How to identify an international business opportunity in Italian SMEs from the agri-business sector: the case of Tortella in the USA market

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Al nonno Nicola, perché in cielo brilla di più la stella che è stata silenziosa
A mamma e papà, i due poli magnetici opposti, a cui devo tutto il bello di me
A mia sorella, la mia alleata ed il mio per sempre
Alla nonna Bianca, perché una parte di nome è una parte di anima
# TABLE OF CONTENTS

Introduction ........................................................................................................................................ 4

Chapter 1: Peculiarities inside the world of SMEs ........................................................................... 5
1.1 Introducing small firms panorama ............................................................................................ 5
1.2 How institutions may help the challenges overcome in SMEs ................................................. 8

Chapter 2: The Made in Italy “issue” – opportunities and factors that SMEs should monitor while considering the country of origin effect and after a concrete internationalization strategy ......................................................................................................................... 12
2.1 The centrality of the export in Italy ............................................................................................ 12
2.2 How Italian SMEs move their first steps in going abroad: the local approach of districts and the leveraging activity of the Made in Italy .................................................................................................................. 16
2.3 The brand identity for Italian SMEs and its meaningfulness in the mechanics sector ... 19

Chapter 3: Exploring the agro-industry ........................................................................................... 23
3.1 Sector overview and company presentation ............................................................................. 23

Chapter 4: An alternative itinerary: the importance of the relational approach for SMEs .................................................................................................................................................................................... 27
4.1 The trade fair instrument .......................................................................................................... 27
4.2 The network approach and the online business social networking ........................................... 29

Chapter 5: The target country ....................................................................................................... 31
5.1 The USA and its agricultural market ....................................................................................... 31
5.2 A research model for the USA penetration: the correlation between the soil preparation procedures and the export quotas ......................................................................................................................... 36
5.3 Limitations and suggested directions for further studies ....................................................... 38
5.4 Analysis of the reported data ................................................................................................ 39

Conclusions: how a SME from the agribusiness could be perceived as a relevant company abroad? The managerial implications derived from the model discussion ................................................................................................................................. 43
Introduction

This study has as purpose the identification of an international opportunity in the US for a company like Tortella, an historical brand in the production of agricultural machinery. The business case, developed with hypotheses on the correlation between the imported values in the US of the machines selected and the hectares dedicated to the most used soil processing types (for which these machines are used), find at the end the confirmation of the presence of the mentioned opportunity. This is also correlated with an overview on the topic of the internationalization of SMEs and mainly the Italian ones. These kind of firms could earn beneficial effects in using a set of relational tools together with the traditional driver of the country of origin effect, here critically investigated. The researches analysed in this paper come from a literature made on the instrumental mechanics and the agri-food while a little was developed on the agri-industry. The relevance of the subject is also given by this: a lack of studies made on the upward part of the value chain in the agri-business sector.

Given this literature review context and the research model developed, the paper aims at offering a set of guidelines for an Italian SME active in the agricultural equipment field which aspiration is to be quite widely international. The main finding is that even if the financial constraints cannot be easily overcome, a SME like this could rely on both the presence of a more structured support given by a technical know-how, explained and confirmed by the research model, and on social resources that are here presented. Further studies may investigate further new opportunities in other countries as well as conduct in-depth interviews of farmers/customers to better assess all the components of this possible competitive advantage. The managerial implications are described both in the paragraph of the analysis of the reported data and in the last one, the conclusion.
1. Peculiarities inside the world of SMEs

1.1 Introducing small firms panorama

In “The World is flat” Freidman (2005) provided a metaphor in which every single competitor has an equal opportunity thanks to the acquired ability, not anymore so fresh, to obtain critical resources as well as knowledge: this underlines the classic concept of the globalization. This standard vision was criticized (Ghemawat, 2007): in fact, by increasing the distance the consequence is a decrease in considering the terms of trade (Hollensen, 2017). This distance could be not only geographical, but also cultural, political, economical and this is true also for big multinational companies since is not anymore widely accepted that size and export are positively correlated, because a certain amount of variance is not explained.

This correlation so could not be considered as a strong rule of thumb to follow, and in addiction to that this relation could be decreasing even if positive (L. Calof, 1994; Wagner, 1995). The survival of both of them (bigger and smaller enterprises) is determined by the chance of going abroad, in an economic scenario in which the most important growth is concentrated in new markets, since many national ones are already saturated and the automotive sector is a good example (Di Stefano, 2018). With the industry globalism that companies are facing, it is not possible to decide autonomously the acceptable degree of it: this depends in fact on the international competitive structure that the single firm has inside the environment, and if it is high there will be huge interdependencies all over the different value chains.

The decision of the internationalization inside SMEs is so a hot topic for international marketing academics. Those have, as companies, different points of strength as their counterparts LSEs. The forces driving them are more behavioural, correlated with an entrepreneurial dynamism that contributes among other benefits the main one, their flexibility and the ability to respond faster to customers’ requests. Innovation plays a pivotal role for smaller firms and their success in exporting products is often given by this mean. To bring innovation inside a firm means to implement a set of problem solving activities where different part of the whole organization are involved and many inputs are considered, which are not abundant if we mention the example of the human capital development. A key aspect in building and creating innovative products, for which the competitive advantage derives from difficult-to-imitate-competencies, is the knowledge acquisition from the external. This means that SMEs will need quality relationships and a strong social interaction, confirming
what will be analysed while talking about the network approach together with the other relational instruments in the next lines (Liao, 2015). The innovative spirit must be carried on from both B2C and B2B companies. The last case is also the case of the company that will be presented in this work; at least we can consider the majority of the activities oriented to customers identified with farms or agricultural entrepreneurs.

Here quite a brand new possibility to enhance the internationality is given by the mass customization: the customer and the company are constantly involved in a process of searching the best solution for both of them, combining the low cost per unit and the customization level required in the specific case. Tortella, the company of the case study here proposed, is following this direction by creating a set of products called “special machinery”: those items are directly asked from the customer to the firm following some standard rules that will help to contain the costs.

The new challenge of going abroad and this entrepreneurial spirit are nowadays two important features of this kind of companies, which primary aim is different if we consider the diversified levels of preparation for the international purpose. If they are “mature” or even “adolescent”, they would try to consolidate their export markets, consider the expansion in international markets etc., and this will be dependant on the actual industry globalism position that they have, according to traditional models for the internationalization. The gradual internationalization process that they follow is usually described by the Uppsala one, that is valuable for both large or small and medium size firms in understanding the different export challenges. Smaller firms are usually very resource-constrained and for this reason they must find a solution for managing the international scope, often provided by the foundation of relationships in the different areas of interest.

A distinction is proposed by scholars between two typologies of SMEs: the born global firms and the born regional ones. The last one is linked to some benefits that are allowing a rapid internationalization through operations that are less demanding in terms of resources, having easier learning processes in internationalize but only in other countries in the same home regions according to (Sui et al., 2014). On the other hand, the born global firms are producing innovative and differentiated products, mainly deriving from their knowledge-based competencies and are nowadays expanding thanks to the globalization. They are commonly associated with a significant percentage of total sales generated from abroad as a consequence of their more general global scope. They are also called International New Ventures (INVs) because they soon go international.
The challenges that a SME will face under the internationalization pressure that they feel are greater in number and intensity than in the case of bigger companies and being conscious of them is necessary in order to understand how to overcome those problems, with a structured international marketing plan. The first thing to assess is if the analysed exporter is an active or a passive one. Having clarified that, the export-marketing problems need to be recovered before the actual abroad success of the enterprise.

The performances in terms of markets selection, the whole strategy and the HR management are important to measure and achieve the desired level of profitability. Often, a poor set of language skills and the exposure to a series of cultural barriers of the human resources employed seem to be the cause of an inadequate preparation.

There are four different export barriers and those are relative to the resources (as already mentioned), the procedures, the knowledge and the exogenous barriers. There are also problems associated with the adaptations of the products, required to be compliant with the different and specific safety standards and the quality checks that an item will need to undergo once exported added to the challenge of the property rights protection.

The traditional distinction between macro and micro problems give us the chance to clarify which are the major difficulties for a small exporting firm. Two are more worth to mention than others: issues in the selection of a reliable distributor and the communication with the audience, so the customers. To some extent, these are considered quite under the company’s control. For these in fact the firm is responsible, even if it is widely accepted that many macro problems are still affecting SMEs performances and examples are the political instability and the governmental barriers. The demand is also playing a negative role when it is not sufficient. Often, the “micro” and so internal problems are linked with a lack of budget for export marketing activities while to structure an image in the target markets is a powerful hint together with the quality assessment and the export department organization. The communication problem mentioned before is strictly connected with this feeling of a general poor understanding of the target group, that is not known as it should be as well as the country itself. A very frequent problem is the underestimation of the SME capacity, many times the demand is view as too massive in terms of size. The distribution relations are managed by following usually three types of governance: trust, contract-based relationships, sharing and knowledge to level out opportunistic behaviours as well as to avoid problems given by their poor knowledge of the market and access information (J. Paul et al., 2017).

The de-internationalization is an outcome of the difficulties firms tried to overcome but without success, or the outcome also of a complete underestimation of the difficult situation
both internal or external, resulting in a step back affecting the presence abroad. An alternative to the internationalization is to not go at all international: 78% of the SMEs of the most important European economies that have chosen not to internationalize, declared that they will not do so also in the future. This situation is even worse in Italy, in which the 83% of them (according to 2015 data) are sure that they won’t export in the future and this problematic situation is probably correlated with their size.

Given the fact that enterprises trading abroad understood the chances that internationalization could provide, this needs to be applicable to firms not exporting at the moment too (Internationalization of European SMEs, 2018) and this is possible also because different studies demonstrated that there is no such a great correlation between experience in the international context and entry mode (Musso, Francioni, 2011). With the proper market knowledge and preparation, that is always necessary in combination with a solid financial structure, a SMEs could in this way “experiment” different entry moods even if it has no experience. This leads to a non mandatory path for them and a different set of opportunities abroad.

The sphere of the intangible also is likely to affect SMEs aim to internationalize, since some studies demonstrate that they are now more prone to focus on intangible forms of the assets to build up a competitive advantage. Among these forms the social capital is a relevant one and through that the general and likely absence of institutional aid could be avoided. We are here referring again to connections, both formal or informal, and all those process necessary for the value creation between the firms and the individuals. Other studies then support the idea that the relationship between resources (both functional and relational), competences and internationalization is strong and this especially in the case of one of the most common forms, the export. This is true also mentioning the other forms, but in a secondary way. The distinction is between LSEs and SMEs: while in large companies functional resources are the relevant ones in the decision of entering new countries, for smaller firms this pivotal role is played by the relational sphere. This explains also why LSEs have a greater degree of autonomy in defining their product portfolio.

1.2 How institutions may help the challenges overcome in SMEs

Although these obstacles seem worth to mention, this is the case of governmental subsidies too. As in this work emerge, the higher amount of liquidity that SMEs must address to international marketing efforts (Wong et al., 2007) makes clear that they should monitor
carefully the initiatives that central authorities put into action in order to give them a possibility.

There are new interlocutors in this more open and global scenario, like governmental organizations which have totally different operative schemes from the ones of typical companies.

Even if there are macro difficulties, SMEs are not totally left alone here. In this discussion an overview of the Italian case and markedly measures more suitable for the agri-business field will be provided, because there will be applicability to the discussion that will be carried out.

The MISE (Ministry of Economic Development) is the central authority, collaborating with the MAECI (Minister of Foreign affairs and International Cooperation) in implementing different activities like missions for the benefit of the firms. The regions are autonomous in realizing their own export outline, including in the projecting which and how to obtain foreign investments.

There are also other institutions that at a more peripheral level are helping in the accomplishment of the whole strategy and the two main ones are the Chambers of Commerce (in a more residual way) and ITA (ex ICE). The latter is the traditional coordinator of the management of contacts between companies and the Government that is also organising special events for Italian SMEs (international road-shows) in addiction to activities aiming at the advancement of inward and outward investments.

To increase the competitiveness of Italian companies and encourage their participation in tenders and programs funded by the European Commission and International Organizations, the ICE Agency carries out information and assistance actions to strengthen their presence as providers of goods and services with the financing of different instruments of the European Union. The orientation on the different programmes and a more specific informative support (with ad hoc newsletters and workshops) is provided by the Bruxelles’s office. A list of the main and more recent initiatives will be here presented (from the document “Programs to sustain European SMEs 2017-2020”, ICE):

1. The Adriatic-Ionian Initiative (IAI) was established in 2000 with the signing by the Ministers of Foreign Affairs of 6 countries that are by the sea, part of the "Ancona Declaration" on regional cooperation, as a tool a supporting economic and political stability and the European integration process. Since 2006 Serbia and Montenegro joined the IAI, which is therefore currently made up of 8 countries: Italy, Greece, Slovenia, Croatia, Albania, Bosnia and Herzegovina, Montenegro, Serbia. The initiative is characterized by the coexistence of two fundamental aspects: intergovernmental collaboration and, for non-EU
IAI countries, an intermediate phase of "approach" to the community standards. These activities have all the common goal of cooperation in sectors of common interest like innovation, research, transports etc.

2. ENI CBC MED that involves different Mediterranean countries including Italy but also Spain, France, Portugal etc. Over 209 million euros have been allocated by the EU for the 2014-2020 to support this program structured in two objectives. The thematic objective entitled 'Business and SME development' aims to create economic opportunities and jobs through support for start-up companies and the strengthening of Euro-Mediterranean value chains and Clusters. The diversification of tourism is also part of this objective.

The objective 'Support for education, research, technological development and innovation' is concentrated on technology transfer and on the links between industry and research.

3. SME instrument for which the main feature is to offer an easier access to the financing for SMEs. Its purpose is to fill the gap existing in the early-stage financing of SMEs for Research and Innovation, and accelerate the transition to commercial use of innovations. The projects are selected through a bottom-up approach, in the direction of a certain "societal challenge" or "enabling technology "of Horizon 2020. The target of the tool are innovative SMEs that show great ambition, growth and internationalization. Furthermore, interested SMEs can also submit proposals individually. The SME Instrument consists of three distinct phases and a business coaching service (optional in phase 1 and 2) for beneficiaries. The participants should presenting innovative and market oriented proposals, with a strong European dimension. Risks of the proposal should be analysed, also the one related to revenues generation. The amount provided is of around 50.000 euros.

4. COSME is a program aimed at the increase of the competitiveness level of businesses and small businesses medium-sized enterprises (SMEs) active from 1 January 2014 to 31 December 2020. The general objectives of the program with particular attention to the specific needs of SMEs are the strengthening of the competitiveness and sustainability of EU companies, the promotion of an entrepreneurial culture, the creation and the growth of the SMEs. The specific objectives of the COSME program could be summarized in this way: improvement of the access to finance for SMEs in the form of equity and debt, improvement of the access to the markets (within the Union but also worldwide), advancement of the competitive conditions for EU companies including those in the tourism sector, enhancement of the entrepreneurial spirit and culture. The fundamental actions taken are the implementation of special financing instruments and of the Enterprise Europe Network.
5. Enterprise Europe Network is offering integrated services for SMEs that want to explore the different chances offered by the EU market but also the outside one. The services are articulated in this way: information and advisory activities on the European initiatives and assistance in the improvement of finance and credit access knowledge with the correlated programs of mentoring; facilitate the research of partners from abroad for commerce, R&D, technology and innovation; communication channel helping the relationship between the SMEs and the European Commission.

6. ERDF – European Regional Development fund: The ERDF is the fund destined to consolidate the economic and social cohesion of the EU by correcting the imbalances between more developed regions, regions in transition and regions in delayed development. Investments are divided by "thematic concentrations": innovation and research; digitalization; support for small and medium-sized enterprises (SMEs) etc. Those measures are in most of the cases specific for the internationalization process too, but when those are more generic they are addressed to an overall growth purpose of small and medium companies (for example, in the case of IAI) so that they seem relevant in providing an opportunity for the implementation of more precise investments. While talking about agricultural machinery and equipment, there are some positive externalities that could be founded: for instance, we could mention the European Fund for Rural Development and the promotion of agricultural products from EU through the Common Agriculture Policy. The first one is on the same track of the Europe 2020 strategy and the main strategic objectives for the 2014-2020 period could be outlined in this way: trigger the competitiveness of the agricultural sector and achieve a balanced territorial development of rural economies and communities, including creation and job defence. The second one is referred to the priority of the promotion of European agri-food items, both with or without certification, specific for a very wide range of products. The interventions are made after companies’ call for proposal, managed with CHAFEA (Consumers, Health, Agriculture and Food Executive Agency) that evaluates the different alternatives. Moreover, the ISI INAIL 2018 is a public notice with the objective of encouraging firms in the carrying out of projects for the improvement of workers’ health and safety conditions. This means that the small businesses operating in the primary agricultural production could use this form of incentive to purchase new machinery and work equipment, to both reduce the environmental and noise pollution together with the risk of accidents deriving from manual and dangerous operations (www.pmi.it).
2. The Made in Italy “issue” – opportunities and factors that SMEs should monitor while considering the country of origin effect and after a concrete internationalization strategy

2.1 The centrality of the export in Italy
In 2015 the ministers approved a plan for the promotion of the Made in Italy products and for the attraction of investments from abroad, to stimulate the growth of the number of SMEs operating internationally. Even if for different reasons SMEs could not easily go international, for example the fact that they usually miss professional and skilled human resources more than just the size problem, the so called “vouchers for the Internationalisation” were created. Those could by used by firms to buy the services of a TEM (Temporary export manager) with a special price. One year later the “Italian Export and Internationalization Hub” was born, by the will of CDP Group (“Cassa Depositi e Prestiti”, for deposits and loans) and the SACE subsidiary. CDP Group used this direct strategy tool, but is also involved in more indirect actions to develop awareness and capabilities inside the global market, realizing infrastructures and encouraging the dimensional growth.
It is pretty clear that export is a crucial component of the Italian economy and should be in the politics’ agenda.
However, with this tool direct tool, SMEs may get the whole set of financial services accessing through a single point with the system called “one door”. Many activities are managed by “Export Banca” which unfolded 5 billion, a record amount since the highest one was mobilised in 2011. Always during the 2016, Simest gave support to mainly the mechatronic industry, the agriculture one and services through equity capital and debt for operations outside European area with 500 million. That was to penetrate the US, China and Emirates. Specific measures are less requested to foster the internationalization in Italy, and a statistic run by European Commission in 2015 showed that tax incentives are on the top of the pyramid even if an actual demand is seen as a urge by a quarter of the firms exposed to the survey, in comparison with the 28% scored in the biggest economies in the EU. Apparently, for the Italian companies the direct measures already introduced are enough; on the other hand, the lack of digital and innovation skills are viewed as a real obstacle so that CDP is now concentrating on the theme of the digitalization and innovation to improve global competitiveness.
In Italy, the relevance of the SMEs compared with the LSEs is huge and data from 2018 of Confartigianato are confirming this. In Italian SMEs indeed there is the 78.7% of employees operating inside companies, higher than 69.4% reached in EU. This feature is often combined with the structure of the family business in which the value of the tradition goes from one generation to another. In many cases, this represented all over the Italian firms’ history a point of strength because even maintaining their identity they always tried to be very competitive and innovative (De Massis et al., 2012). The case that will be discussed here will provide an example of an Italian traditional business focused on “the design, the development and production of specialised productive input, in the form of machinery, instrumentation, components” carrying out “very little formal R&D, but they are an active source of development of innovations deriving in particular from the contribution to the technical and production units”. (G. Calabrese et al.) This type of SME is called “specialised supplier firms” and according to the study conducted in Italy by Calabrese, sources of innovation inside SMEs are not only limited to the entrepreneur. He always assumes a greater importance in the assessment of client needs but then this atmosphere of modernization is sustained by inter-function work too. Another aspect, underlining a situation of lights and shadows, is the approach used in the international markets often very few structured or worse just occasional. In this scenario, many unsuccessful output were produced. A lack of strategic implementation or/and expertise make managers not aware that is not possible to apply the same business models all over the world: there are still misconceptions about internationalization, thought as a simple process for many companies that are at the same time discouraged in doing business abroad. Although that, it is from the 2010 that Italian export amounts are growing, also faster and in a more structured way than bigger firms, implying a shift from the 25.2 to the 29.8% of GDP in 2018. A boost under these circumstances could be beneficial in the increase of SMEs number that are exporting with an overall positive influence for the national economy. The traditional element of trade included in the Italian GDP, talking about this expansion in export, revealed a +8.2% for non EU countries and a +6.7% for European ones and has now a new strength after the crisis. An year of great enlargement was the 2017 in which for the export in general Italy had 7.4% in exports and a 9% in imports. In this path, a constant growth could eventually alleviate the public debt suffering of the last years and something interesting is that GDP was raising at a negative rate for every single voice from 2010 to 2017 but on the other hand export was turning to a positive figure and so to a +6.4% (Istat, 2018).
This statement finds confirmation in the more recent OCSE report, according to which exports are the real driver of the growth with private consumption and investment acting very differently.

The last two will indeed face a decrease while the export is keeping this rise, going from a +1.4%, then a +2.7% and at the end a +2.3% in 2020 (La Stampa, 2019).

Among the situations that are considered as discrete sources of uncertainty the effects of protectionism, the euro/dollar exchange rate and the evolution of global value chains are included in the computation. The introduction of new positive results and performances for Italian exports provided this scenario but the escalation of tariffs as well as the possible deterioration of confidence among the operators implied in the economy would cause a drop of almost 2 percentage points, compared to the growth forecasted for 2018 and a full 3.6 percentage points in 2019, the year in which exports would remain positive but only with a +1.6%. In just four years, therefore, Italian exports could grow by almost 100 billion euros, a huge figure that makes quite clear the idea of the decisive advance of the “Made in Italy brand” on the foreign markets.

The previsions of SACE and ISTAT for the next years are more optimistic than OCSE one’s and here in the graph is provided a computation of the amounts too, with an average of the statistics offered by the three organisms:

*Fig. 1* Esportazioni italiane di beni e servizi (miliardi di euro)

[Graph showing export data]

*Graph n.1, source: Istat, Ocse and SACE data*
Considering the import, it is ensuing and adverse path increasing with a rate of -2.3% all over the period observed from 2010 to 2017. The composition of Italian trade, divided into services and goods, viewed the latter category as the “winning” one and this situation is quite the same for Germany. The high growing pharmaceuticals, food and beverage, fashion and machinery obtained together with the other manufacturing companies more than 100 billion surplus. In particular the last one, the machinery one, needs to be considered as on of the nerves of the export realizing a +6.2. Right after the two main partners for Italy, the European Germany and France, we find the US with a surplus of 23 billion in 2016, third in terms of export from Italy among the markets (this topic will be discussed more in the application of the business case). The third and fourth places are occupied by the Spain and the UK, so that they are representing the top 5 of the Italian partners and these datas are confirmed by MISE statistics for 2018.

<table>
<thead>
<tr>
<th>Pos.</th>
<th>Paese</th>
<th>2014 (mln euro)</th>
<th>peso (%)</th>
<th>2015 (mln euro)</th>
<th>peso (%)</th>
<th>2016 (mln euro)</th>
<th>peso (%)</th>
<th>2017 (mln euro)</th>
<th>peso (%)</th>
<th>2018 (mln euro)</th>
<th>peso (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Germania</td>
<td>50.144</td>
<td>12.6</td>
<td>50.764</td>
<td>12.3</td>
<td>57.703</td>
<td>12.6</td>
<td>56.043</td>
<td>12.5</td>
<td>58.096</td>
<td>12.6</td>
</tr>
<tr>
<td>2</td>
<td>Francia</td>
<td>42.016</td>
<td>10.5</td>
<td>42.664</td>
<td>10.3</td>
<td>44.008</td>
<td>10.5</td>
<td>46.333</td>
<td>10.3</td>
<td>48.421</td>
<td>10.5</td>
</tr>
<tr>
<td>3</td>
<td>Stati Uniti</td>
<td>29.756</td>
<td>7.5</td>
<td>35.977</td>
<td>8.7</td>
<td>36.888</td>
<td>8.8</td>
<td>40.433</td>
<td>9.0</td>
<td>42.449</td>
<td>9.2</td>
</tr>
<tr>
<td>4</td>
<td>Spagna</td>
<td>18.030</td>
<td>4.5</td>
<td>19.762</td>
<td>4.8</td>
<td>21.054</td>
<td>5.0</td>
<td>23.260</td>
<td>5.2</td>
<td>24.001</td>
<td>5.2</td>
</tr>
<tr>
<td>5</td>
<td>Regno Unito</td>
<td>20.939</td>
<td>5.2</td>
<td>22.358</td>
<td>5.4</td>
<td>22.417</td>
<td>5.4</td>
<td>23.185</td>
<td>5.2</td>
<td>23.451</td>
<td>5.2</td>
</tr>
</tbody>
</table>

It is also worth to mention that the distance in trade deficit with Central and Easter Asia is thinning, in particular China is growing but with a slower rate in terms of GDP (with a restriction of almost 4 percentage points in 2019).

Investments are counting in a very small proportion in comparison to other elements component of the GDP in Italy, indeed it registered the greatest decrease (-3.1%) from 2010 to 2017. For the overwhelming majority of European smaller firms the main market is the EU one, which is also a suitable context in which to move the first steps to land on markets outside Europe (Tajani, Hahn, 2014). The picture described till now for SMEs is not providing the whole frame: they are involved in the trade of sub-components and semi-finished items that will be used after by LSEs in the production of the final item. This one will be send abroad, and the same is still valid for products that they sell to wholesalers. This is resulting in an exponential overestimation in Europe and in Italy in the export amount for big enterprises and conversely in a parallel miscalculation for the SMEs export. In this way,
the statistics here examined need to be carefully considered, since a very significant part is played by the indirect exporting activities. A huge 60% of the companies are making the trade abroad, the medium ones do almost the whole job in this terms.

2.2 How Italian SMEs move their first steps in going abroad: the motives, the local approach of districts and the leveraging activity of the Made in Italy

There are many ways through which a company can go international and not just export; this survey explains different modes that are going beyond the simple trade.

It is quite well visible that the other forms of international approach are used less than in the average of the five largest EU countries and this is true especially for three of them: working as a subcontractor for a foreign company, working with a partner abroad for R&D and investing abroad, as already mentioned. It is interesting to notice that the not exporting Italian companies mentioned before are probably under the stress of the internationalization more than in other countries since the web of enterprises is composed mainly by micro ones. However, they are apparently not afraid of many export barriers: the two big obstacles, perceived as more frightening, are the huge investments implied and the security of cross-border payments as you can see in the graph below. This could mean that, since they are less
scared than their European counterparts, they simply are not aware of the gains they could achieve in internationalize. The exporting firms are facing the problem totally from the opposite side: here, indeed, they could not rely on trustable administrative procedures and those are affecting their performances abroad. In general it is possible to find out a critical issue in quoting exporting barriers, less perceived in other EU economies.

More than the 75% of the firms in Cedrola et al. study is active abroad since more than 10 years and they are seeking for new customers in an active way so moved by a market-seeking motive (93%), given also that the main reasons for why they choose for the implementation of abroad activities and operations is to find new markets in which sell the products and to fulfill international requests. An interesting percentage is the 30% that gave as an answer another motivation: the selection of relevant partners, meaning an evolution in the entrepreneurial mind. This is even more true while talking about the collaborative networks in few sector as the in the shoe industry and chemical/rubber and plastic one. This 75% is divided into two groups because many firms still exploit intermediaries inside the global market even if also an owned channel of agents is used, signal of an understanding of different needs in some markets. This form of comprehension is quite a surprising result, because many companies and not just the smaller ones are moved by profit growth motivations. This is completely understandable, in fact an active participation in the global field would lead to an increase in the turnover with over the 50% of the SMEs investing abroad involved in subcontracts with a growth in sales figures, but while thinking about an export strategy it must be referred as the main and first driver at the very initial stage. There is also a positive correlation with the innovation; the 26% of the SMEs participating in the global markets launched products or services that represented something new inside the country selected inside the correspondent sector or more, they discovered procedures applicable in their original country but that they learned abroad.

Moving over with the Italian case, one of the most important things to underline is that is no more possible to rely just on the membership to the industrial district, a very common strategic orientation used in the peninsula. The district is indeed a peculiar base of specialised manufacturing skills, knowledge and resources rooted in the local culture but at the same time they started to be inadequate in terms of spreading of skills related to marketing and enhancement of intangible assets.

This is probably why the district logic and origin scores the last places while considering the brand identity and even if one of the advantages is the chance to easily recognize the brands,
on the demand side again the positioning is the worst one. Here, although this statement is underlines a real problem, is impossible not to mention the “made in Sicily” phenomenon, that indicates a very precise geographic origin not overlapping with the Made in Italy. In fact, in 2017 the project “Gustoso” made clear the aim of selling Sicilian agrifood products with the same brand that could be found nowadays in the main retailers like Walmart. This high level of coordination between the 12 companies of the island involved will bring Sicilian oil, pasta, juices, coffee and other products on many of the important shelves in the USA. The strong commitment of this county brought also to another relevant step: Amazon and the Department of Productive Activities of the Sicilian Region made an agreement and in the “Made in Italy” section you could also find the “Made in Sicily” one, this in a direction of a better positioning inside the international markets. Although we could not consider Sicily as a district, this could provide an example of a more “local” excellence and a powerful start for companies that really want to join inter-firm networks. The intangible element highlighted in the previous lines, that is not considered as valuable, is so not well perceived because the entire district fell itself more a specialised cluster of firms rather an entrepreneurial group acting as a whole. The aggregation of multiple specialised skills coming from different individual companies, by enhancing inter-firm relationships, is something possible and that could help a strategy but many people do not believe that districts are perceived as famous in other countries. The reason for that could be find in the company’s idea that the district is less identified with specific attributes than the “Made in Italy”.

The leverage of the “Made in Italy” and so of the country-of-origin effect is a topic that Italian manufactures care about and still a popular and a key asset for this kind of enterprises, often very small, but also the third most well known brand in the world according to a KPMG Advisory, second only to Coca Cola and Visa. Moreover, this asset type represents an unique opportunity for a SME: it will require fewer or almost zero investments and it is a relevant component while establishing a brand identity. As a matter of fact, it will register 577 billions in 2019 (www.assiteca.it) with a growth of 23 billions compared to the previous year. Nevertheless, 2018 was a crucial year that stopped in some way the export rush in the Made in Italy agri-food. This year was closed indeed with around 40 billions, with a growth rate reduction of about ¼ of that of the 2017 when there was an increase of 7%.

The aim of breaking through the wall of the 50 billions is moving away from the agrifood exports by 2020. This is justified by the adoption of a misleading and unfair behaviour, now fashionable abroad: the “Italian sounding” phenomenon.
The Italian senate identifies this practice as an evocative imitation concerning numerous products of excellence, from wines to oil causing considerable economic damages to Italian companies. The impact of this practice, as for the false Made in Italy in general, is not limited to the direct damage represented by the replacement of domestic products with other counterfeits or evocative items, but should also be evaluated in relation to the development of unfavourable attitudes towards Italian products, whose quality is erroneously perceived to be less than their actual value, thus damaging the prospects of commercial penetration. Obviously, it is not a matter of counterfeiting in the strict sense, but rather of the indication, on the label, of elements that recall, arbitrarily, the value and the quality of the products of the Italian food chain, taking an immediate advantage at the moment of placement on the market. Although this is just an example, the one previously mentioned provides a view that is a bit deeper on a huge topic that Italians should consider carefully in managing both the competition and the product image abroad (Politics and Instruments for companies internationalization, MISE).

2.3 The brand identity for Italian SMEs and its meaningfulness in the mechanics sector

The described limitations however, were not enough to lower the results scored by Italian players that invested all over the time in going abroad. Excellent results were visible during the years talking about the increase of company size, the turnover and the number of customers abroad. Many companies decided to adopt a niche market strategy and in the Italian case they focus mainly on the fields of mechanics and electronics even if the “four As of the Made in Italy” are traditionally more meaningful for fashion, food, furniture rather than for mechanical automation as shown in the graph:
The high value associated with the made in Italy is actually linked with the intangible sphere. Abroad, this concept is a driver of beauty, luxury, culture, welfare and so an emotional linkage is displayed here. Those sensations need to be translated in true economic value according to Censis. They then underline the potential creation of 10 billions of turnover in association with the Made in Italy. The inquiries made have shown that in 2020, 480 thousands of people will spend 200 billions for high quality products with the made in Italy representing a 10% of high level/luxury products. There is a difference between the moods with which an international brand could obtain success in different countries of the world and the creation of a strong brand identity (Guerini et al., 2006). By analysing the linkage between the brand identity and the country from which the brand is from one of the first results relevant results is that many firms do not associate to the brand a great importance level while considering the entrance in international markets and many entrepreneurs are sceptics toward the branding strategies. In many cases this is given by the scarce financial support that Italian SMEs have, since a the brand value creation is a big investment to afford (Guerini et al., 2006). The result is a focus on other strategic elements of the offer as the price of the products while the communication is not viewed as a contribution element in the rising of the brand equity.

As a matter of fact, the mechanics that is the sector previously cited as a choice for the implementation of many niche strategies, not only has grown exponentially all over the years (data e se per export) but it would also be the one more into communication, assigning to this
one a greater degree of importance in Guerini’s case study. To not recognize the value of the the brand equity would mean to loose the chance of being competitive with companies in developing courtiers, that will shift from those kind of activities that are lower in terms of value added to others that are more valuable. The last option is to rely on competence, experience and trustworthiness that the brand could deliver. In the situations in which smaller companies could not afford a branding strategy because of their reduced size an option would be the creation of a brand system. This will bring positive associations that will settle in the minds of customers from abroad, with the help of a renewed country of origin perception effect and everything will be sustained without explicit investments. The interviews that have been made in the article demonstrates that not only the brand awareness through which the company is clearly recognized is not founded on the idea of the origin, but it is not the driver of many associations. From the point of view of the brand identity, the results were pretty much the same.

**Graph n.5, source: Guerini et al, 2006**

In the graph, the orange bars show the percentage of firms that think the element underlined as secondary for the brand identity, while other aspects are related as crucial like the product quality/reliability. Most of the brand associations exploited by the companies are based on the know-how and the competence, above all in the instrumental mechanic sector and then
the creativity is exploited by the textile. The first four categories are included in the same set that is usually referred to the Italian country, well linked to the imagery of the customer coming from abroad. These attributes are not easy to associate with a distinctive positioning for a brand, since they are typical of the “Italian way of doing”. The image of the country could be affected by the exploitation that firms are implementing through their branding strategies and this is even more valid for specialised supplier firms that are exporting. Other aspects are following the same wave of the “ideal concept” of the Italian country and those could be viewed as differentiating elements in the offer, even if representing only a part of a brand proposition strictly correlated with the ones previously mentioned. An example above the others is the punctuality, rarely close to the stereotypes people consider as Italian and that could destroy the image of a business in the mechanics’ sector and could be seen as a violation of a contract as well as a lack of care and attention to customers’ needs. The success of the products is seen as the real main driver of the renewed export performances, together with the services offered and the prices, instrumental and useful in mentioning the image of the country. On the other hand the brand visual identity is not considered among those elements. The communication initiatives used more are the exhibitions in which companies took part mainly individually without a focus on the country brand equity. In some way, companies try to delegate to public institutions the promotion of it with a brand identity structure created ad hoc per each sector (the mechanics too) with promo campaigns, to help the positioning in the main target countries.

Even if the study here presented is not so recent, the empirical evidence of the lack of a well structured preparation on these themes is given by the offer of different lecture sessions provided by public agencies as ITA and/or the chambers of commerce. One of them was the Brand Festival that took place in March 2019 that very useful because it gave the chance to analyse crucial aspects related to the major Italian sectors facing the internationalization challenge.

All the features described in the paragraphs above are contributing to underline the peculiarities, points of strength and weaknesses of the Italian SMEs panorama and constitute a contribute for the understanding of the specific business reality, that will be studied here.
3. Exploring the agro-industry

3.1 Sector overview and company presentation

In the previous studies, the agri-food was considered as worth to mention in a comprehensive way of every single aspect of the production, then of the distribution till the sale of the food. A sector that is very close to that one, considered a worldwide standard for products of excellency especially in Italy but rarely under the spotlight, is the agro-industrial one. This one incorporates the downstream but upstream part too that are inside the chain and consider also the supply of the technical means, like chemical products and like in the Tortella’s circumstance agricultural machines. Agri-food products are reaching the final customer after numerous technical steps, going through three subsystems: the agriculture and the breeding, the industry, the distribution.

These three are interdependent with the whole economic configuration of a certain region or area and the more the economy is developed, the more the share of agricultural goods used as intermediate goods by other sectors grows. In the meantime the other percentage referred to the agricultural items directly involving the end customer goes down and in this way the relationship between the agriculture and the food industry tends to rebalance. In the same way also the equilibrium with the agro-industrial is pursued in parallel with the process of deconstruction of agricultural enterprises, which leads to the externalization of many activities for agricultural enterprises. In Italy, agricultural machinery industry archives ten years of contraction and started to grow again during the 2018. After the surge in tractor registrations in 2017 - a 23.8% leap for a total of 22,700 units – the year after is different. According to Cema, the European association of agricultural machinery manufacturers, the expansion seems destined to continue in all major European countries, including Italy. The recovery in our country is due to several factors. Abroad, the sector's industry has also ridden the wave of disposal of products in stock before the entry of the new Community legislation on conformity, fully operational since the beginning of 2018, and has exploited its excellent cross-border reputation which has earned. This was enough to reach almost 4 billion euros in exports in the first ten months of the last year, with an increase to 7.5% in value, thanks to the demand coming mainly from Europe, followed by the Asian area and Africa (N. Ronchetti, 2018).
Another reason why today an impressive transformation is going on, is because of the global Agriculture 4.0 market. It is worth 7 billion dollars (twice as much as last year), of which 30% is generated in Europe according to 2019 data and is investing the whole supply chain. Growth is even faster in Italy, where the market is reaching a value of between 370 and 430 million euros (+ 270%), which for around 80% is generated by innovative offers from already established players in the sector (for example, the suppliers of agricultural machinery and equipment) and about 20% of solutions by emerging actors (above all startups), which propose innovative digital systems and technological consultancy services. The Smart Food Observatory has mapped 110 companies in the sector (74% established brands and 26% startups) offering over 300 Agriculture 4.0 technological solutions, with very different roles and positioning along the supply chain. 49% of companies are providers of advanced solutions such as Internet of Things (IoT), robotics and drones, 22% of data analysis solutions. A good result is the 16% scored specifically by machines and equipment for the field. Smaller percentages are comprehensive of a 7% for the production of components and electronic instruments and a 3% relative to actual manufacturing firms.

The most frequent solutions (53%) are systems that can be used across several agricultural sectors (Pavesi M., 2019). When looking for agribusiness cases that have been analysed, there is quite a general void of studies referring to agricultural machinery and equipment since the downstream part, as already said, was investigated more so that we already know almost everything of businesses that are categorized traditionally as B2C because is more “visible” than the B2B side (Bortoluzzi et al., 2011). Companies that are subcontracting are not just driven by commission in the internationalization process. The “assistance” from business customers is not excluding the active role that a B2B can take. The reason why is better to acknowledge the relevance of this side of the agribusiness from a marketing perspective is that “success comes to those agribusiness firms and managers who can most efficiently and effectively meet the changing needs of the world’s customers in this demanding marketplace. In this global market environment a more sophisticated approach to marketing and closer attention to consumer needs is needed to remain profitable (…). Agribusiness firms (…) need to devote the same level of effort to marketing management as they have to production management. Marketing can help agribusiness firms compete successfully in this competitive global marketplace and assure the future success of the agri-food system” (J.D Beierlein, K. Schneeberger, D. D. Osburn, 2014)
Talking about the firm Tortella we can first say that the entrepreneurial spirit, permeating the whole Marasca Group, is prevalent and associated to the case below discussed. Marasca Group is an holding in which we could find three different main brands. The pioneer one is Remu srl, an innovative company that is specialised in projecting and manufacturing machinery and equipment for the industry. The second one is Id&s, in the field of projecting, advisory and training for the industry. Those are mainly active in the mechanics and a relevant connection both in terms of business synergies and of entrepreneurial mind show up here, primarily for the most recent acquisition of Tortella. This is an historical brand with strong roots in Abruzzo. The connection with its origins is underlined by the usage of a communication addressed to a target of “strong and kind” women and men (a motto from Abruzzo indicating the people living in there). Although that, there was since the beginning of the business activity an international spirit and as like in the majority of the cases the export was the key component. Marasca Group is a multinational company with two abroad centres on which rely on, respectively situated in Brazil (Rio de Janeiro) and in Albania (Tirana).

The Brazilian case is particularly relevant in the sense of the internationalization process. Here indeed, the standard rules to export are including a professional figure typically Brazilian, who usually works as an accredited intermediary between the company and the Customs.

In addiction to that the strategic position in which the country is located allows the company to maintain the relationship with customers from abroad, specifically with those from Brazil and Argentina. These two countries are significant in citing the agricultural equipment. Indeed, those are two cases were important for the implementation they were important for the company to approach and appear on the markets that could become basis for potential customers as well as for new ones. Two different important occasions, that are just examples but probably the two main one, are the exhibitions that were respectively the AgriShow and the ExpoAgro.

A peculiarity of the sector, mainly notable in the Italian case, is that there is a growth in several markets that could be seen as limited if an observer have a look to the amounts relative to the biggest countries. Further studies could assess a possible strategy to implement but in general, those kind of countries are difficult to penetrate since they are emerging and very far in terms of physical distance. This inevitably rise the shipping costs for the company. Even if these countries could not represent a target for Tortella, it is interesting to note how this is one the very few examples in which there is an important growth and for every
machinery type, if we obviously exclude the main Italian trade partners that are the among the biggest. These are the ones more interesting for the purpose of our analysis. Not that much surprisingly, these countries are more addicted in general terms too to the Italian products (as you can see in the graph n.3) and so are the same exporting more agricultural equipment, at least what is produced also by the company here presented. Here below the reader will find the codes associated with machineries and the amounts of goods exported by Italy in the main countries:

```
<table>
<thead>
<tr>
<th>Importers</th>
<th>Exported value in 2015</th>
<th>Exported value in 2016</th>
<th>Exported value in 2017</th>
<th>Year to year variations (between the last two available years)</th>
<th>Total variation (from 2015 to 2017)</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States of America</td>
<td>12793</td>
<td>15688</td>
<td>17804</td>
<td>-13,5%</td>
<td>39,3%</td>
</tr>
<tr>
<td>France</td>
<td>6701</td>
<td>7609</td>
<td>6792</td>
<td>-10,7%</td>
<td>1,4%</td>
</tr>
<tr>
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<td>9649</td>
<td>9091</td>
<td>5454</td>
<td>-40,0%</td>
<td>-43,5%</td>
</tr>
<tr>
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<td>12907</td>
<td>12650</td>
<td>-1,1%</td>
<td>-8,9%</td>
</tr>
<tr>
<td>Germany</td>
<td>15716</td>
<td>14116</td>
<td>13681</td>
<td>-3,1%</td>
<td>-12,9%</td>
</tr>
<tr>
<td>United States of America</td>
<td>5964</td>
<td>6629</td>
<td>5956</td>
<td>-10,2%</td>
<td>-0,1%</td>
</tr>
<tr>
<td>France</td>
<td>50102</td>
<td>48970</td>
<td>57711</td>
<td>17,8%</td>
<td>15,2%</td>
</tr>
<tr>
<td>Germany</td>
<td>87964</td>
<td>42713</td>
<td>46366</td>
<td>13,9%</td>
<td>22,1%</td>
</tr>
<tr>
<td>United States of America</td>
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<td>28869</td>
<td>59,1%</td>
<td>18,0%</td>
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<tr>
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<td>37739</td>
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<td>15,5%</td>
</tr>
<tr>
<td>Germany</td>
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<td>18997</td>
<td>22668</td>
<td>21,3%</td>
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</tr>
<tr>
<td>United Kingdom</td>
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<td>10944</td>
<td>13804</td>
<td>24,3%</td>
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</tr>
<tr>
<td>United States of America</td>
<td>11746</td>
<td>16730</td>
<td>12889</td>
<td>-12,6%</td>
<td>9,6%</td>
</tr>
</tbody>
</table>
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Graph 6, source: company’s data (customs tariff codes) and own elaboration on ITC figures (in dollars thousands)

This elaboration states plainly that the there is a strict top three of the importers of Italian agricultural instruments is composed by the countries we cited in paragraph 2.1. The only exception is given by the United Kingdom that have passed the United States for the agricultural machinery for soil preparation (and so spaders, among Tortella’s products). In terms of growth rates, both the yearly and the total one, only Germany is slowing the trading process and just for one of the items. Compared to the overall situation, this is a small deviation and although this is just the step “0” in preparation to an international strategy, this could represent a good starting point. Finding harmony in the distribution and the selling of the products indeed, in terms of geographic areas (even if two of them are European and one
is extra-European), could represent an advantage in concentrating future efforts and resources.

4. An alternative itinerary: the importance of the relational approach for SMEs

Before we move to the business case analytical part, this study wants to highlight a different component from which SMEs could benefit in the long run, supporting international efforts and probably underestimated.

A well implemented internationalization process indeed is carefully developed starting from the assumption that many factors are here involved. Researchers have explained when and how to construct the basis for the internationalization, starting by the global marketing plan. The research model that will be explained in the chapter 6, could also not find a verification after having been tested in other contexts. In considering this study as a useful tool for enterprises, the reader will find here a brief list of pathways to follow, different from the ones resulting from the study of the hypotheses in the case those are not demonstrated elsewhere. These are opportunities that well identified and exploited, could also bring to a successful output, even if less or not at all supported by a more analytical and/or structured base: indeed, they are mainly relational. These relational activities and instruments will be developed further with additional studies, information, analysis of the markets and of customers but they could still provide very important suggestions to firms.

4.1 The trade fair instrument

Right after having talked about network approaches of companies, a linked topic is the one of trade fairs. The relational base of a company, thanks to its participation in fairs, extends beyond the borders defined by the location of the facilities, and it is a vehicle for knowledge transfer and market enlargement too.

The importance that today's companies attribute to trade fairs is confirmed by their distribution and frequency of them and this is linked with the evolutionary path taken by this means of communication. During the Fifties the first exhibitions were just generic samples, whose role concerned the simple promotion of the offer to an indefinite public. Today those are instead performing a specific communication function, aimed at the relation with specialized targets (both business or consumer) and at an high internationalization level. The fair summarize the activities of a multitude of companies - always more specialized and
therefore potentially isolated and (geographically) distant from other producers and users - within a network in which other companies operate as elements of a complex system of productive and technological knowledge. Therefore, fair presents some typical characteristics of the industrial cluster and several studies have defined fairs as real networks of companies. To overcome inefficiencies of anonymous and random contacts, trade fair organizations have introduced various online services, among which we must mention the "virtual events", through which visitors can get previews of information on the companies that are present. Activities done during trade fairs are mainly the promotion of products, acknowledgment of market trends and sometimes the technological update; the activation of one-to-one relationship that could bring benefits to the company, expansion of the business area, discussion and entrance into new ones supply contracts.

Each interaction allows the exhibitor to accumulate knowledge about different customer needs and to quickly identify new emerging trends. Often the two parts remain in contact with each other for several years, establishing a relationship of trust that allows the exchange more and more detailed information.

The fair allows small and medium-sized businesses, which can hardly be be present on foreign markets, the possibility of creating contacts with distant partners, through trans-local relationships or global pipelines. Especially in international events, it is possible take the first step with partners that are operating in different markets permanent or nearly permanent pipelines, related to the activities of research, production and / or marketing. Low or near to zero costs here occur in the creation of trans-local pipelines because specific investments are not required. The information acquired from each actor, for example, on existing opportunities in new markets and / or new technological opportunities are then spread within the local network of the temporary cluster. The penetration of new markets is facilitate by the evidence of products’ and services’ quality but also by the participation to exhibition awards.

Over time the way in which the fair vehicle is used changed. The reason why this modality is introduced in this work is that it changed a lot since it is no longer tended to pursue merely a commercial objective, but it is also aimed at the exploitation of the cognitive and relational opportunities inherent in this instrument.

The fair, because of its capacity to concentrate different economic activities in a single space, allows the emergence of a system of relationships, and, consequently, access to information, both technological and from the market, significant from the point of view of the strategy that could be international too, as seen previously (Belussi et al., 2007).
4.2 The network approach and the online business social networking

The network approach is a relevant theme when it comes to the internationalization, since it is facilitating the process itself through the acquisition of market knowledge representing an alternative way, in contrast with the ownership perspective: scholars have investigated the drivers guiding towards a specific strategy and some of them have found that Ownership-advantages is one of the most relevant. It is likely that if ownership is not suitable for the business, this will be the most indicated solution.

Indeed in the network case there are very few or no links with the host country, that becomes closer and closer to the first one that tries to internationalize. Everything starts with a sharing of relevant information that becomes an actual and close relationship among all the different components of the supply chain, including institutions at different levels. Multinational firms have clearly the chance to count on already established connections while SMEs will need to exploit this kind of associations, given their relative resource constraints although if we consider the case of the suppliers, there is some kind of propensity for business customers in looking for very strict and reliable connections that could occur without any doubt in both the case of a big multinational company and in the case of a SME.

Another interesting topic in connection with this discussion is the quite brand new Italian “network contract”; a means by which the purpose of accessing necessary resources by collaborating with different business partners is achieved. The network contract is usually based on a very strict geographical proximity, involving mainly counties part of a specific district, and this is in some way an “Italian limitation” if we consider the more general purpose of the network approach. However researches have explained that also in an optic of internationalization the network contract formula could be successful and providing the chance to enlarge the customers’ base from other countries like in the case of Piacenza Food International. Based on a series of data, it is possible to assert that the case of the network contract is collecting a big one success in terms of adoption before all else by small-medium Italian companies, with the stipulations that grow annually at almost exponential rates. The analysis shows that, in quantitative terms, this expansive trend is developing so much in terms as general as in terms relating to the agri-food sector in particular. Businesses of the sector in question would seem to prefer (although not widely) to join companies from sectors other than the agri-food itself although integrated, with the main intent to create vertical
synergies (Gioia V., 2016). Given these results, this is why a strategy in this sense could be relevant for the business we want to study: in the agribusiness field, the integration along the chain could provide beneficial outcomes in the internationalization too. In general, the networks are global and those cover distributors, agents, suppliers (with which usually the relationships are low cost) and could be both formal like alliances or consortia or informal, identified with the simple national or transnational networks. A common practice is the indirect contact with the customers abroad, since SMEs are represented by different intermediaries but those network connections could provide to firms unique resources and knowledge regarding potential customers (D. Sharma et al, 2003).

In a Marchegiani and Galano paper (2013) the networking approach online was introduced. According to this study, recent innovations in information and communication technologies have contributed to radically change the competitive global panorama, setting up the bases for the diffusion of web based operational tools. This topic will be studied more in detail while referring to the role played by the web and digital marketing instruments in a next paragraph. Technological innovations may be viewed as a support to multiple business functions but also both as strategic channels for marketing and distribution and a set of implements for the operational efficiency the stakeholders expect. By harnessing social media, the user-enterprise has the chance to develop its own network of contacts, which can include both users who have already joined the platform as new users. However, this potentials to be realized it is necessary that: i) the user-company have the skills to use Social Media efficiently; ii) the network develops quickly enough and welcomes a variety synergistic of professional profiles; iii) business users develop a level of trust necessary to foster communication and exchange of information.

Web 2.0 technologies could bring benefits for a small business purposes referable to three areas: the internal communication and information exchange; the external communication with consumers, suppliers and partners; marketing activities. Business Social Networks are spreading faster and faster among SMEs as they allow a company to promote their own business and, on the other hand, to receive feedback from their own customers on the quality of the products and / or services provided. In other words, they constitute an effective instrument for the composition of a Social Media Strategy. Social media give the chance to facilitate interactions, collaborations as well as knowledge exchange. Marketing through Social Media indeed describes a variety of online information sources that the firm creates and share in order to inform customers about products, brands and services.
The interesting perspective is here the focus is on potential customers rather than actual ones. Therefore, this is relational marketing aimed at building long-term relationship with different interlocutors with whom an economic entity (company or organization) intends to get in touch, in order to optimize its presence in virtual space. With social media, in fact, SMEs acquire greater visibility within virtual communities thanks to integrated communication management on the different platforms made available by Web 2.0. Thus, the single company can establish an interactive relationship with the customer that allows the satisfaction of multiple needs offering contents useful to ensure the business success.

5. The target country

5.1 The USA and its agricultural market

The participation to exhibitions, the presence of contacts and the ITA’s support were the first tools used and that helped the surge of a deeper interest in this market for Tortella. The individuation of the target countries in which to operate in the sense of an international aim will need to be first studied. Barriers and opportunities are given by the economic, political, environmental conditions under which the firm will operate after having decided to increase its presence in that area.

In the third semester of 2019 the American GDP grew of 3.4%. In the January edition of the “Summary of Commentary on Curent Economic Conditions” by the Federal Reserve District better known as the Beige Book the economic activity in general is seen in a positive way. As shown in the report, which contains data from Districts of the Federal Reserve, the agricultural sector registered a difficult period conspicuously in terms of commodities’ prices that are still low even if some positive signals have shown up. One of the main reasons is linked to tariffs that were attached on several Chinese products. It was an action taken to convince China to change the laws pertaining to intellectual property.

China replied in an hard way by announcing tariffs on many agricultural products from the US: this was damaging for soybeans producers above everyone else and resulted in the cited price decrease. In general, it is estimated that by November 1, 2018, tariffs hit $ 255 billion of US imports (in all categories) and $ 124 billion in exports.
A double effect is obtained, caused by the application of tariffs, on the agricultural machinery market:

1. The increase in the relative cost of US agricultural products in some major markets reduces US exports, thus reducing farm incomes and making less likely the realization of investments.
2. The increase in the cost related to some inputs, especially steel, provides a potential competitive advantage for foreign producers who do not encounter this difficulty in their countries of origin.

In February 2018 the chief of the economists of the agricultural department presented the projections for the agricultural market. During the last years, the agricultural market was delineated by an over production that lowered prices. The agricultural income after having reached the peak in 2013 collapsed roughly of almost the 30%.

The demographic growth and so the food demand are not on the same track as the productivity, expanding too faster as previously said. Soy for example, was subjected to a price fall of around the 47% with a raise in the production of more than 1000% and for the wheat prices the situation is quite the same (production scoring a +400% and prices with a -60%). The stock of commodities arrived at levels that were reached for the last time in 2000. Price growth is a very hard consequence of this overall situation. Although in 2018 for some products it was registered an augmented demand. The projections are declaring that the agricultural income would remain flat for the next 10 years. The scenario changes while talking about livestock, chickens and milk. The 2018 was a record year in the production of those items. There is an high level of uncertainty given by the unstable commercial policy adopted during the term of the last presidency, before all else with China and Mexico. Those are two relevant markets for US trade in the agricultural field. What is here really interesting for the purpose of this research is that the agricultural products’ trend is a key driver on international markets to assess the demand for both tractors and agricultural machinery. According to Johansson there could be positive elements to highlight like the economic growth.

Given this data the food demand will possibly raise again with an expanding number of families entering the middle class. The global situation of growth, markedly in emerging countries, would constitute a strengthening element for US products like livestock and milk.
The massive amount produced could be supportive for those areas of the world. The role played by the political pressures from a commercial point of view is ambiguous: indeed, China is the principal importer of agricultural products from the US.

In January a survey was done on farmers sentiment and expectations: the result was quite positive, since they seemed more prone towards investments in machinery and equipment. Besides, the perception of the majority of producers (around the 57%) in an augmented degree of operative expenses.

This survey was done directly after the announcement that the next amount that the Market Facilitation Program will pay will be for soy producers and as this study will demonstrate later how this data is beneficial.

Considering the data released be the Association of Equipment Manufacturers (AEM) in 2019, tractors selling during 2018 in the U.S grew up in respect to 2017 and this is positive since the agricultural machines and the tractors’ sector are complementary. A monitoring of the tractors sector trend is also necessary in order to be aware of the different business opportunities.

Curt Blades, the Senior Vice president of Agriculture of AEM, declared that they stay optimist since the activity of substitution of large equipment and machinery will be the same in 2019 too will small size tractors will perform successfully in the market. Tortella is continously studying the format, the sizes, the power of the implements produced to adapt or reshape the offering to be competitive abroad as well as in Italy. Positive signals for both large and small tractors is a good new for Tortella too given the mentioned information.

IBISWorld estimated an annual growth rate of the 1.5% in five years, from 2018 to 2023. The principal economical sectors that will acquire agricultural instruments are:

1. Cultivation of wheat in the United States: it is the largest agricultural production in the United States and uses tractors, combine harvesters and various machinery to produce goods.
2. Soybean cultivation in the United States: it is the second largest production, relying heavily on the use of machinery
3. Breeding cattle in the United States: this industry uses agricultural machinery and tractors for various uses on farms
4. Services to the agricultural sector: those are operators that offer to small farms services that they do not carry out internally, including many functions that require the use of machinery.

5. Rent and loan of industrial machinery: these are operators who buy tractors and agricultural machinery which will then be rented to other customers. Important players in this segment are United Rentals and Sunbelt Rentals, powerful especially when users’ credit is limited and they are more inclined to rents.

There are several determinants for agricultural margins and so then influencing the investing decision, together with the price level of the commodities that are summarized by the Agricultural Price Index. A negative shift of these determinants of the demand represent a threat for agricultural equipment industry and are listed here:

- The Trade-weighed index: it measures the dollar strength respect other currencies in competitive areas, by balancing the entity.

- Interest rate: tractors are often paid with loans offered by banks or by financial institutions. Increasing interest rates could negatively affect a decision.

- Technological advancement: those are incentives to purchase new equipment, that are more efficient with subsequent beneficial effects on productivity and turnover for businesses who exploit this kind of measures. The urge to substitute machinery influences positively purchases. Nevertheless, agricultural equipment life cycle is getting better and better and this is in turn reducing the substitution rate.

- Subsidies and federal assistance programs for agriculture: in December 2018 the Farm Bill was approved. It is a fundamental law for the agriculture regulation, the government subsidies that are included within it have allowed the greater safety of producers who have suffered significant losses in profitability since 2013. The large amount of subsidies has also reduced the cyclical nature of the agricultural machinery sector and has been greatly appreciated by the latter for measures that protect farmers against price fluctuations and negative yield trends.
• **Seasonality**: Tractor sales mainly take place in the summer. Manufacturers of agricultural machinery try to contract agreements with distributors to ensure constant sales throughout the year. The last quarter of the year is generally a period in which sales are higher because they are supported by fiscal planning mechanisms at the end of the year, by the increase in funds that can be used by farmers and by incentives for dealers.

The last information is also very useful for the implementation of a strategic international marketing plan that focuses on specific agricultural machinery, suitable for penetrating this market. According to data from IBISWorld the comprehensive turnover of the US agricultural machine and tractors industry is valued for more than 38 billions dollars.

**Important competitive advantages** are given by the production of machinery with a low level of emissions following the stringent standards of the Environmental Protection Agency, the 24-hour after-sales assistance service, the distribution network that also works with post-sales support activities, compliance with the American standards for those who want to import, the technological innovation already mentioned.

It is also interesting to investigate the distribution side in the US. As it could seem obvious, the distribution choice is totally relevant in an international marketing perspective. An accurate selection could mean a lot and the ITA’s market note that is here summarized gives the chance to underline two different trends. The agricultural economy trend in the US affected mostly implements and machinery distributors but less the market for gardening equipment that is less volatile. Shredders, that might consist in a fundamental product inside the offerings of a candidate agricultural machinery manufacturing company like Tortella, are used as part of gardening equipment too. Tortella is actually in this moment providing to customers these tools and this information represents an opportunity enhancing the validity of the findings below explained. In addition to that, a helpful information is given by the location of the distributors: those are concentrated in the same areas in which implements and tractors manufacturers are. The industry is made up by small operators and a strong local network. None of them is representing alone more than the 5% of the domestic market (Agricultural market study for the US area, Italian Trade Agency, 2019).
In conclusion, having clarified that there is an overall potential positive trend although mitigated by several negative aspects of the whole economy, it is important to underline other aspects too. One above all is a strong presence of imported items, as reported in the graph n. 8.

5.2 A research model for the USA penetration: the correlation between the soil preparation procedures and the export quotas

We want to carry out an analysis on the US target market and build a model that will be useful in making new considerations while referring to the internationalization process related to agricultural machinery manufacturing companies of Italian origin.

The three types of soil processing that are used most in the United States will be considered (no-till, strip-till, min-till) and for each of them the percentage of hectares dedicated to maize cultivation and soy cultivation. For the model’s purposes it could be interesting to briefly introduce what kind of methods are these. These three different processing are the principles for the implementation of the so called conservative agriculture.

It is interesting to notice that with this system it is possible to affect as little as possible the natural composition of the soil, its structure and the biodiversity and that US are pioneers of these practices. This favours water infiltration together with the moisture conservation and helps combating erosion while helping to improve water quality. The no-till is corresponding to the activity of sowing without processing, except for the furrow of sowing. The strip-till is the processing localized only to the strips or bands in which the cultivation (not more than 1/3 of the width between the rows). The appropriate machines create strips of width oscillating between 15 and 25 cm. The min-till uses lighter tools that operate at a reduced depth of work and anchors or disks and rollers to refine and equalize the previously not worked land. This is equipment used also for the stubble processing and the false seeding.

We will therefore want to test if, as the percentage of hectares in which that type of processing is used up, Italian export will increase too for the agricultural machines suitable for the latter. This general statement will be declined in different hypotheses:

1. Hp-1a: There will be a positive correlation between the hectares worked with a specific soil processing type and the associated export of machines used to work, from Italy, all over the three years of analysis considered
Hp-1b: There will be a negative correlation between the hectares worked with a specific soil processing type and the associated export of machines used to work, from Italy, all over the three years of analysis considered

2. Hp-2a: There will be a positive correlation between the hectares worked with a specific soil processing type and the associated export of machines used to work, from the US, all over the three years of analysis considered

Hp-2b: There will be a negative correlation between the hectares worked with a specific soil processing type and the associated export of machines used to work, from the US, all over the three years of analysis considered.

Specifically, the agricultural machines to be considered are the following:

- for the no-till: shredders, which assure the cutting of plant remains. They are suitable for different usages like the grass, the vine and the pruning remains cutting.
- for the strip-till: shredders are here used too
- for the min-till: harrows, an implement equipped with teeth or also disks, used to level the land, break the clods and root up weeds

The model, from an analytical point of view, is supposed to explain a possible correlation between the following variables:

- independent variable ($x$): hectares worked with no-till and with strip-till (considered together), hectares worked with min-till
- moderator ($m$): hectares cultivated with corn and soy. The percentage of use of the specific processing changes on the base of the crop, for example the no-till is used more for soy whereas the min-till is used more for wheat. We should expect in this way that if the correlation exists, this will be greater or lower according to the crop selected too.
- dependent variable ($y$): the export quotas of the machines considered for both Italy (to US) and US (to Italy) for the machines here studied.

If the relationship between the variables should exist and be positive in the case of Italian export, this would mean that the increase in the usage of the soil processing type considered will also imply an increase of the need for the US to import Italian machinery. The analysis
could in this case support and further confirm the strategic choice of internationalization of the company Tortella in this territory, which will enhance the promotion of the selected machines in the target country.

In the event of absence of this correlation, especially in the case in which also the Hp2-b is confirmed, the internationalization strategy have to be supported by other motivations (entrenched presence of strong contacts with the country or others). Moving on in the model description, if the Hp1-a is confirmed and at the same time also Hp2-a is valid, an increase in the hectares used for each process will correspond to a rise in the agricultural equipment exported by the US in Italy and at the same time even if the target country has probably a good positioning/know-how in manufacturing the items analysed, they still trust Italian offerings and want to use Italian products. The assumption to be made here is that there is still an opportunity to exploit for Italian brands. If there is no such a confirmation but on the other hand the Hp1-b is valid, Italian companies manufacturing shredders and harrows should move on and select new countries, or again base their strategy on other factors that could possibly be investigated further with new researches on the field on other companies or even on the whole market.

5.3 Limitations and suggested directions for further studies

Customs tariff codes are aggregated and are also including other machinery types, so not just those of interest and highlighted in the study, provided by the company of the business case. Specifically in computing the harrows, those with discs and with teeth are both included, but Tortella produces only the second type which is however used in the min-till procedure. On the other hand, in computing shredders amount, there are other machines included since the custom tariff code aggregates here the harvesting machinery that are not elsewhere classified. A further limitation is given by the fact that there is a difference on the years considered: in fact the hectares respectively dedicated to the production of corn and soybeans are relative to 2017 while the rates of usage of each processing, used to derive the total amount of hectares to describe the model, are to be attributed to the year 2015. The reason why this data partly pollutes the analysis is that with the passing of the years these rates relative to the employment of different processing types can vary and also the hectares for each cultivation. The greatest error will be probably reached in studying the 2016 export data: indeed, while in 2017 there is a correspondence between the hectares cultivated respectively with soy and wheat and in 2015 between the percentages of usage of the soil processing type, the 2016 is not reflecting the figures proposed. Nevertheless, a period including three years is a too short
term period while referring to the extension of hectares in such a big country and won’t change a lot. What we assume here, for the purposes of an internationalization strategy, is that this lack of consistency refers to a reference time not too much long so that this won’t affect the paper’s objective. Last point to consider is that the percentages and the figures involved are attributable to a sample and not to the total of US farms and are so based on a survey. The latter is reported in the agri-blog section of LG, part of the multinational holding Limagrain that is a seeds producer, and summarizes the results of this survey conducted by the magazine "No Till Farmer" (active since 1972 in America) on 2500 farms. We are therefore clearly using a representative sample even if we have not the chance to investigate the whole American situation. Furthermore, considering Italian export quotas (or in the same way US import quotas) does not exclude competition with local and foreign companies. Anyhow, the model can be considered relevant because it guarantees or denies the presence of an opportunity not previously considered for a company like Tortella.

Directions advisable for further studies and new insights will indicate if the choice is actually caused by a strong preference of made in Italy agricultural machinery, to which a superior know-how is recognized, or if it can be linked to other reasons such as the inadequacy of the local offer or most competitive prices.

In-depth interviews with farmers could be carried out to get information on this. Furthermore, if this correlation exists for the United States, this would allow a correlation assumption even in other countries, possible targets that employ not only these same processes but also others, that could highlight the effects on Italian exports of other types of machinery. With more up-to-date data on the processing percentages used and on the total hectares dedicated to processing, the errors could be reduced.

5.4 Analysis of the reported data

The first assumption to do, and one of the bases of our reasoning, is that there is quite a huge difference in the usage of the three processing soil types. The no-till is the most used one and it is followed by the min-till. Although that, we must consider that the min-till is in the second positioning but not at all far away from the strip-till, which in percentages reaches a lower amount by just the 2.6%. The fact that we will see the no tillage and the strip tillage in the same way is so justified not only by this element but also by the fact that those are using exactly the same agricultural machine, shredders. Given this analytical and formal structure
of the model the fact that the results, even if could be considered separately, will be together reported represent a consistent choice to make.

The basic level of the analysis is made, as mentioned before, on the year 2015 and then there is an updated part in which we recall other years of reference, the 2016 and the 2017.

The percentages referring to the combined no-till and strip-till are representing around the 85% of the hectares used with wheat and soy (76.4% and 8.6%), while just the 10% is given by the usage of the min-till. The first two are associated with an export growth level of the 15.5%. On the other hand we are in presence of a completely different scenario for the min-tillage that is using harrows for its processing purposes. Here the export growth rate is negative, standing at the -50%. In 2016 the records showed a +22.7% for shredders and a +11.2% in harrows. Although the huge recover the last machine type showed in this second year, during the year 2017 this positive effect was again destroyed: from one side there was an export growth of around the 13% for machines used in the no-till and the strip till. This was surely less comparing the year before but on the other hand a -10.2% was scored by harrows and there is still a major obstacle to overcome. A further and probably useful information is already given by the difference in the amounts exported all over the years between shredders and harrows and we could conclude that the first mentioned seem a very relevant item for the US market.

A possible resolution for the negative trend in export for harrows, provided the validity of the research model discussed, could be found in moving in a new area in which the min-till is used more (just an area or even in another country) to promote and make efforts strictly directed to this product.

At the same time, during the 2016 shredders reached the top in exporting and performed well in the three years period. This could represent a symptom of the increasing significance of both the two main soil-processing types and the necessary equipment.

A further consideration is here worth to be in the focus: while picking a country for a possible internationalization strategy a feasible mistake is to keep an eye just on indicators of the growth. In doing this, often positive outcomes seem to appear: for example in some Asian countries like Myanmar we are facing this exact situation. However, too much concentration on this aspect is negative and this is why it was necessary to introduce absolute values in the variables’ correlation explication. Those are less incisive than a confrontation among rates of usage and growth but demonstrate the differences in amounts: USA growth rate were +13-5% and -1.1% in 2017 for respectively shredders and harrows.
In Myanmar those were both far more than +100% but items exported were far less in the same year, with a relevant difference in millions of dollars for the products considered. As you can see in the table below, in the two first years the amounts were really close to 0 and so not reported.

| Harrows imported by Myanmar | 2015 | 2016 | 2017 | % variation between the last two years
|-----------------------------|------|------|------|--------------------------------------
| Italy                       | 0    | 0    | 11   | more than 100%                       |
| Shredders imported by Myanmar | 0    | 0    | 143  | more than 100%                       |

Graph 7, source: company’s data (customs tariff codes) and own elaboration on ITC figures (in dollars thousands)

This give us the chance to clarify that even if there is a huge recover from one year to another when studying a product’s export in a possible target country, a company should not rely too much in previsions of a excellent growth in this market.

It is not possible to avoid a deep understanding of the environment without mentioning the political, geographical (including the shipping and transportation costs) and the social barriers.

Returning to the items, for an Italian company manufacturing agriculture machinery harrows could be considered as residual items, not as a business priority. The situation is totally the opposite for shredders as we have seen for both the amounts that were traded and the growth rate registered all over the period.

As was crystal clear while showing the figures, in 2016 harrows registered an increase that did not last over the 2017. The manufacturing company that has an interest in the various target countries will need to test if this situation still exists or not.

In the paragraph dedicated to the agricultural market in the US it was mentioned a financial measure of support that will be available specifically for soy producers. This positive externality is on line with the findings presented, since the no-tillage is used more for soy cultivation and is also a confirming element of the positive trend attributed to shredders export amount. A higher availability of resources, even the financial ones, will allow the pursuance of new and more satisfying trade outputs. The results of the study are here presented in detail:
Table 1: Italian case, Excel calculations (based on International Trade centre Statistics and Assomais article)

<table>
<thead>
<tr>
<th>Total hectares worked by soil processing type</th>
<th>Exported value (in million $) of the machines - 2015</th>
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<tr>
<td></td>
<td>61.19</td>
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<td>correlation coefficient</td>
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Table 2: US case, Excel calculations (based on International Trade centre Statistics and Assomais article)

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The decision was to highlight both the covariance and the correlation coefficient. The fact that the variables in question are dependent on each other is explained by the covariance, but as in statistics the indicator that truly express the strength of a relationship is the correlation...
coefficient the main indicator is the latter. In this first part of the table the total number of hectares worked with no-tillage plus strip-tillage are separated from the hectares worked with the min-tillage, for the purposes expressed before in the limitations and in the introduction of the model. For the Italian side, we can say that here the data are showing a very strong positive correlation, meaning that with a change occurring in the amount of hectares dedicated to a specific soil processing type, there will be a change in terms of export from Italy to US too, in the same direction. We can say that Hp1-a has found a confirmation in this study. On the other hand, moving to the US case the situation is a bit different. In comparing the figures, you can find a positive correlation in 2016 ad 2017 but not in 2015. Given this contradictory results, the figures show an overall positive correlation even if less strong than in Italy. As already said, this would imply that even if in the country there is quite a good know-how in constructing agricultural equipment the desire to acquire Italian products is strongly present. We could also go beyond that, by analysing the numbers, since there is a huge difference in the amounts exported. Italian ones are indeed very relevant compared to the volumes we associate to US export. To conclude, Hp1-b finds confirmation but not in a plain way: this not just because a relevant year of the analysis, the 2015, shows a negative correlation but also because the difference between the two countries in relation to the traded quantities. A further test could be made here, using the moderator (m), the crop used more for each soil processing type:

<table>
<thead>
<tr>
<th>Hectares used for each crop (depending the soil processing type used)</th>
<th>Exported value (in million $) of the machines - 2015</th>
</tr>
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<tbody>
<tr>
<td>No till used for soy</td>
<td>30,616</td>
</tr>
<tr>
<td>Strip till used for wheat</td>
<td>5,463</td>
</tr>
<tr>
<td>Min till used for wheat</td>
<td>4,3704</td>
</tr>
</tbody>
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**Table 3: Italian case, Excel calculations (based on International Trade centre Statistics and Assomais article)**

We could assume that quite a further confirmation is here depicted: the correlation between exported amounts from Italy to US and hectares used per each crop type (given the specific soil processing type implemented) is stronger when we consider the crop worked more with a specific soil processing method. This means that if we consider soy cultivated with no-till, there will be a stronger correlation than for wheat cultivated with no-till (second part of the table).
Conclusions: how a SME from the agribusiness could be perceived as relevant companies abroad? The managerial implications derived from the model discussion

As already said, these kind of cultivations and soil processing methods find place also in other countries that are possible targets for future strategies. In this way a company like Tortella is able to identify a source of additional international competitive advantage. In particular, a relevant connection is given by the Brazil case. Here Tortella has a strong root for both its experience in trade fairs and the presence of a local enterprise. Moreover, a positive coincidence is the presence of no-tillage as a method adopted for the soil preparation and also the fact that the fields there have similar characteristics to the ones you may find in United States (extensive fields).

In Brazil, there are over 17 million hectares under NT system to grow annual crops such as soy, maize, wheat and many others: the presence of wheat and soybeans is a feature that again associates the two countries. Here below the provisions for the instrumental mechanics in next years and the level scored in the previous periods is shown:

*Graph 8, source: Previsions on instrumental mechanics in Brazil, SACE website*

The reason why here is important to highlight the Brazilian case, that won’t be analysed here but is certainly providing an inspiration for the future, give us the chance to assert clearly what was introduced in the whole work but more implicitly.

The purpose of this whole work is to clarify the fact that an internationalization program, set up by a SME, should carefully consider both the relational part and a more “structural”
perspective. The latter is not just implying the financial resources, a means without which is obviously impossible to carry out an outstanding internationalization process, and this is the reason why the institutions are in charge of understanding smaller businesses needs and providing ad hoc measures. Some of them, analysed before, try to pursue the objective of an internationalization strategy far beyond Europe, so in the whole American continent too.

The peculiarity of each single sector and each single business is the basic point from which to start. Since the agribusiness sector, especially while considering the production of agricultural mechanical equipment, needs to consider a plenty of factors they should all be monitored. In mentioning those it could seem obvious the reference to the cyclic nature of the sector as mentioned in previous lines, and so the dependence on the whole economical situation that the target country is facing.

In particular, the dependence on the agri-food is a certain fact together with more technical aspects that were introduced in the proposed models. Another important one that was not studied here is the soil type: here we are mentioning the specific resistance of the soil to the methods adopted to work the soil itself. This could be softer or harder, resistant or not to several instruments or machinery used when the field is worked and would change the usages, the types and the conditions in which agricultural implements are considered as suitable. The know-how and the capabilities of each firm that manufactures every machinery type will affect in a positive or in a negative way the presence inside the market that she has. Another consideration that should be made is on the spare parts: the ability of a company to provide a rapid post-selling service (if we consider that this act is following the act of the selling linked to the machine) could lead to an increased customers’ satisfaction. Nevertheless this represent a real selling activity too, mainly because of the huge amount of spare components exchanged on the market (around 2.5 billions globally imported and around 2.7 billions globally exported in 2017, from Comtrade data). Under the circumstances in which we live today, businesses and companies are obviously not anymore selling products but experiences of goods and services and this is a lesson that agribusiness firms should assimilate, given also the already clarified relevance for Italy among both the national and the international markets. How to benefit from the relevance of this markets is a crucial question: here digital and web tools, introduced in a very general way in the paragraph dedicated to the business social networking, could also be used to properly address the customers from the target markets that we want to reach. Making correct efforts in SEM and in an international perspective represents a new clue to both investigate and penetrate the audience. In many cases those tools are for free and in many others their cost is very low, so
compatible with SMEs financial constraints. These firms could exploit their business peculiarities, the niche strategies that often they adopt, their flexibility and their social capital to adapt their offers and to listen to their audience, even the international one through a set of “customized” instruments. This means that those could also be individually implemented and firms may choose the ones that are more suitable for them, having a critical look to the global environment in which they operate.
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