

Case B has not encountered any negative episodes on social media yet. However, they suggested it is important to be cautious on social media. Case B believes that you need to take care of the followers and you have to answer them.

Case B thinks that is a personal choice whether to be or not on social media. Accordingly, they have joined social media platforms gradually because they try not to rush. The only element of complexity has been the fact that they have so many channels per brand and so the fact that the communication is not the same in every country.

As regards to the business areas in which they have invested more, Case B says that production is one of them. Indeed, they strongly believe that they must not forget that they are first producers. Another important area in which they do not hesitate to hire people is the quality.

Regarding the marketing area, they do not plan to invest more because it already has a remarkable budget. In addition, Case B suggests that there is also the phenomenon of rejection of social media (as the case of big fashion brands which

have abandoned social presence). As regards to other channels such as Tik Tok, for the moment they are not appropriate for the communication of wine.

However, they are really careful on the digital part, and they always monitor it (for instance, they always take care of the maintenance and updating of their sites) by using the “they have to feel a thing in order to do it” approach. Another aspect that is important to consider of Case B, is the fact that they believe in the multichannel type of communication.

The last part that was discussed during the interview was the impact that Covid has had on the company. Case B did not have an impactful consequence because the group has diversified channels. They sell to Ho.Re.Ca. and online. Regarding the Ho.Re.Ca. channel, it has suffered a lot because restaurants were closed a little bit all over the world, but, on the other side, the large-scale distribution and online have compensated and have even made beautiful numbers. An advantage of Covid was that it has been an accelerator of digital presence. Case B noticed a ferment of willingness even on social media to post more to raise the morale a little bit. Summing up, from this point of view Covid has accelerated the whole digital part throughout the wine world.

Digital internationalization

Case B considers the digital and the internationalization important for their strategies. They have been active in the United States for twelve years now. Case B has been among the first ten in the wine sector who have used social media.

Accordingly, they have Italian, American, Swedish, and German profiles that are managed directly by them, and then in the other countries they rely on importers depending on the growth of the brand and on the brand awareness. In Asia in particular they have a person there who is directly responsible for the digital.

Analysis of Case B's social media and website

Case B has in total 6 social media accounts. It is interesting to point out that Sina Weibo²⁰ and Pinterest accounts come up once it has been clicked respectively on the US and the Chinese languages. However, once it has gone on the Chinese website the other social media disappear. This means that for China they use only Sina Weibo as social media. Their social media profiles are easily reachable through the website; by clicking on the “heart” icon, it shows all their accounts. Case B also identifies a difference between UK English and US English, so that users can choose between the two websites.

Another remarkable aspect of Case B is that they have a Facebook page in German. Indeed, once the language on the website has been set in German, it opens the German account. Although the German account is not very active because the last post is from May and the previous one from last December, their main account (Italian, active since 2012) is very active since they post every couple of days, and

²⁰ It is a Chinese microblogging site. It is a mix of Twitter and Facebook, and it is one of the most popular social media in China. It is estimated that more than 30% of the people who have access to the internet in China use Sina Weibo.

they have more than 100 thousand followers. The main contents are about bottles of wine, vineyards and some recipes combined with wines.

On YouTube (joined in 2012), they have 412 subscribers and 189 videos uploaded. The last video they uploaded dates back to 10 months ago and they last for about 2 minutes. The videos are grouped by topics such as China, about us, and video tasting.

On Twitter (joined in 2014) they are not very active either because the last social Tweet is from 2019. However, they have a fair number of followers, almost nine hundred. Moreover, another particularity of the company is that they have two Twitter accounts, one that is linked to their Italian website, (the one just mentioned), and another one that is linked to their US English website (while the UK English website sends to the Italian Twitter account). This “American” account (that was joined three years later - 2014 - than the Italian one) is far more active, because even though they have not posted since a couple of years, they have over twenty-two thousand followers.

On Instagram they have far more than 5 thousand followers and a total of 809 posts. On this social media they post every couple of days, and they post more or less the same contents that they post on Facebook. However, they also link posts, for instance they publish half bottle for each picture, or they split the vineyard in six pictures.

As for their website, they have the possibility to have the website in 5 languages. The emerging color is purple (it is the same as their logo). The main visual is a video of grapes and the territory, while scrolling up there are pictures and at the end of the home page the backlink that redirects to their shop online.

3.3.3 CASE C

Description

Case C is a family business, i.e., a majority of the shares still belong to the family, and a minority part belongs instead to an investment fund (between 30 and 40%). The headquarter is in Veneto where more than 200 employees work. However, there are many more people that work for them if you count the estates they have in Italy and the one in the United States. This company also has branches in different countries, for example in London, Shanghai, and Miami. In total, therefore, case C has about 500/600 employees. Although it is still a family business with the presence of a fund, it has been structured at a managerial level for years. The interviewee's role is that of brand manager for a part of the Company Brands. At the moment the company is organizing itself around a digital manager figure across all brands. Now they are in a fairly transitory phase for a change of management that has been going on since the end of last year. However, the interviewee also deals with the digital part ad interim.

Internationalization strategy

Regarding internationalization, the export percentage represents 85% while 15% represents the domestic market in general on all brands and all product lines. Their main markets are the United States, Germany, Australia, Canada. They have many brands and many products, so it is difficult to establish whether a product attracts the most. However, Prosecco wine is the category that has been the main driver of internationalization since the 2000s when Prosecco still did not have a denomination. Prosecco, up to now, is still the category that allows them to be protagonists abroad.

In almost every country CASE C has one or more distributors because they have more brands. In the case of large retailers, they have importers and distributors that have their own networks of agents to distribute to the on-Trade channel. Nowadays, due to the emerging of eCommerce phenomenon, it is difficult to map it abroad since distributors can sell to signs that have eCommerce shops themselves.

Website and social media usage

Referring to the website, CASE C is launching a website that will go online shortly. In the creation of this site, the company was helped by an agency for the development of the site and for the graphic design. Regarding the contents instead, they have done it internally by guiding the external agency. Concerning the translation of texts, they are supported by a mother tongue translator. Although this new site is only translated in English, the website of the other brands is translated in different languages such as English, often German and sometimes Chinese. This

is because Germany is an important market, the English language is a bit transversal, then, depending on whether the brand has relevance in Asia or not, they also do Chinese.

Regarding the usage of social media in 2010 they started using social media. They publish different contents on the various platforms in order to meet all the users' "tastes". However, the interviewee remarked that although the audiences between Facebook and Instagram were different since a couple of years ago, now the users are getting closer.

Concerning Prosecco wine, the interviewee states that on Instagram they have a global page that speaks English to the whole world, and they will probably do something dedicated to the US market because it is very strong and has some peculiarities.

On Facebook (joined in 2013), on the other hand, CASE C is certainly more structured, in the sense that on Facebook they have a global page to which various pages refer, the Italian one, the Australian one and the German one that also advertises still wines. To put it in a nutshell, they are structured like a tree: the global page and some local pages.

On YouTube they have a global page for Prosecco, as well as on Twitter which is quite out of use and then they have a Pinterest page that is not very active. CASE C mainly focuses on Facebook, on Instagram and on YouTube and they are going to see Tik Tok in the future because it needs a high budget. The company recognizes

the importance of Tik Tok for the brand, they are monitoring the platform, but it needs resources that they do not have at the moment because it must be evaluated with a separate strategy.

The motivation that prompted them to open social media accounts is Brand awareness and brand consideration. CASE C suggested that also the user engagement persuaded them. They are a bit late, but they will move towards new objectives that will be more targeted on user profiling, and later on the creation of content, even personalized, and then use the social network in a more advanced way, by converting the audience.

The company is reviewing the relationship with the marketing agency that follows them but usually they start a relationship with an agency that proposes a strategy that is reviewed, approved and then they proceed with an editorial plan that is usually approved the previous month for the following month, so it's monthly. On the other hand, content productions have different timescales, which are perhaps concentrated in certain periods and then spread over the various months.

The editorial plan is quite composite. CASE C divides into content concerning the brand identity and brand values and other content that concerns lifestyle, thus linked to consumption opportunities. Moreover, there is also content linked to national holidays in certain markets, such as Christmas, but also more dedicated posts related to foreign markets, to some holidays on foreign markets. The guideline then, can be divided into three different levels:

1. Brand values content
2. Lifestyle content
3. Times of the year (local and foreign holidays).

From “brand values content” to “times of the year contents” the engagement increases. In fact, when content speaks of the brand itself, usually uses a higher communication, while when posting lifestyle or times of the year content, the company tries to be more engaging with its target.

However, the company encountered some difficulties in using social media because today it is certainly not enough to use social media, but it is necessary at least to build a digital ecosystem around social media that is made up of the website, e-commerce, flash sales, or temporal products to produce contents related to sales.

The world has changed a lot in the last two-three years on social media and they are no longer those of four-five years ago. According to that, in order to emerge into the social world, a company like CASE C that aims to reach certain goals, it is necessary to field relevant budgets to cover two or three channels and do it on multiple markets. In addition, due to the presence of different brands, the budget was quite fragmented. However, CASE C is now trying to focus the budget on a few things to have more resources and be more effective and this is the difficulty for a company like theirs, even if they are going to invest on the usage of social media for some brands.

Indeed, CASE C believes that social media still contributes to the brand awareness of their company, and they will have to do it more and more. The important thing is that the social properties begin to be part of a digital ecosystem that must speak a coherent language with clear objectives.

Consequently, it is clear that social media and the marketing area have represented a considerable amount for CASE C. In addition, the commercial and sales area have so far been subjects of huge investments because they have driven the growth of the company. Now certainly the digital part will be subject to investments more than in previous years because they started last year to focus on digital a little more. Moreover, important investments were made on the product, i.e., packaging, product innovation, on the image of product but also on the quality and content of the product and the production (which is important since they have different estates).

Digital internationalization

Case C uses Facebook as the tool to digital internationalize and to reach customers abroad. In fact, they have a global page which is linked to the Italian, the Australian and the German pages.

Analysis of Case C's social media and website

The company is present on six social media, but they do not have a different version based on the language.

On Facebook (since 2008, but they slightly changed a couple of times over the years) they have more than 47 thousand followers, but they are not very active because the latest post dates back to 2018. The main content they post are interviews.

On Instagram, they have over 1 thousand posts and more than 6 thousand followers. In this platform the last post dates back to 2018 and the main contents they upload are pictures of bottles of wine, food, and events.

On YouTube (since 2013), Case C, which joined YouTube in 2013, has 194 subscribers and they uploaded 80 videos with more than 60 thousand views. The last video uploaded was 9 months ago and the topics are mainly about the estates, the family and they last about 2 minutes. The particularity of their YouTube channel is that the description of the videos is in English, even in the Italian channel.

On Pinterest as well, the language used is English. On this channel they have 238 followers. However, they are not active in the platform because the last content uploaded dates back to 4 years ago.

Along with Pinterest, Twitter (2011) is not active during this period because, even though they are followed by more than 5 thousand users, they joined the platform in 2011 and they have almost 10 thousand of Tweets, the last Tweet was posted in 2020.

On LinkedIn instead Case C was pretty active in recent months. They have more than 7 thousand followers and they post mainly news about their wines, sometimes reshared by other people. As well as YouTube, on LinkedIn they speak English.

As for the website, Case C has as emerging colors purple and grey (their logo's colors). The homepage has pictures of the territory, and they have a section about the news.

3.3.4 CASE D

Description

Case D is a family business and is 61 years old. It has around 40 million euros turnover. The company is currently managed by the children of the founder. It has got a total of 50 employees and in addition they have seasonal workers in conjunction with agricultural work, the harvest and pruning.

International strategy

Regarding the internationalization process, in 1979 they started to export in the United States. The share of their exports is 70% (while the remaining 30% is Italian market) and the main countries in which they export to are the United States, Canada, and Northern Europe, especially Germany. They export in total in 65 countries. They are also present in China and Southeast Asia, where they have their own brand ambassador who lives there.

Case D does not have a particular distinction among the products they sell internally or the ones that they export even though in some cases they have the label (but they are very few) and they sell abroad through importers. They mainly sell to restaurants, in Italy they use the Ho.Re.Ca. channel, that is restaurants, wine bars and catering. Abroad instead it also depends on the market. Indeed, in some markets there is a monopoly as in Canada and Northern Europe and then also through importers in some markets they sell even on the large-scale web distribution.

Website and social media usage

As far as the website is concerned, they have an agency that has built the site and they update the information internally.

Regarding social media, they have the same goals, thus the content published is the same across platforms. Yet, they have a dedicated marketing strategy in Asia. For example, in China the company uses WeChat, but their correspondent in Asia deals with it, so they are not aware of the strategy

The implementation was a gradual process, and they have not had any difficulties. They deal with social media in-house (except for the Asian market) and they have a strategic monthly plan. On average they spend two hours per day on social media. As far as the contents are concerned, their posts are a narrative of their story and what they do, the initiatives and events that they participate in and that they promote. They also post the life in the countryside and therefore the phases of the vineyard's life. In addition, they post their wines such as the scores they receive.

They have recently posted some spring photos, the next ones will be related to the city where they were born, and then the story of the city through their wines. As a consequence, in their communication there is never only the product but there is always a story of the territory, the history of the family, the passion that drives to produce the wine. They always try to be very empathetic with their story, it is never a pure product, they tend to tell what is behind the product. For example, they took a picture with a monument of their city because they financed a play. They always want to show the relationship with their history in its territory.

They think that this strategy is effective to promote the product, and this is the strategy that they use in all their communication, in the press office, and public relations and in the letters that they send to their customers. In terms of communication, Vinitaly is the biggest investment they make.

In the company, there are some areas in which they have invested more in recent years. However, they are going to invest more in social media and in the Web in general, for instance they are going to open an ecommerce channel.

Covid had not had a very strong impact on them because they have many markets, and so they were able to manage the economic crisis. Italy was obviously the most disadvantaged market because the company sells only to restaurants, and since the restaurants closed, they had a major stop that however has recovered during the last summer and still that has resumed well even now with the Spring.

At the beginning of the Italian lockdown Case D sold a lot in the United States because they tried to stock up, also in view of possible duties. In Canada and Northern Europe (Finland, Switzerland, and Germany), they have always sold because they have always gone ahead. Hence, they actually have had very minimal losses.

Digital internationalization

The company does not have different accounts and it does not differentiate content. However, their strategy in the internationalization consists of translating some captions of the posts on Instagram and on Facebook in English, so having the same post and image but with descriptions in two different languages. However, sometimes, they only keep the description in English.

Analysis of Case D's social media and website

Case D has five social media profiles, and the website is translated in two languages.

On Facebook (2012), they are followed by more than nine thousand users, and they post almost every two days. The main contents are bottles of wine and in the background Trentino region.

On Twitter (since 2015), as well as Facebook, they post every couple of days. On Facebook and Twitter, they have the same kinds of content. Case D is followed around by one 1,300 users and they joined the platform in 2015.

On Pinterest, they are not really active because the last post dates back one year ago and they are followed by less than one hundred accounts.

On Instagram, Case D is active, and it posts the same contents of Twitter and Facebook. They are followed by more than eleven thousand people, and they have around one thousand posts.

On YouTube (2012), they have 156 subscribers and the last video they uploaded was 5 months ago. Their videos are mainly about interviews and the winery in the world.

As for the website, it has as main colours green and purple. It can be translated in two languages (Italian and English). In the homepage, in addition to their wines, there are the news, the events and the rewards they achieved. The home page is a static page with pictures of the vineyards.

3.4 Cross-case analysis

Each of the four cases analysed presents peculiarities in relation to the management and use of social media. The cross-case analysis shows significant recurring elements related to the social media marketing strategy both at domestic and international level.

A common characteristic is that all the companies are aware that social media and social media marketing nowadays are essential tools that they have to exploit in order to gain brand awareness. Moreover, they all agree that marketing is an

expensive investment for companies. The companies interviewed deal with marketing internally, however they are supported by an external agency, and it seems that they all have a strategic plan.

Another key element is that even though companies declared that they use social media daily or periodically, in some of their platforms the last post they uploaded dates to a year ago.

Concerning the contents they post, they are more or less the same among the companies, and all the Cases do not differentiate what they post. For instance, a post they upload on Facebook, is usually the same they are going to post on Instagram. Obviously, there is a difference on YouTube because this platform is a “video” platform.

Another element that emerges is that although the website can be read in at least two languages, Italian and English, when it comes to social media the caption of the post is almost always in Italian, although they deal with many international markets, and they represent the biggest share of their turnover.

Another important element that is typical of every website, is that the main colours are green and purple. This is important because it means that they indirectly link the colour of their products to the website.

For concern the date they open a social media account, they are more or less in line, from 2010 to 2014 (Table 3.2).

Table 3.2: years when companies joined social media

	YouTube	Facebook	Twitter
CASE A	2011	2011	2010
CASE B	2012	2014	2011 / 2014
CASE C	2013	2008	2011
CASE D	2012	2012	2015

Source: own elaboration

However, one difference that can be noticed is the type and the number of social media each case has and the languages the website is translated (Table 3.3).

Table 3.3: types and number of social media

	Social media	Languages
CASE A	Facebook Twitter YouTube	Italian English
CASE B	Facebook Twitter YouTube Instagram Sina Weibo Pinterest	Italian English (UK and US) German Chinese
CASE C	Facebook Twitter YouTube Instagram Pinterest LinkedIn	Italian English German
CASE D	Facebook Twitter YouTube Instagram Pinterest,	Italian English

Source: own elaboration

Regarding the aspect of internationalization, the four companies are aware of the importance of the strategy because they all export, and the exports represent a big share of their turnover. The main channels that they use to reach foreign markets

are distributors and importers. However, the only Case that mentioned a closer relationship was Case A, since they go directly to them. Another difference in the internationalization process is that all the companies have a more or less clear picture on how the importers and distributors work abroad, except for Case C that has a person who deals with Asia, and so they are not really aware of the social media strategy they have.

Even though the content that companies post on social media is usually the same for every foreign country and they are not adapted, Case B has different platforms for different countries, while the others have the same platform that they use everywhere.

The last point analysed during the interview concerned the Pandemic. During last year the loss that the company had was relatively limited because Covid had not started at the same moment in the world, hence countries, i.e., importers and distributors, had time to stock up. Their biggest loss they had was in Italy due to restaurants closed because they mainly sell to the Ho.re.ca. channel.

The interviewee did not mention how they reacted to the Pandemic on social media, except for Case A which remarked that they won an award because they were one of the most active wineries in social media during the Pandemic.

CONCLUSION

This work had the goal to identify how the internationalization process can deal and can be integrated with social media in order to communicate to foreign markets.

In a context where the market is changing so quickly, business decisions should convert to digital and internationalization as a strategic element of recovery, growth and acceleration.

The internationalization process, according to the literature, is a strategic way that must be taken if companies want to grow their business. Moreover, to face the born global phenomenon (Rasmussen and Madsen, 2002) more traditional firms that want to survive need to be opened to trade with other markets and use all the technological tools available.

One of the tools that most scholars agree should be used are social media. Around social media, companies should be able to develop a strategic plan in order to increase user engagement and brand awareness with the aim of monetizing (Viana, 2016).

In fact, all the people that were interviewed believe that social media can really represent a powerful tool that needs to be used to reach customers. However, companies need to be aware of where the market and the customers are going in order to exploit social media.

Although the advantages were clear, the cultural problem must be considered in order to set an effective marketing and communication strategy. According to

Hofstede (1991) and Hall (Calabrese, Capece, & Scarpetta, 2011), people communicate in a certain way because they were born in a specific part of the world. Hence, every culture, and even every country, has a different way of communicating. Companies need to adapt to that, not only by translating the language but by creating contents that are suitable for that culture.

The empirical research helped to clarify the two aspects that this work wants to combine. The companies analyzed follow a clear strategic approach against internationalization and social media, since for all of them the exports represent a large share of turnover. Moreover, in order to reach people, they are present on social media. According to the content analysis, they post bottles of wine but also vineyards in order to tell a story (Viana, 2016).

To put it in a nutshell, the internationalization process is a strategy that companies need to implement, and the use of social media can help. However, the usage of social media must be planned a priori, and the content needs to be differentiated because users do not have the same culture, and this can lead to misunderstanding.

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