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Where to internationalise and why: Country selection by restaurant franchises

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ABSTRACT

This paper analyses the factors that influence the selection of markets, as well as the process developed in the first stages of internationalization of small and medium-sized franchises.

A multiple case study in the restaurant sector in Spain is carried out. The analysis identifies market opportunity, physical and cultural distance, availability of optimal locations, and emotional factors as the main criteria in selecting countries. Regarding the process, most of companies initially follow an opportunistic approach, with the franchisee initiating the contact, evolving later to a strategic approach, with the company initiating the search for the partner in the selected country.

1. Introduction

As a part of their internationalization processes, companies must answer three basic questions: what (sales object), how (foreign operation methods), and where (markets) (Welch and Loustarinen, 1988). Various methods are available to enter foreign markets, such as direct investments, joint ventures or international strategic alliances, among others, involving different levels of control, resource commitment, and risk (Berbel-Pineda et al., 2017).

Over recent decades, franchising has been one of the most widely used modes of internationalization (Baena, 2018; Rosado-Serrano et al., 2019), of relevance in certain sectors such as catering, distribution, tourism, and certain general services (Alon et al., 2021). The driving forces behind the internationalization of franchising are mainly the reduction of financial, human and information resources needed to be able to cope with such expansion (Agency Theory – Alon et al., 2012; Transaction Cost Theory - Chen and Dimou, 2005), as well as the possibility of combining own resources with external resources (Resource Based Theory - Altinay, 2004; Barney, 1991). Franchising allows achieving a balance of control and risk in operations that it can lead to improved export performance under certain conditions, especially in service activities (Berbel-Pineda et al., 2017).

Consequently, the number of studies focused on franchising as a formula for internationalization has grown significantly. In a recent review, Alon et al. (2021) identified four clusters that summarize current research within this field. Among them, the selection of international markets and partners stands out, an issue that has been addressed from different angles (Aliouche and Schlentrich, 2011; Alexander et al., 2007; Doherty, 2009; Kumar et al., 1994).

These studies offer insights into the factors that influence the selection of foreign markets in the internationalization processes of franchisors, but there are still some relevant gaps. First, almost all studies have focused on large companies within developed countries, especially the US and the UK, where international expansion of franchising is well established (Alon et al., 2021; Kretinin et al., 2020; Madanoglu et al., 2017). Few studies have addressed the internationalization of small and medium-sized enterprises from countries undergoing early stages of international development, an area that requires specific studies (Forte and Carvalho, 2013).

Secondly, with respect to the sector of activity, the restaurant industry was one of the first sectors to internationalize through franchising, with the emblematic and extensively studied case of McDonald's (Lafontaine and Leibsohn, 2005). However, the current state of the restaurant industry and its internationalization processes has only been analyzed in very few studies, with small and medium-sized companies embarking on this process being the focus of even fewer studies. The case of Pollo Campero, a Guatemalan franchise, with extensive expansion within the US (Brenes et al., 2014), constitutes an

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exception that should be expanded upon.

Finally, the literature on the selection of foreign markets has described the decision-making process and how objective and rational factors are combined with more subjective and experimental ones (Alexander et al., 2007). However, little is known about the relative importance of those factors at the early stages of internationalization and managerial decision-making processes. All these factors, as well as the accompanying decision-making processes, can be analyzed through the comparison of several companies whose characteristics and international settings are similar. Along these lines, Cantoni et al. (2019) conducted a multi-case study on the franchise internationalization process in the Brazilian apparel industry, although they never specifically focused on the selection of countries.

Consequently, two main objectives are pursued in this paper, with the aim of making valuable contributions to both the literature on franchise internationalization and its practical management: on the one hand, to identify the factors that SMEs companies use in the selection of foreign markets when they decide to internationalize through franchising and develop the initial stages of such internationalization; on the other hand, an understanding of the process that leads these types of companies to the decision on internationalization. Possible alternative paths are also pointed out, whether more deliberate or rational, or more opportunistic or experimental (Doherty, 2009).

Objectives are all holistically addressed in this multi-case study, being approached through questions whose answers provide important qualitative knowledge on how these decisions are taken in specific areas of activity, which aspects are taken into consideration as a priority, what difficulties are faced and how they are negotiated (Chiang and Chathoth, 2013).

The study is framed within the context of restaurant chains operating in Spain. According to Mota (2022), Spanish multi-unit restaurant chains manage their restaurants either directly or as franchises, the latter being the most commonly chosen option. As a result, these companies operate in markets with a high degree of heterogeneity (Kretinin et al., 2020), and at the same time they have the possibility of standardizing and replicating processes, which explains their economies of scale (Wang and Altinay, 2008).

There are not many Spanish companies that have internationalized, despite the importance of the restaurant sector in Spain, which represents around 99,000 million euros in revenues, employs around 1.3 million people and contributes 4.9% of the national GDP (Hotel and Catering Industry of Spain -CEHE-, 2023). According to Pastor (2021), there are 233 main companies within the organized restaurant sector in Spain. Of these, only 17 (with their own brands) have an international presence, and only 8 have more than 2 establishments abroad in the franchise format. Consequently, this activity provides an ideal context to carry out research that offers specific information to companies in the sector, and that stimulates and guides them in their internationalization processes. In particular, this research is especially useful for analyzing decisions on the selection of foreign markets (reasons, criteria and processes), using cases of companies that are different in some aspects, characteristics and circumstances, though always at relatively early stages of their internationalization processes.

This work provides both, theoretical and practical contributions, as has been previously advanced. Thus, key factors in the market selection supported by the literature on franchise internationalization (theoretical codes) are considered, such as physical and cultural distance, brand awareness within the country, cost reduction, market opportunity and political, economic, and legal factors. In addition, other factors suggested by the information sources (open codes) have been included, in particular, real estate market, size of cities, presence of other companies, knowledge of the market on the part of managers and strategic situation of the country.

The study confirms that the companies analyzed use the market selection criteria established in the literature, especially physical and cultural distance, but some specific to the sector of activity under consideration and its particular circumstances emerge. Moreover, these factors are not considered by the companies when the internationalization process is developed at the initiative of the franchisees, although the companies usually go through different stages in the initial process of entering foreign markets, with internationalization constituting a clear strategic commitment, despite some failures in its development.

In summary, the results of this study not only identify very relevant factors in the process of deciding on destination markets in the internationalization of SMEs, but also provide precise information on their relative importance, and the reasons why they are given greater or lesser significance, according to the phase of the process being undertaken. This allows a better understanding of the decision-making process, as well as the identification of elements that may have an impact on both encouraging them and increasing their chances of success.

From a business management perspective, this research constitutes a remarkable point of reference for SMEs that are starting their internationalization processes, and that need relevant, concrete, and practical information, such as qualitative case studies, to support them in their decision making in such a transcendental matter as the adequate selection of destination countries (Doherty, 2009; Rosado-Serrano et al., 2019). This is especially important considering that this study is part of a sector as prominent as the restaurant industry, with a long tradition of internationalization of large chains, but with few success stories of small and medium-sized companies.

Finally, this paper delves into a somewhat under-analyzed context, contributing some ideas and proposals that may advance and guide future studies. Given that the sector of activity is key in internationalization decisions in general, and in those of franchise internationalization in particular (Rosado-Serrano et al., 2018), the insight from studies that address specific sectors may corroborate and extend the results of previous research.

2. Literature review and theoretical framework

Among the various formulas for internationalization, expansion through franchising is a widespread strategy in the internationalization process of a company (Baena, 2018; Rosado-Serrano et al., 2018, 2019; Alon et al., 2021). This international growth of franchising has been due to both push factors, linked to the domestic market, specifically, the high degree of competition or market saturation, and pull factors, related to the opportunities available in the destination countries (Madanoglu et al., 2017; Baena, 2018; Alon et al., 2021).

Several influential approaches and theories have explained different aspects of the franchising phenomenon and its internationalization (Alon et al., 2021; Rosado-Serrano et al., 2018), finding that one of the factors that most conditions the success of internationalization is the choice of the foreign country or market (Doherty, 2009; Rosado-Serrano et al., 2019). However, the studies conducted to date and the available empirical evidence are insufficient for a deep understanding of the decision-making process (Rosado-Serrano et al., 2018; Kretinin et al., 2020), especially in sectors such as restaurants, and in countries where the international expansion of franchising is still at an early stage.

The literature has highlighted the importance of systematically assessing and targeting potential foreign markets (Doherty, 2009; Brouthers and Nakos, 2005). However, this selection process is often unsystematic, highly personalized, and essentially belief-based (Alexander et al., 2007). Following this dichotomy, Doherty (2009) studied retailer internationalization and identified two possible approaches to foreign market selection: strategic and opportunistic. The former "refers to the situation whereby the franchisor is actively seeking to enter international markets … through a planned search process", while "the word opportunistic refers to situations where the franchisor enters markets … because of the franchise partner approaching the franchisor without any instigation from the franchisor" (Doherty, 2009: 530).

In the strategic or systematic process, Kumar et al. (1994) proposed a three-stage approach: screening, identification, and selection. Thus, companies use methods to investigate potential markets, such as consultants, property agents, government departments, *etc*. (Doherty, 2009), and considered certain factors to evaluate and to select foreign markets (Alexander et al., 2007). In relation to the reasons for selection, Aliouche and Schlentrich (2011) proposed a global model for North American franchises, based on the duality of market risk (political, economic, and legal elements) versus market opportunity (population size and purchasing power), adding physical and cultural distance as a third component. The main novelty of the study was that in comparison with the model that the same authors (Aliouche and Schlentrich, 2009) had previously proposed, the model was better adjusted by weighting certain external factors, based on interviews with the executives of franchising companies, alongside foreign operations.

Regarding market risk, environments that offer political and economic stability and a more flexible legal system are attractive for franchises that are seeking to internationalize. There are basically two groups of risks: political and economic and legal and regulatory (Aliouche and Schlentrich, 2009). Both types of risk determine the confidence and ease of conducting business within the destination country (Melo, 2015). Moreover, corruption plays a fundamental role, especially in emerging markets, in the assessment of country risk (Baena, 2012; Melo, 2015; Lanfranchi et al., 2021). In short, the risk associated with the destination country, largely associated with the quality of its institutions (Lanfranchi et al., 2021), acquires great weight in the internationalization decision, especially in the case of service firms (Ramírez-Hurtado et al., 2018).

In terms of market opportunity, the most prominent factors are the population of the country, as an indicator of the potential number of consumers (Rothaermel et al., 2006; Aliouche and Schlentrich, 2011; Baena and Cerviño, 2014), together with the purchasing power of the inhabitants (Aliouche and Schlentrich, 2011; Baena and Cerviño, 2014; Melo, 2015; Ramírez-Hurtado et al., 2018). As regards population, both urban population (Melo, 2015) and population density (Ramírez-Hurtado et al., 2018) have been considered. In their analysis, Lafontaine and Leibsohn (2005) concluded that purchasing power, GDP, and population were, in the case of McDonald's and its internationalization process, the most important factors when choosing a country of entry, which is also an indication that franchisors take such factors into account.

Another determining factor in market selection is the distance between the country of origin of the franchise and the country of destination, understood both physically, culturally, and psychologically (Alexander et al. 2007). Franchisors will find that market penetration is easier in countries that are geographically and culturally alike (Hoffman et al., 2008).

With respect to physical distance, geographical proximity facilitates international expansion, as it reduces both the costs of the internationalization process and the inherent risks. Therefore, firms tend to target closer countries first, moving progressively to more distant countries (Aliouche and Schlentrich, 2011; Baena and Cerviño, 2014), which drives them towards regional rather than global international expansion (Rugman and Verbeke, 2004).

In terms of cultural distance, proximity between sociocultural contexts (including social issues, consumption habits and situations, and even climatic conditions), promotes the favourable attitude of consumers in one country towards the products and services of firms from other neighbouring countries, which in turn require fewer adaptations (Osorio et al., 2021; Sashi and Karuppur, 2002; Wood and Robertson, 2000). In addition, these bridges between different cultures benefits franchisee-franchisor relationships (Hoffman et al., 2008). Baena and Cerviño (2014) and Baena (2012) stressed that high uncertainty aversion in a country leads to more people willing to set up businesses through franchising, and low individualism will favour to expand through cooperative formulas -such as franchising-rather than acting independently (Etgar and Rachman-Moore, 2011).

The case studies of both Parfois (Forte and Carvalho, 2013) and Zara (Lopez and Fan, 2009) highlighted the importance of physical and cultural distance in internationalization decisions. Both companies use direct investment in physically and culturally close countries and franchising in distant countries as market entry methods, so as to minimize investment risks.

In addition to these factors, both product and brand image and perceptions of the franchise itself must also be considered among consumers and franchisees alike. A well-known brand with a good image makes the consumer more receptive to the products (Sashi and Karuppur, 2002; Mattera et al., 2014; Dant et al., 2016). As for franchisees, a strong image attracts potential franchisees, especially because of the expectations over high sales levels and the company's expertise in developing marketing strategies, providing support, as well as in managing potential conflicts constructively (Baena and Cerviño, 2012; Perrigot et al., 2021; Watson et al., 2005).

In short, the countries that are most likely to be chosen as prime destinations in the internationalization process (Aliouche and Schlentrich, 2011) are countries with larger markets, whose inhabitants have greater purchasing power (Lafontaine and Leibsohn, 2005; Aliouche and Schlentrich, 2011; Baena and Cerviño, 2014; Melo, 2015; Ramírez-Hurtado et al., 2018), where there are strong political and legal systems (Aliouche and Schlentrich, 2011; Melo, 2015; Lanfranchi et al. 2021), with fewer cultural differences and less physical distance (Alexander et al., 2007; Doherty, 2009; Aliouche and Schlentrich, 2011; Baena and Cerviño, 2014) than other countries, and where the brand image of the products and services and of the country of origin of the franchise itself is highly valued (Dant et al. 2016). The underlying reasons for these factors are cost and risk reduction and higher levels of acceptance (Alon and Banai, 2000).

As indicated above, when considering and evaluating these factors, companies not only follow a systematic and rational approach, but also an opportunistic process, based on beliefs and intuition (Alexander et al., 2007; Dawson, 2001; Doherty, 2009). Consequently, it is desirable to analyze these selection processes holistically, delving deeper into how companies make these decisions. "Employing qualitative case study methodology helps to move international franchise research forward by providing much deeper insights into actual company activity and experiences" (Doherty, 2009: 533).

3. Methodology

3.1. Justification of the methodology

The aim of this study is to understand how and why franchisors select a country or countries for their international expansion. These decisions are complex, because a multitude of factors that interact in holistic ways needs to be considered. For this reason, the methodology that best meets our objective is qualitative in nature. In particular, a detailed examination of the case study reveals the retail concept of the firm (Madsen and Petermans, 2020), as well as the hows and whys of a set of contemporary events over which the researcher has little or no control (Yin, 2018). It is also suitable for assessing the expertise and knowledge of firms in a given field (Benbasat et al., 1987; Chiang and Chathoth, 2013) or "maintaining a holistic, real-world perspective - as in the study of [...] organisational and management processes" (Yin, 2018: 5). Many researchers have employed this methodology in the internationalization of franchising firms, conducting both single (Altinay and Miles, 2006; Brookes and Altinay, 2011; Forte and Carvalho, 2013; Jell-Ojobor and Windsperger, 2017; Roberts et al., 2020) and multiple (Bretas et al., 2020; Brookes and Altinay, 2011; Doherty, 2007; Doherty and Alexander, 2006; Solesvik et al., 2014) case studies.

In this study, four companies from the restaurant sector in Spain were selected, representative of the range of possible situations in internationalization processes: two consolidated companies (Grupo Restalia - 117 establishments abroad - and Comess Group - 30 establishments), one company at an incipient stage (Udon - 2 establishments), and one company in the project phase (La Mafia se Sienta a la Mesa, which is in the process of internationalization). According to Eisenhardt (1989), four to six cases ensure greater external validity and theoretical replication in case-study research.

Table 1 describes each of the companies, taking into account the descriptor elements proposed by Ramírez-Hurtado et al. (2022).

The selected companies show a clear international vocation, although with different degrees of experience in this process. The variation and variety of the franchising process under study is captured in the case-studies (Flick, 2015: 50), comparing how these organizations deal with the choice of countries in their internationalization processes.

With respect to the total investment per unit, two levels (groups) can be considered: Group 1: Lower total investment (Comess Group and Restalia Group); Group 2: Higher total investment (Udon and La Mafia).

Although it has not been established as a central element in the interviews, it is observed that Group 1 brands, with lower total investment, have a higher number of total units and a higher number of international units, and have started international expansion earlier than Group 2 brands.

As for the entry fee, there does not seem to be a clear relationship between the amount of the entry fee and the international expansion.

3.2. Sources of evidence and data-analysis process

The triangulation of sources of evidence (Denzin et al., 2012) was used to achieve the proposed objectives, combining semi-structured interviews, published news items on the companies, information on their websites and economic-financial information.

Conducted between April and July 2021 through the Microsoft Teams platform, the interviews with an average duration of 50 min were recorded and transcribed. The interview guide used aspects related to the internationalization process of the companies, with special emphasis on motivation and the decision-making process when selecting target markets. Details of the interviews are given in Table 2.

Another source of evidence was the news published in the press, between 2001 and 2021, on the international expansion of the cases studied, using the *My News*[1] database. A total of 178 records (news items) were obtained, which were purified by eliminating duplicates and information that made circumstantial reference to the cases studied. The final corpus consisted of 151 records. In addition, company websites and economic data published in the commercial register were consulted. To do so, the *SABI - Bureau Van Dijk*[2] database was used.

The triangulation of sources generated a large volume of data that had to be processed with computer tools to extract the essential points and to connect them to the conclusions of the study. The information was processed with *ATLAS.ti* version. 9 software. A single hermeneutic unit was created in which interviews and press reports were included as primary documents.

Firstly, the information was reduced through a double-coding process, in order to analyze the data: theoretical coding (derived from the literature review) and open coding (codes suggested by the information sources).

In addition, automatic coding was used to identify the places (countries and cities) mentioned in the interviews and news stories.

Coding was carried out by two researchers, and the reliability of the codes was assessed through an intercoder test. Krippendorff's alpha coefficient (0 = no agreement, 1 = perfect agreement) yielded a remarkable level of reliability (α = 0.81) between the two coders, above the recommended 0.70 for all codes (Neuendorf, 2002). Each case was separately analyzed and the results were then compared.

4. Results

4.1. Comess group

International expansion began in 2007 with the Lizarrán brand in Andorra, in a reactive way (Doherty, 2009), as it was a franchisee that approached the company to express an interest in transferring the brand to another country. However, the intention to expand internationally was already in the minds of the founders: *"From the beginning there's been a spirit of internationalization"* (VD).

The main motivation for internationalization was saturation of the domestic market, which was limiting company growth: *"… you're already dominating the domestic market, there comes a time when … you take one of the brands you have that is very internationalizable, because it can fit in very well in many countries and you decide to take that little step abroad"* (VD).

On the other hand, the fact that a brand is recognized, and the business model is consolidated in the domestic market means that investors want to localize the business in other countries so as to replicate the success of the brand. In the words of Virginia Donado, *"I have a good concept, it already has a strong name, it has a strong brand, because in the end it's true that the value of the brand when you internationalize is fundamental, because you cannot give it the same coverage that you give it in Spain"*.

Lizarrán is present in countries with a very different geographical and cultural distance from the domestic market. For the company, the selection of the franchisees and their capacity to develop the brand in the chosen market is more important: *"These candidates are evaluated, and, in the end, they're the ones who decide where and when to open … "* (VD). A good example is Japan, where the brand's performance is very good, despite its great physical and cultural distance from Spain.

However, the parent company can exercise greater direct control over a shorter geographical and cultural distance so less infrastructure is therefore required from the franchisee and the expansion strategy is different: *"… for me, the closer the country and the more similar the culture, the less master franchisee I need. For example, in Portugal, I don't need a master franchisee, because it's a country that is close to me, it's a country that, logistically speaking, is easy, and culturally speaking, we're not so different"* (VD). This manager included, within the smaller cultural distance, issues such as social and environmental proximity, such as weather conditions.

Nevertheless, the international ventures of Lizarrán have not always been successful, as was the case in Russia in 2009 (10/03/2009, Europa Press) and in the United States in 2017 (19/07/2017, Economía Digital). These mistakes have served as a learning experience for them to reorient their international expansion, *"You go through the book of what not to do in franchising in general … there are masters that have worked very well and, there are places where the candidates have not worked well either"* (VD).

In short, internationalization is taking place in a reactive way for the Comess Group, due to the interest of investment partners. In this process, the Group will have evaluated the potential of each franchisee candidate for brand development in a given country. The geographical and cultural distance influences the path that is followed for expansion.

4.2. Restalia

The interviewees agreed that the main motivation for internationalization is the company owner's ambition for growth, especially in view of the saturation of the national market: *"… he really wants a lot of growth … he sees that it is starting to cost him a little more, because he already has many outlets within Spain, so he starts up and he's always moving towards expansion abroad."* (PC). The other interviewee expressed herself along the same lines: *"… with limited growth in Spain, your survival depends on international growth, the world has to be in the DNA of this company"* (RM).

[1] *MyNews Hemeroteca*, an online database with editorial content since 1996, stores information from 1500 media outlets with more than 250 million articles (https://www.mynews.es/).

[2] *Sistema de Análisis de Balances Ibéricos (SABI)* offers online information on more than 850,000 Spanish companies and is obtained from the annual accounts deposited by the companies in the Mercantile Registries.

Table 1
Selected cases.

Franchise and start date	Brands	Countries	Ratio of international/ national outlets	Entry Fee	Total Investment per Unit
Comess Group (2009)	*Lizarrán*: offers pinchos (tapas) with fast-casual operation and medium price. *Pomodoro:* Italian concept with fast-casual operations and medium-low prices. *Other brands:* Don G, Cantina Mariachi and Levadura Madre.	*Lizarrán:* Spain, Andorra, Mexico, Morocco, Japan, Ecuador and Guatemala. *Pomodoro:* Spain and Portugal.	30/391	19,000 €	150,000 €
Restalia (2011)	*100 Montaditos:* offers small sandwiches (tapas) with fast food operation and low average price. *The Good Burger:* offers burgers with fast food operation and low average price. *Other brands:* La Sureña, Pepe Taco, and Panther.	*100 Montaditos:* Spain, Italy, Portugal, France, United States, Mexico, Guatemala, Paraguay, Panama, Chile, Ecuador, Honduras, and Dominican Republic. *The Good Burger:* Spain, Italy and Portugal.	117/773	39,000 €	200,000 €
Udon inaugura su (2018)	*Udon:* offers Asian food with a fast casual operation and medium price.	Andorra and Portugal.	2/64	30,000 €	350,000 €
Grupo LMssLM	*La Mafia se Sienta a la Mesa*: offers Italian food with a full-service restaurant operation at medium-high price. *Other brands:* La Boutique Italian Food and Ditaly		0/54	28,000 €	400,000 €

Table 2
Interviews conducted.

Company	Name	Position	Acronym
Grupo LMssLM	Noelia Palma	Expansion and Projects Director	NP
	Sonia Pérez	Marketing and Communications Director	SP
Comess Group	Virginia Donado	General Manager at Lizarrán	VD
Grupo Restalia	Pablo Cantillana	Former Business Director	PC
	Rosa Madrid	Former Member of the Board of Directors and Former Corporate General Manager	RM
Udon	Jordi Quilez	Business Development Director, Udon	JQ

Table 3
Theoretical and Open Codes for the analysis.

Theoretical Codes	Open Codes
- Motivations for internationalization. - Steps in the internationalization process. - Criteria for selecting countries: o Physical distance. oCultural distance. oBrand awareness within the country. oCost reduction. oCompetition. oMarket opportunity: ▪ Size of the country. ▪ Purchasing power. oMarket risk: ▪ Political factors. ▪ Economic factors. ▪ Legal factors.	- Real estate market. - Size of cities. - Presence of other companies. - Knowledge of the country on the part of the managers. - Strategic situation of the country.

This motivation for external growth is limited by an important constraint conditioning the company's expansion mode " … the first criterion was not to financially drag or financially compromise the company" (RM), which led to an entry mode based on franchising, characterized as low risk and under control (Berbel-Pineda et al., 2017), what the interviewee called "low-profile expansion".

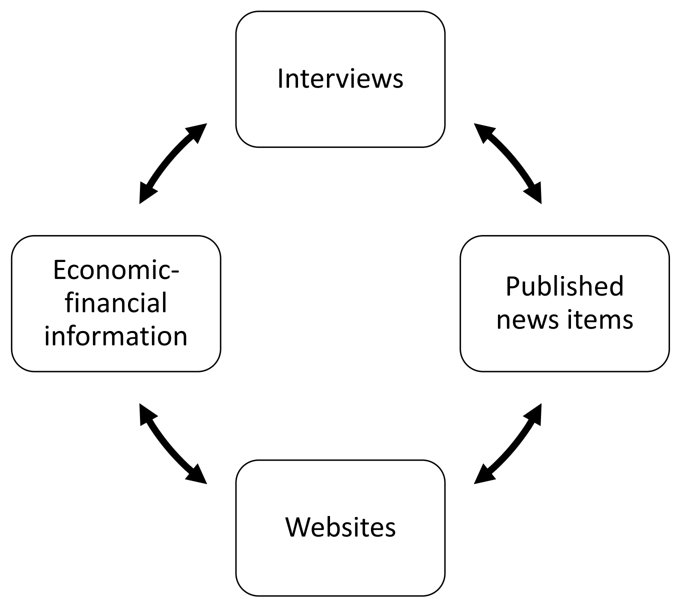

Illustration 1. Triangulation of sources of evidence.

The first steps in internationalization are taken reactively, due to the interest that the brand awakens in potential franchisees: *"There is a first part in which the company makes decisions because someone is interested, that is, because someone from Miami has come because they have seen the concept … and they call Restalia saying I'd like to have this brand here"* (RM); *"The germ is people who travel around Spain, as we have a country that is a showcase, they know the concept, they like it, they see it in full, they think it's exportable, and they request information from the company"* (PC).

This first phase began in 2011 with the opening of a 100 Montaditos in the city of Miami (Gavino, 2012). Subsequently, they opened in other US cities such as Orlando, Washington DC, and New York (12/11/2014, ABC). They also opened in Mexico, Bogota (Colombia), Porto (Portugal) (Gavino, 2012), Guatemala, and Chile (28/12/2015, Expansión). They began by replicating the 100 Montaditos model in Spain, but circumstances meant effective control over the franchises was impossible, which led to a rethink of the internationalization strategy.

The second phase began in 2013 with a more proactive or strategic approach (Doherty, 2009), considering both physical and cultural distance. The company analyzed a large number of European countries: *"what I did was to design a plan for Europe to get to know each market …, we got to know all the markets, we talked to everyone, we tried to get references, which weren't available …, we decided on a series of criteria, which were, that it should be less than 2 h away by plane, that it should be a market similar to Spain, if possible Latin"* (RM). The objective was to find the best places for the strategic implementation of the brand *" … where is the right place for the company, and where it wants to enter, and here we logically considered Latin Europe: Italy, France and Portugal"* (PC).

In addition to the criteria of geographical and cultural distance, brand awareness in the target country and the complexity of the real estate market were also considered. The United Kingdom and France were therefore discarded in the first instance. One of the interviewees said about Italy and France: *" … both are very complex real estate markets, probably France even more so than Italy"* (PC). They finally decided on Italy, starting with Rome, given its geographical and cultural proximity, as well as the high levels of brand awareness among the population, due to the frequent tourist flows between both countries. The negative factor was the greater-than-expected complexity of the Italian real estate markets. The first store opened in 2013 in Ponte Milvio (Cafasso, 2013). It was a resounding success right from the start.

In short, Restalia's international expansion can be considered in two phases, a first phase in which the selection of countries was determined by the franchisees, and which proved to be problematic. And a second, more strategic phase, in which lessons were learned from previous mistakes, selecting first the countries and then the franchisees, based on the criteria of geographical and cultural proximity and the complexity of the real estate market.

4.3. Udon

The motivation for expansion was the need for growth. The national market was saturated, and they needed to look for new locations: *"the main [motivation] is that in Spain there is going to be a certain number of Udon [outlets], that is, we try not to be overcrowded, … and that limits us a lot"* (JQ). In any case, the expansion process is a slow process, *" … the two and a half years that it has taken us to start in the United States has been because we invest a lot and we are very cautious before making a decision, perhaps too cautious a lot of the time"* (JQ).

International expansion is divided into two phases. In the first phase, the criteria of geographical and cultural proximity are paramount for the selection of countries, as internationalization began in Andorra in 2015 (Vallano, 2015) and in Portugal in 2018 (28/05/2018, Restauración News) as a natural extension of the Spanish market. They consider those countries to be more accessible markets, in addition to the clear logistical synergies: *"the market was practically like the Spanish market, in fact, our main logistics platform provided service in Portugal"* (JQ).

In the second, a strategic analysis of large regions was conducted, targeting Latin America, the United States, and Germany, in which geographical proximity was pushed into second place. In the interviewee's words, *"we looked first at the continents, which would be easier for us, and then at the countries … we were surprised that when we analyzed this global situation, we were more confident going to Latin America and the United States than to Europe"* (JQ). This initial rejection of Europe was due to the social and political problems that the most relevant countries (France and Italy) had at the time. The European exception was Germany, which was considered, after an initial prospection, a suitable market in which to establish itself in the medium term.

With regard to Latin America, Mexico was considered the main country in which to set up, due to the knowledge that customers had of Asian restaurants, their potential demand, the lack of competition, the ease of finding suppliers and a favourable labour market, *" … it was much better compensated with product knowledge, with the demand for a type of cuisine like ours, that is, there is a middle class in Mexico that is growing a lot and that does not have so many chains to rely on; and then, we had it very easy in terms of product and suppliers … "* (JQ).

In addition, operating costs are lower than in Spain and yet there is not such a difference in the average meal receipt, so the brand's performance is expected to be optimal. Other countries where they are being implemented are the Dominican Republic, Puerto Rico, and Panama, with similar characteristics to the Mexican market, although smaller in size. Moreover, according to Jordi Pascual, co-founder of the chain, Colombia and Chile are also target markets (Catá Figuls, 2021).

The United States is also seen as a strategic market. North American franchisees have immense economic capacity to afford these investments, but at the same time they demand high returns within short time frames (between 12 and 16 months). Some managers performed an analysis of the country and concluded that Texas was the best place to start. However, they chose Miami, because of their knowledge of that market. The geographical distance and the cultural links of that city with Latin America were also considered, making it an excellent base of operations for this territory: *"Florida is the market that I know best, and, above all, there is very fast communication with Latin America, which is a potential market, and where we are growing; Udon's intention is to set up a structure in the United States that manages Latin America, so it had to be Miami"* (JQ).

In both phases of international expansion, country selection has preceded the search for a franchisee. In all cases, the search for and the selection of real estate has been a key criterion in making the decision: *"in fact, I discard many locations for fear of not playing it safe, that is, we look at it, we look at it again and again, and we often discard it, if we don't see a series of relatively high returns compared to other franchises"* (JQ).

In summary, in a first phase, Udon considered geographical and cultural distance in its international expansion (as a natural growth of the brand to neighbouring countries). In a second stage, there was a more strategic approach to internationalization, attaching greater weight to market potential, considering such criteria as product knowledge, average ticket price, labour market, degree of competition, and ease of finding suppliers. Cultural distance also played a role, which is why Latin America was chosen, showing that it is an important factor, but subordinate to other criteria (Alexander et al., 2007).

4.4. La Mafia

The analysis of this company highlights two relevant aspects: firstly, priority is given to countries that are geographically close and, secondly, just as important as the country, are the cities with potential for consumption of the brand.

Although in 2016, the CEO of the company expressed his desire to internationalize, *"Our goal is to become an international 'love'mark"* (2/11/2016. Restauración News), La Mafia began this process due to the interest of people who knew the brand in Spain and wanted to develop it in other countries, which is fundamentally a reactive behaviour (Doherty, 2009). Thus, the first contact with internationalization arose from the request of a potential Spanish franchisee based in London (United Kingdom).

From this contact, the interest in international expansion was awakened, seeking growth and increased prestige: *"It's a real challenge the fact that the recognition that the brand currently has at national level could also be international; I think that any great project likes to grow and be recognized in other countries"* (NP). This led to a process of analysis of the potential of that city, with several trips, projections, and studies of the real estate market. They also followed the same approach, although less intensely, in Paris, following a request from another potential franchisee located in France.

However, they concluded that they were not ready at that time to make the international leap. The managers considered that they would have a sufficiently well-organized and solid structure when they had at least forty restaurants in Spain, which could be sufficient to respond to international demand. In 2018 they reached this goal, closing the year with 42 restaurants and a turnover of more than 30 million Euros (04/02/2019, 100franquicias.com). The managers decided that the time was right: *"we had the workshop and the logistics platform … to have a logistics platform of 14,000 m^2, and to have the guarantee that you are going to deliver, and not be in the hands of third parties was very important"* (NP).

Therefore, in that year, they decided to set up in Portugal. The choice was motivated by the initiative of potential partners: *"They came to us, just like the first time, they were the ones who contacted us"* (NP). They studied the main cities and formats for implementation. In October 2020, they finally sealed a master franchise agreement with a group of Spanish investors based in Portugal, with whom they agreed to open 15 establishments (2/10/2020, Restauración News).

The interviewees argued that geographical and cultural proximity were the factors with the greatest weight when embarking on international expansion in Portugal. La Mafia is now present in neighbouring towns: *"[in internationalization] the operational and logistical part is very important. In the end, we are in Galicia, we are all over the national border territory (with Portugal), and in the end, what separates you is simply a road with a few kilometres … for us to serve or attend to Badajoz is little more than doing it in Lisbon"* (NP). In the same way, geographical proximity facilitates brand awareness in the neighbouring country prior to its implementation.

Geographical proximity was taken into account in the previous prospections (London and Paris): "*With a 2-or-3 hour flight, it is easy to manage"* (NP). However, control over logistics could in that case have been weaker, which postponed the implementation of the initiative.

As for the cultural elements, the proximity of Portugal to Spain was stressed: *" … culturally, they are like brothers in some aspects, especially in the part of Extremadura, we have seen that they are very close to Spain"* (NP); similarly, consumer behaviour is very similar: *"The market is not so different … it is very close culturally, as we have a fairly deep-rooted habit of going out, of consuming"* (SP). Similar arguments are put forward when talking about Andorra: geographical and cultural proximity, and even the language (Catalan) are all shared.

Other criteria were mentioned such as the fact that other Spanish brands are already operating in the country with good performance (imitation effect), and the ability to find good locations to implement the brand. In fact, both interviewees pointed to the selection of an optimal location as central to expansion: *"the process begins with the recruitment of the franchisee and is accompanied by the search for real estate …, we mainly try to locate them in the big cities and the best areas"* (NP). On the company's website, the search for premises and approval for their acquisition is also highlighted as a milestone; it is a prerequisite for joining the group and signing the franchise contract. A minimum population of 50,000 inhabitants was set for restaurant locations.

In summary, franchisee initiative was the first motivation when choosing a country in the case of La Mafia, after which came geographical proximity due, above all, to the need to control the production process. In addition, cultural affinity was considered, which facilitates acceptance and brand awareness. Finally, the choice of locations in cities of a minimum size was relevant. In fact, in a recent interview with Loli Riquelme (general manager of La Mafia), the importance of these factors is made clear:

> "*We have other options in the United Kingdom and France, but in order to make this leap, the company must have some infrastructures because our factory is in Zaragoza. This is an aspect that has to be taken into account in distribution. Portugal is a comfortable market and the suppliers are approved and are practically the same. Projects in other countries also require adaptation, people's tastes … and without losing our essence. We want to be cautious*" (Sereno, 2021).

4.5. Comparison of cases

Table 4 shows that the companies under study have different international behaviours despite sharing the same geographical and cultural backgrounds, being located in the same sector, and using similar business models. There is consensus over the motivation to internationalize, in so far as all the companies agreed that domestic market saturation was key where it is increasingly difficult for them to maintain sustained growth. At a secondary level, Comess and La Mafia pointed to the notion of the prestige that accompanies success beyond national borders (see Table 3).

This general motivation is accompanied by reactive management behaviour. Except for Udon, the other companies, even if they had intended to internationalize, had not done so until foreign investors become interested in the brand. Since then, they have followed different paths: in some, the franchisee prevailed (Comess and the first phase of Restalia) and, in others (La Mafia and the second phase of Restalia), they were committed to studying the destination beforehand. Over time, the companies tended to change their selection criteria, except for Comess, which never changed its behaviour and continued to rely on the franchisee.

Table 4
Comparison of case studies.

Companies	Motivation	Reactive/ Strategic	Countries	Selection Criteria
Comess Group	Saturation, growth, prestige	Reactive	Andorra, Portugal, Morocco, Mexico, Ecuador, El Salvador, Guatemala, and Japan (8)	Prevalence of franchisee capability
Grupo Restalia	Saturation, growth	**1st Phase:** Reactive/ **2nd Phase:** Strategic	Italy, Portugal, France, United States, Mexico, Guatemala, Paraguay, Panama, Chile, Ecuador, Honduras, and Dominican Republic (12)	**1st Phase:** prevalence of franchisee capacity. **2nd Phase:** cultural distance, physical distance 2h flight in Europe, brand awareness in the market and complexity of real estate market
Udon	Saturation, growth	Strategic	Andorra, Portugal, United States, Dominican Republic, Puerto Rico and Panama (6)	**1st Phase:** geographical and cultural distance. **2nd Phase:** with respect to Latin America potential demand, product knowledge, lack of competition, ease of finding suppliers, labour market; with respect to USA large market potential, knowledge of management and expansion platform in America. In both cases low cultural distance.
Grupo La Mafia se Sienta a la Mesa	Saturation, growth, prestige	Reactive	Portugal	Geographical and cultural distance, logistical ease, other Spanish brands operating successfully, and complexity of the real estate market.

Wood and Robertson (2000) suggest that climate could be a criterion for market choice. However, in the open answers given by the interviewees, only VD made reference to this factor, but related to geographical and cultural distance "[Portugal] … is a nearby country, it is logistically easy, culturally we are not so different either, right? Because of the climate, the way of life; so it would not be necessary, although you can always do it". It can be seen that the countries chosen have warm climates. Even in the case of Restalia in the US, Florida was chosen for expansion, but it was not a criterion that was in the minds of the managers interviewed when giving their answers.

4.5.1. *Selection criteria*

Table 5 lists the criteria used by each company according to whether they predominate in the first (X) or second (O) phase of internationalization.

All the managers interviewed mentioned cultural and geographical distance, although with different nuances. Comess Group takes this into account when adapting the company's commitment to the franchisee: the greater the physical and cultural distance, the less support they can provide and, therefore, the greater the franchisee's capacity to develop the business. This point of view is also shared by Restalia Group, establishing Master Franchises in more distant countries and direct franchises in closer countries (culturally and geographically); in fact, one of the mistakes they made in the first phase was not to consider that eventuality. For Udon, physical and cultural distance were paramount in the first phase, and secondary in the second phase, when those factors were subordinated to market opportunity. Finally, choosing a country that is physically and culturally close was paramount for La Mafia se Sienta a la Mesa. In this incipient phase of internationalization, the managers were seeking to ensure operational and commercial control over any expansion before it takes place.

The criteria of the franchisee, who conditions the choice of country, was important in the case of Comess Group, during the first internationalization phase of Restalia, and for Grupo La Mafia, as the companies may not have otherwise had sufficient incentives to expand internationally or could have taken longer to do so without this initiative.

On the other hand, the presence of similar successful companies in the country is important for Udon and La Mafia, while brand awareness in the target market is important for Restalia and La Mafia. There are also specific criteria, such as legal factors (Restalia) and the purchasing power of the population, competition in the target country, and the manager's knowledge of the country (Udon).

Table 5
Comparison of country selection criteria.

Criteria	Comess Group, 2009	Grupo Restalia 2011	Udon inaugura su, 2018	Grupo La Mafia (2020)
Franchisees	O	X		X
Potential target audience		X	O	
Legal factors		O		
Buying power			O	
Physical distance	O	O	O	X
Cultural distance	O	O	O	X
Brand awareness		O		X
Cost/logistics		O	O	X
Competition			O	
Real estate market		O	O	X
Presence of other companies			O	X
Other factors			Knowledge of the manager - Strategic situation	

Other criteria shared by the selected cases, except for Comess Group, are logistics costs and the real estate market. This last factor appears as a singular element in this sector and will be dealt with in more detail in the following section.

4.5.2. *Real estate market*

The real estate market plays a key role in the selection of markets for the international expansion of restaurant companies. On the one hand, it is a matter of identifying consolidated food and beverage areas that act as anchor tenant effects (Chung and Cheung, 2022), *i.e.*, as focal points for attracting consumers, whether they are shopping centres or busy urban areas. The location in these areas increases the chances of success of brands and becomes a priority objective in internationalization strategies. In this sense, the first establishment of 100 Montaditos was in a consolidated commercial area in Rome (interview with PC), which allowed them to achieve a considerable turnover from the first day. La Mafia and Udon also operate along the same lines.

On the other hand, in the analysis of the best location for the brands, ease of access was considered. Two of the interviewees (PC and RM) pointed out that negotiations in the case of shopping centres are usually easier than in high street locations, as they tend to have standardized procedures and, in some cases, the same owners. These two interviewees also underline that, when selecting a destination, the differences in leasing contracts within each country should be considered, highlighting the complexity of the UK market in that respect. Finally, it was mentioned that good locations helped to make establishments visible to attract future franchisees, constituting a "proof of success" to be replicated.

Regarding the characteristics of real estate units, Restalia and La Mafia have implemented internationally their restaurants in premises with similar operating characteristics to those they have in Spain. In the case of 100 Montaditos, with premises of approximately 120 and 200 m^2, located in shopping centres and streets, with proportion depending on the country's real estate characteristics. La Mafia, for its part, focuses mainly on street premises, with a surface area of between 250 and 400 m^2 approximately.

Udon, on the other hand, establishes a greater differentiation in its restaurants. In Portugal and Andorra they are similar to those in Spain. However, in the United States and Mexico, due to changes in operations, where greater differentiation is required between the bar area and the dining area, they have increased the required surface area from about 150 m2 to about 250 m2. In the rest of the American countries, they also continue with the trend of greater surface area compared to Europe. In the case of Udon, they distinguish between two types of locations: mall/street and travel channel (mainly in airports).

On the other hand, Comess Group has greater adaptability to the target market in the operation of its stores, so unit requirements differ from country to country, starting at 120 m2.

4.5.3. *The process of selecting international markets*

With regard to the order that the companies followed in the internationalization process, the internationalization process started passively or opportunistically with a franchisee initiative in the Comess Group, in the first phase of Grupo Restalia, and in La Mafia se Sienta a la Mesa, (Doherty, 2009). It bifurcated in two different ways: on the one hand, Comess and Restalia evaluated the franchisee, and subsequently the country; on the other, Restalia provided greater accompaniment to the franchisee and intervened in the evaluation of the location. As for La Mafia, following the franchisee's initiative, the country was analyzed, and then the franchisee was evaluated and accompanied.

On the other hand, Restalia in its second phase and Udon coincided with regard to the type of process they were following: they both started with the evaluation of the country and continued with the evaluation and then the accompaniment of the franchisee, and the analysis of the location.

The following Table 6 shows the sequence of the process:

Table 6
Internationalization process of the cases under study.

	Year	Franchisee Initiative	Country Evaluation	Franchisee Evaluation	Franchisee Accompaniment	Location Evaluation
La Mafia	2020	1	2	3	4	
Comess Group	2007	1	3	2		
Restalia 1st *Phase*	2011	1	3	2	4	5
Restalia *2nd Phase*	2013		1	2	3	4
Udon	2015		1	2	3	4

5. Discussion and conclusions

Two main objectives have been pursued in this research: on the one hand, to determine the factors that are used in the selection of foreign markets when firms decide to internationalize; and on the other hand, to learn about the process that this decision follows.

Regarding the first objective, although studies indicate which factors are used in the selection of countries, little is known about the relative importance of these factors in the early stages of internationalization. The findings do not support the results of Ramírez-Hurtado et al. (2018), as the interviewees barely mentioned risk, probably due to two reasons. The first was that the companies under study, among the different ways to internationalize (Berbel-Pineda et al., 2017), chose exclusively franchising and, therefore, tended to internationalize hand in hand with investment partners who knew the target markets; the second and main reason is that they expanded into nearby countries with similar political, economic, and legal conditions (European Union), considering neighbouring countries (Portugal and Andorra) a natural extension of their domestic markets. In relation to the opportunity criterion, the most important factor for the sector under study was the size of the cities (Melo, 2015) and the potential average income of consumers.

The results also showed the importance of physical and cultural distance (Hoffman et al., 2008; Johanson and Vahlne, 1977), which was positively valued in the four case studies. However, it is notable that, in three cases, the franchisees' initiatives were ahead of the use of these criteria. It meant that two of the companies under study started internationalization in distant countries where they did not obtain the expected performance: Comess in Russia and the USA; and Restalia in the USA. Consequently, the shorter physical distance was crucial for the control of logistics and expansion costs, as well as for the control of the production formula, mainly in the most organized and planned expansion processes, by first targeting closer countries, and progressively moving to more distant countries (Aliouche and Schlentrich, 2011; Baena and Cerviño, 2014). As for cultural distance, this factor was important for all the cases analyzed, and in all the phases of these initial internationalization processes, with the least cultural distance favouring brand awareness and brand acceptance by consumers (Sashi and Karuppur, 2002; Mattera et al., 2014; Osorio et al., 2021).

In short, by reducing physical and cultural distance, companies increase their control and reduce risks in their internationalization processes, mainly when they have less experience and knowledge of the target markets. This explains why, once these risks have been reasonably controlled, the interest of companies in their choice of countries is focused on the market opportunities they offer.

With regard to the emotional factors (Alexander et al., 2007; Doherty, 2009), the owners of the brands had the idea of going international but decided to undertake this process in response to an intervention from outside the company. These emotional aspects are again related to the two internationalization failures found in this research. One of the managers also acknowledged that he made the decision to expand based on his prior knowledge of the location.

The real estate criterion should be highlighted as well. The success of this type of company depends on the location in the cities, so the consideration of the property market and the commercial structure of the locations is key to the choice of destinations. A complex property market and lack of attractive commercial space is reasons enough for non-establishment above all other criteria.

Regarding the process of choosing the country/countries, the results of our study confirm the approaches of the literature regarding the existence of push factors (linked to saturation and the level of competition in the domestic market) and pull factors (related to the opportunity represented by other markets), but also add important precisions for SMEs in the context of our study (restaurants and initial phases of internationalization).

Specifically, in more risk-averse companies, the triggers of the internationalization process are push factors: firstly, the saturation of the local market and, linked to this, the stimulus of a potential franchisee from another country who is interested in the chain. On the other hand, pull factors are present at the beginning of the internationalization process of SMEs with a more entrepreneurial profile, less risk aversion and with greater capabilities and knowledge of other possible target markets, and also in later stages of the internationalization process of SMEs that started them due to push factors, and that after the first experiences (even of failure), decide to design and undertake more organized and elaborate processes, with previous studies of possible countries and target markets, in which market opportunity and the real state market prevail as selection criteria (Madanoglu et al., 2017; Baena, 2018; Alon et al., 2021).

An opportunistic or reactive approach was followed in three cases (Doherty, 2009), as the decision over international expansion was taken on the initiative of external investors, in contexts of saturation of the domestic market (push factors). Company evaluations of each investor were of greater importance than the destinations themselves. The accompaniment of franchisees and the support of the company in the selection of the location was also crucial. However, in the internationalization process, at least two phases can be observed in these companies, moving from an opportunistic approach to a more strategic one, in which a systematic evaluation of the target markets was conducted.

The results of this study confirm the use by the analyzed companies of the criteria established in the literature for the selection of foreign markets, highlighting the importance of physical and cultural distance, as observed in other research (Alexander et al., 2007; Forte and Carvalho, 2013). In addition, the findings also establish the importance of activity-specific factors, such as criteria related to real estate, which can be extended to other sectors where location plays a relevant role, such as retail (Alexander et al., 2007) or hotel (Altinay and Miles, 2006).

However, the results also show that these criteria are not considered by the companies when internationalization follows an opportunistic process, at the initiative of the franchisees. In this case, which occurs in most of the companies analyzed, the subjective analysis of the franchisee precedes and eliminates any examination of objective market factors. Consequently, the academic study of these market selection criteria must always be accompanied by consideration of the process followed, opportunistic or strategic, and the analysis must integrate both the selection of the country and the selection of the partner (Doherty, 2009).

Although studies have found a variety of strategic and opportunistic behaviours in the companies analyzed, in our case most of the companies internationalized as a result of initiatives of the franchisees, although all of them had a vocation for internationalization, due to their ambition for growth, but they lacked that impetus or motivation, which came from external sources. These are small companies, with managers without international experience, who were somewhat reluctant to embark on an international adventure. However, once started, it became a firm strategy, despite some failures in its development, and with changes in the process, from an opportunistic approach to a more strategic one, something that has also been pointed out in the literature, but with respect to the selection of partners (Doherty, 2009; Kumar et al., 1994).

In short, the study of the criteria for selecting foreign markets cannot be separated from the selection of partners, nor from the approach taken to internationalization, nor from the company's current stage in the process. These are closely related issues that seem to be ordered when companies begin to develop strategic approaches in their internationalization processes.

In addition to these findings, the conclusions of this research concern the internationalization of small and medium-sized companies, located in peripheral geographical areas, and belonging to sectors that are not very internationalized in the country of origin. It also highlights the fact that the four cases under study were at different stages of their internationalization processes: from consolidated companies with more than 10 years of international experience to companies that were taking their first steps abroad. These circumstances have influenced the results, as the lack of a tradition of internationalization in the sector means that the managers have no references or business models. In fact, one of the interviewees decided to meet with managers from Inditex (a fashion sector company) for advice on the internationalization process. These are also small, family businesses, more concerned with the brand and maintaining the company's values and philosophy than with the demands of profitability, which in several cases makes them very cautious whenever they must take decisions.

From a practical point of view, the findings of this research will be of help to managers of restaurant companies to make better decisions in the international expansion process by looking at the previous experience of their competitors. In particular, it should be noted that managers need to pay special attention when internationalization occurs at the initiative of franchisees, as the risk seems to increase significantly, especially when entry takes place in countries that are geographically or culturally distant. The opportunistic process may be necessary when managers have little international experience, as it is probably the way to overcome the psychological barriers surrounding this decision, but once internationalization has been decided, companies should conduct a systematic analysis of both the partner and the market (Doherty, 2009).

The lack of specific studies addressing the issue of internationalization of restaurant franchises from countries that are in the initial stages of the process contrasts with the great potential and attractiveness of this sector, which represents an important contribution to the economy in terms of income, employment and GDP (as reflected in the introduction section for Spain).

In this context, this study serves as guidance for companies interested in undertaking similar or equivalent internationalization processes, even from other sectors, through the experiences of companies experiencing similar circumstances and that have already started such processes, and the learning that this generates (as explicitly stated by some of the managers participating in

our case studies), since it deals with real behaviours and results, explained in detail, with special focus on the motivations and decision-making processes.

5.1. Limitations and future research

According to the literature, the number of cases analyzed in this study is sufficient for the results of the research to guide other organizations in their decision-making. However, it would be interesting to monitor the internationalization processes of the companies under study and the other companies (5) that decided against participation in the project. This extension of the research would favour a more comprehensive understanding of the phenomenon.

Regarding future research, we would like to focus on the study of other key variables in the internationalization process, such as the process of selecting franchisees, as it seems that these two factors - market and partner selection - are closely linked (Doherty, 2009). It would also be interesting to conduct comparative studies with companies in the same sector in neighbouring countries with similar cultures (including social issues, consumption habits and situations, and even weather conditions) and economies, *i.e.*, Portugal, France, and Italy.

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Data availability

Data will be made available on request.

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