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INTERNATIONAL EXPANSION AND CONTEXTS OF A GLOBAL PLAYER FROM AN EMERGING MARKET: THE CASE OF SABMILLER 1993-2013

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Key Words

SABMiller, internationalization, multinational enterprise, emerging markets, brewing industry, entry modes.

Abstract

This paper presents an empirical and theoretical contribution to the existing firm internationalization literature, by providing an analysis of the internationalization process followed by the emerging country multinational SABMiller during the period 1993-2013. Its findings are based on a single type II case study, contributes to international business literature providing a theoretically founded analysis of internationalization of emerging market multinational. After analysing SABMiller's internationalization process to the light of different theoretical lenses of the internationalization theories it was found that the success of emerging markets multinationals depend of complementary characteristics between emerging world dynamics, and organizational innovations learnt and leverage at developed markets.

Introduction

The current global landscape is characterized by the growing international expansion of MNEs from emerging markets (Narula, 2012; Ramamurti, 2009). This is evidenced by the increase of South-North and South-South Foreign Direct Investment (FDI) in recent years (Goldstein, 2009; Soontiens, 2003; UNCTAD, 2013); in fact, in 2011 outward FDI from developing economies accounted for 23 per cent of total global outflows (UNCTAD, 2012). Companies from emerging markets have surprised the world with their rapid international expansion and aggressive strategies (Gammeltoft, Barnard & Madhok, 2010; Gomes, 2011). Also, one main feature in the last two decades in the international commercial relations has been the emergence and consolidation of investment opportunities in both developed and developing countries, which are reflected on increase of foreign direct investment as cross-borders acquisitions, mergers and greenfield investment (Gepper, Dörrenbächer, & Taplin, 2013; Kalra, Gupta & Bagga, 2013; Norbäck & Persson, 2005). In this scenario, it is relevant to analyse the case of SABMiller, a brewing multinational corporation founded in South Africa in 1895, leading in the agrifood industry, and with current worldwide presence.

This paper describes and analyses how SABMiller's processes of international expansion and consolidation in foreign markets differ from other developed and developing countries in the same industry. Furthermore, it provides an interpretation the international expansion patterns followed by SABMiller from firm internationalization theoretical frameworks.

The structure of the paper is as follows. It begins with a description of the chosen company, its sector and international contexts. Second, it provides a review of selected theoretical frameworks about firm internationalization (for both developed and emerging countries multinationals). Third, there is the description of the case study methodology used for this paper. And finally, the findings and discussion are developed to finally reach the conclusions of the present study.

SABMiller and its international context

SABMiller's path of internationalization began in 1910 entering to Zimbabwe through FDI. 68 years later the process continued to neighbour African countries, such as Swaziland and Botswana also through FDI; and Lesotho through a joint venture (SABMiller, 2013). During the period that the company was not pursuing international markets, it was able to domestically grow in terms of sales and assets; this was achieved through diversification: The company went into different industries like other type of alcoholic and non-alcoholic beverages, glass production for bottles, crops, hotels, food, retail and clothing. According to Mager (2008), this happened because "the South African economy was isolated from world markets as consequence of Apartheid and direct investment was limited, so local capital was prevented from leaving the country" (Mager, 2008: 283). By 1997 the company have decided to focus on its fundamental business, and sold off or closed non-core operations, and it focused again on the production and selling of beer (SABMiller, 2013). Presently, SABMiller is a global leader in the beer industry. It is the second largest brewer by revenues in the world. It has more than 200 beer brands and around 70,000 employees in over 75 countries (Euromonitor, 2012).

This process makes the study of SABMiller relevant for the international business field because it allows the analysis of several business factors as entry modes and internationalization strategies, and the role they played in shaping the company.

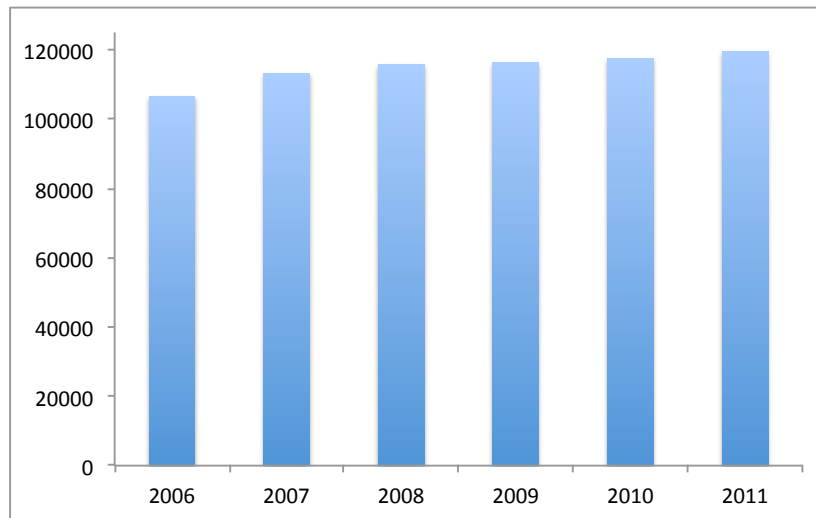
According to Euromonitor (2012), the global beer market has grown slowly since 2006, with a growth on market consumption of 12.1per cent for the period 2006-2011 (figure 1); and it is expected to follow this trend in the next five years. The beer market is quite fragmented; the top five players hold a market share of 47.9per cent of the total market volume for 2011 (table 1).

Table 1: Market share (Percentage) for the market leaders in the beer industry

COMPANY	MARKET SHARE (Percentage)						
	2006	2007	2008	2009	2010	2011	2012
AB InBev NV	-	-	19.9	18.5	18.4	18.3	17.8
SABMiller Plc	9.6	9.6	9.7	9.6	9.4	9.8	9.7
Heineken NV	5.9	6.0	7.0	6.6	8.6	8.8	9.2
Carlsberg A/S	2.6	2.6	5.9	5.8	5.7	5.6	5.7
TOTAL	18.2..	18,2	42.5	40.5	42.1	44.5	42,4

Source: Euromonitor, 2014

Figure 1: Total beer sales worldwide (in volume)



Source: Euromonitor (2013)

Over the past decade, the global beer market has seen much consolidation. Mergers and Acquisitions (M&A) played a major role in shaping the market, because it was the strategy used by the market leaders in order to enter most of the markets where they operate worldwide. This might be explained due the fact that brewers are well capitalized and at the same time have faced poor prospects for volume growth in developed countries, reason why brewing companies seek for both international growth in developing markets and improve domestic brand positioning via synergist alliances or acquisitions of other well established brewers (Ebneht, 2006), in countries with institutional compatibility (Gepper, Dörrenbächer, & Taplin, 2013).

Apart from M&A, organic growth was important for the industry (Gepper, Dörrenbächer, & Taplin, 2013; Hess, 2007). In this industry, growth was achieved developing local premium brands and attracting new customers; which contributed to its growing consolidation. According to Mehta & Schiereck (2012), this market consolidation will continue and the four major players, AB InBev, SABMiller, Heineken, and Carlsberg, will increase their control to 75 per cent of the global beer business.

SABMiller draws attention from international business scholars because it has characteristics that make it interesting to study, specially its international expansion process: It was founded in what is today an emerging market, however by the time it was founded, the country was undeveloped; SABMiller has expanded to many international markets, achieving an important market share in the beer industry becoming the second largest brewer in the world; the company's growth was mainly achieved by entering risky emerging markets.

According to Klein & Wöcke (2007) SABMiller specific advantages that influenced their global success are not location bound, because their home country has a low level of human resources development, the market is not competitive and protected, and the emphasis is on natural resources instead of technological developments. SABMiller's specific advantage identified by the authors is the superior technology and processes developed in South Africa and transferred to the acquired companies.

Sometimes SABMiller is not recognized as a multinational corporation from an emerging market, because it moved its primary listing to the London Stock Exchange; however, the company important history in the developing world, it is institutionally

embedded in South Africa and the top management team is dominated by South Africans (Gammeltoft, Barnard & Madhok, 2010).

About the company's internationalization process, Mager (2008) states that the end of Apartheid in South Africa happened at the same time that the international brewing industry entered a period of intense mergers and acquisitions. At that moment, SAB (South African Brewery) was able to compete in global markets, becoming first a leader in emerging markets and later an important player in developed markets.

Barnard (2010) explains that SAB developed important capabilities to operate in regions with adverse conditions like limited infrastructure to access water, electricity, transportation or telecommunications. Then, one of the reasons why SAB acquired Miller was to have access to other capabilities that are important in order to succeed in developed markets, such as more sophisticated marketing.

Finally, regarding SABMiller's international expansion, Klein and Wöcke (2007) explain that at first the company introduced its technologies and processes to emerging markets and when the critical mass was achieved the focus moved to transferring skills to developed markets. In this same aspect, Madsen, Pedersen and Lund-Thomsen (2011) state that the large share of revenues that SABMiller has from emerging markets could explain a higher organic growth since the 2000, compared to other companies in the industry.

Literature Review

There are theoretical and empirical evidences in the existing literature demonstrating that multinationals from emerging markets internationalized differently that multinationals from developed countries (Contractor, Kumar & Kundu, 2007; Cuervo-Cazurra, 2012; Guillén and García-Canal, 2009; Luo & Rui, 2009; Mathews, 2006; Madhok & Keyhani, 2012; Ramamurti, 2012; Yiu, Lau & Bruton, 2007).

According to Gammeltoft, Barnard and Madhok (2010), the role played by emerging countries' governments have a more active part in their economies and companies have closer relationships with them, and they characterized by their speed and aggressive internationalization approaches.

Some of the important features of multinational corporations from emerging markets are: They are more horizontally and vertically integrated and they tend to rely more on social networks with cultural and linguistic similarities (idem).

The firm specific advantages of companies that come from emerging markets are usually different from the ones of developed countries. Elements like product differentiation and high technology are less important for emerging markets' companies; for them there are other advantages like labour-intensive activities. Also, it must be noted that companies from emerging markets often develop firm specific advantages that allow them to compete in a successful way against MNEs from developed countries. These specific advantages are the result of how these firms overcame institutional voids and the challenges of building global brands (Klein & Wöcke, 2007).

Dawar and Frost (1999) consider that companies from emerging markets can become global contenders when facing the threat of multinational corporations entering their markets, depending on the strength of globalization pressures in an industry and the

degree to which a company's assets are transferable internationally. In this sense, the companies can decide to focus on upgrading capabilities and resources to match multinationals globally, or to focus on expanding to markets similar to those of the home country.

There is a broad variety of theoretical frameworks for explaining firms' internationalization; this paper summarizes a selected group of theories. According to Stephen Hymer's theory of internationalization (1976), there are two main drivers for companies to engage in foreign investment involving the control of the international operations. These drivers are: firm-specific advantages and the removal of conflicts among firms.

Stephen Herbert Hymer (1976) argues that firm-specific advantages should be good enough to compensate the disadvantages of being a foreign company. According to this view, several relationships exist between the firms in one country and the firms in another country.

In 1966 Raymond Vernon describes three different stages for the product life cycle: introduction, growth and Maturity.

Another theoretical framework for explaining firm internationalization is based on oligopolistic reactions that define a geographical pattern. According to Knickerbocker's (1973), the oligopolistic market structure has three main characteristics: Few sellers, products that are close substitutes and market interdependence among the competitive policies of the oligopolistic firms.

The theory introduced by Ronald Coase (1937) states that companies try to reduce transactional costs, derived from market imperfections, by seeking to internalize their operation rather than relying on the price mechanism.

The internalization process described above, leads to different types of integrations among firms, explained by Richard Caves (1982) in his analysis. According to Caves, there are three types of MNEs: Horizontally integrated, vertically integrated and diversified. Using this model, he explained the internationalization of companies.

The institutionalization theory, established by Walter Powell and Paul DiMaggio (1991), states that multinational firms have to deal with different environments such as political, legal and business, among others; making it an important political actor.

The eclectic theory developed by John Dunning (1977), gathers features of various internationalization theories. One of the main features of his approach is the OLI paradigm (ownership, locational and internalization advantages).

These advantages constitute the basis for the decision making process of the enterprises regarding whether going or not going abroad.(Dunning, 1977). Dunning's theory also points out that mergers and acquisitions as an effective mode of entering new markets, since it allows firms to enter a new market without having, for example, establishing a new brand.

The Uppsala Model by Johanson and Wiedersheim (1975), proposes a dynamic model involving a time sequence, with elements of one stage that shape the next stage's input. If the firm is first developed domestically, then the internationalization process is a succession of incremental decisions (Johanson & Vahlne, 2009).

One of the most recent theoretical frameworks to explain the international success of multinational corporations that come from emerging countries is the Linkage, Leverage and Learning (LLL) paradigm by Mathews (2006). According to this framework the success of countries that are late to the international industrial scenario lies within latecomer strategies. The latecomer advantages must be exploited through targeted strategies; firms must identify what technologies are actually relevant and then assure access to them. Currently, countries such as Brazil, India and China are capturing these latecomer advantages.

This firm's ability to secure more from a relationship than it actually puts in, leads to the second element: Leverage (Mathews, 2007). It is about the way in which relationships are established to get access to resources, conceiving the international economy as a net of inter-companies connections. When firms use these strategies repeatedly and sustainably, this is described as a way of industrial learning, which is the third element.

Although, authors such Narula (2012) suggests that the existing theoretical framework of firm internationalization is adequate for interpreting internationalization dynamics of infant multinationals from developing countries; authors such Cuervo-Cazurra (2012) questions if the existing framework is sufficient to understand the internationalization of these firms.

This particular research was designed aiming for theory testing, and evaluation of the flexibility of the LLL framework. This particular framework was chosen because it in the available literature on internationalization seems to be not examples of neither application on specific cases outside the Asian region, nor a demonstration of the flexibility of the theory (or potential theory advance).

The following section describes the methodological approach for this study.

Research Methodology

Although case studies have been criticized due its lacks of objectivity and methodological rigour, these offer opportunities for both exploratory research and theory testing (Ghauri, 2004; Johnston, Leach & Liu, 1999). This study used a qualitative case study approach (Baxter & Jack, 2008; Eisenhardt, 1989; Reddy & Agrawal, 2012; Stake, 2003; Yin, 2003) to explore SABMiller's internationalization process and how the internationalization theories explain it. The chosen methodology facilitates the exploration of SABMiller's internationalization as a single phenomenon within its context, using a variety of data sources.

For this research, the framework for writing Type II Case Studies proposed by Reddy and Agrawal (2012) was used. This type of case studies refers to those that have been written from available secondary-based information. This framework is appropriate because, according to the authors, case study research applies to building subject foundation and developing theories and concepts as contribution to the existing literature.

The principles established by Reddy and Agrawal (2012), Eisenhart (1989) and Yin (2003), were used for the data collection, using different sources for gathering data. The process started by identifying the available data and accessing various sources of information. The starting point was SABMiller's website: the company's official position.

The websites and reports from the subsidiaries were also included because they provide self-reported information.

Next, the information gathered was compared and complemented with third party gathered information available in industry magazines, business media and market research agencies. This was followed by information from the media to provide a context of the events surrounding SABMiller's entrance to each market and also to give a wider perspective on the issue.

After collecting the data, its quantity and quality was assessed, by validating the more credible sources and discarding the less credible ones. Finally, data was sorted and classified. The information was categorized depending on the source and type of information.

After having collected the data, the analysis started by constructing a timeline of SABMiller's international expansion during the selected period, which was useful to identify patterns in terms of regions where the expansion occurred and entry modes. This was complemented with publicly available secondary data on the internationalization process of other four larger international breweries: AB Inbev, Carlsberg, Heineken and China Resources Enterprise. Finally, the process of international expansion and consolidation of SAB Miller was analysed through the lenses of the different internationalization theories to understand if those theories could be applied to the company's case.

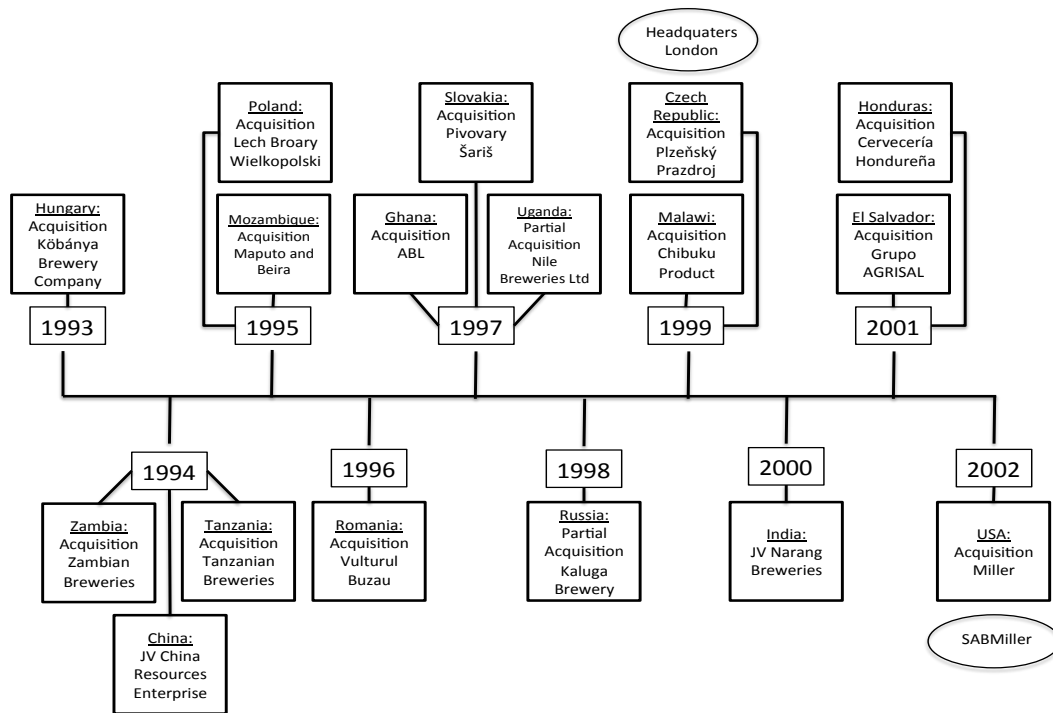
Findings and Discussion

This section reports main findings of the present study and discuss them to the light of chosen LLL framework. In order to enhance the value of the contribution of this paper to the existing literature, a comparison with the internationalization process of other companies is also presented.

SABMiller's international expansion began when it was still South African Brewery (SAB) and the South African economy was still closed (Soontiens, 2003). This happened in 1910 when the company first entered Zimbabwe through FDI. In the 1970s the company had brewing operations in Swaziland, Botswana and Lesotho; these countries were part of the Southern African Customs Union. These markets were not very sophisticated, but the customers already knew several brands from South Africa. At beginning of the 1990s decade, when international economic sanctions to South Africa were eliminated, SAB began an aggressive pursue of global markets (Klein & Wöcke, 2007).

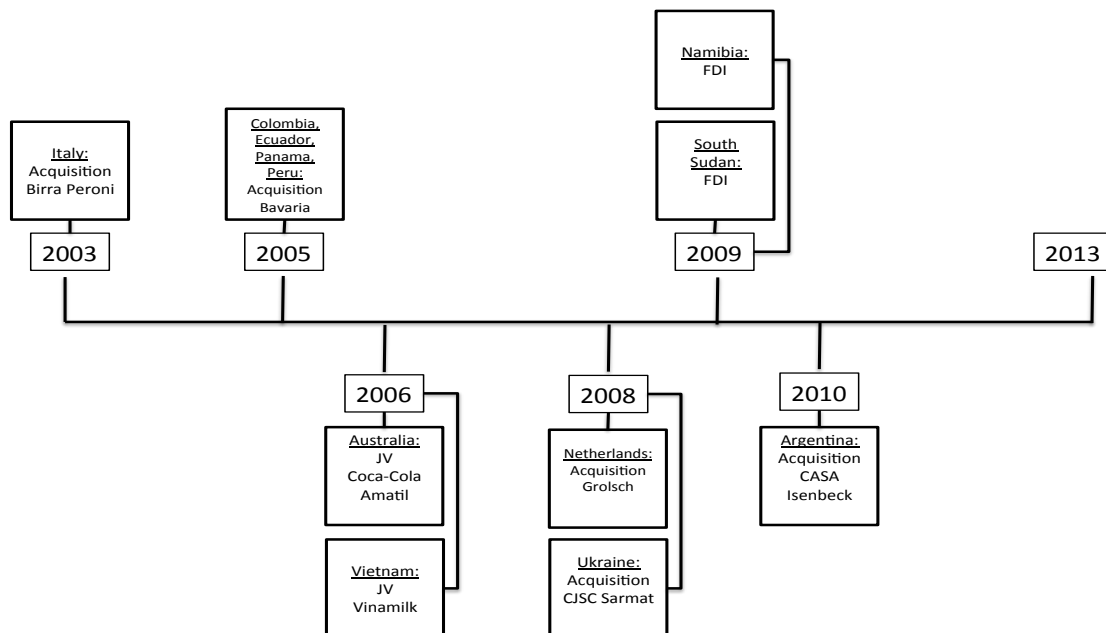
The timelines (figures 2 and 3) show the countries where the company entered during the period of analysis, with the respective entry mode used.

Figure 2: SAB Miller's international expansion 1993-2003



Data source: SABMiller, 2013.

Figure3: SAB Miller's international expansion 2003-2013.



Data source: SABMiller, 2013. The first issue to analyse from SABMiller's internationalization process is the situation each country was going through at the moment of the company's entry, which is reviewed as follows:

Table 2: Socio-political situations of SABMiller's hosts countries at the entry moment.

COUNTRY	SABMILLER'S YEAR OF ENTRY	INCOME	HISTORICAL CONTEXT
Hungary	1993	Upper middle	Beginning of democracy and free market economy.
Angola	1994	Lower middle	Peace accord to end the civil world.
Tanzania	1994	Low	First elections following the reinstatement of democracy.
China	1994	Low	Official currency exchange rate was abolished; first floating rate since 1949 was fixed.
Zambia	1994	Low	Privatization efforts begin.
Poland	1995	Lower middle	Consolidation of democratic transition. Second post-war free presidential elections.
Mozambique	1995	Low	It joined the WTO.
Romania	1996	Lower middle	The post-Communist governments conflicted and delayed attempts for a free-market economy.
Ghana	1997	Low	The government strengthened economic policies and made progress in restoring macroeconomic stability.
Uganda	1997	Low	Consolidating economy. The government introduced a program aimed at reducing poverty.
Slovakia	1997	Upper middle	It joined NATO and the European Union.

¹ The classification of countries according to income was based on the World Bank Indicator. Their main criterion is gross national income (GNI) per capita.

Russia	1998	Lower middle	High fixed exchange rate and declining productivity created a financial crisis.
Czech	1999	Upper	Became full member of NATO.
Malawi	1999	Low	Second democratic presidential elections.
India	2000	Low	Central bank intervenes the foreign exchange markets to stabilize the rupee.
El Salvador	2001	Lower middle	Adopted the U.S. dollar as official currency.
Honduras	2001	Lower middle	A drought caused the reduction of GDP growth to 3.5%, exports also declined.
United States	2002	High	Following 9/11 Homeland Security is created and the priority is the war against terrorism.
Italy	2003	High	A slight economic recovery (0.3 per cent GDP growth). Weakening of domestic demand and exports, which were affected by euro's appreciation.
Colombia	2005	Lower middle	It was in the midst of fighting <i>guerrillas</i> with the government's tough approach on terrorism.
Ecuador	2005	Lower middle	Protesters, demanding that oil revenues be spent on infrastructure, bring oil production to a halt.

Panama	2005	Upper middle	High economic growth to 8.2per cent.
Peru	2005	Lower middle	FTA with USA. State of emergency in 6 providences as <i>Sendero Luminoso</i> was suspected of killing police officers.
Australia	2006	High	Worst drought in a century.
Vietnam	2006	Low	Became a WTO member. Highest level of FDI in history.
Netherlands	2008	High	Hit by the 2008 financial crisis, but annual GDP growth was 1.9%.
South Sudan	2009	N/A	Leaders from the North and South reached a deal under a referendum regarding independence.
Argentina	2010	Upper middle	Economy grew by 9per cent, officially poverty declined to 8%.

Source: Information gathered from different Media

When analysing the countries' situation at the moment of entrance, the findings show a connection between the income of the country at that moment and the situation that the country was going through. This is explained as follows:

The entrance to low-income countries (Tanzania, China, Zambia, Mozambique, Ghana, Uganda, Malawi, India, Vietnam) happened at moments of changes that might be perceived as positive, such as democratic elections and economic transformation.

The entrance to high-income countries (US, Italy, Australia, Netherlands) happened at a time of political or economic crisis. It is noteworthy that of the 28 countries analysed, only four are high-income countries.

Regarding the lower-middle and upper-middle countries, the main feature is also related to changes as in the case of low-income countries. The exception here is Russia, which was going through a financial crisis by the time SABMiller entered the country.

Additionally, after analysing all these countries, Argentina and Panama stand out because they were the only two countries going through a good economic situation at the moment of the company's entrance, with economic growth over 8 per cent.

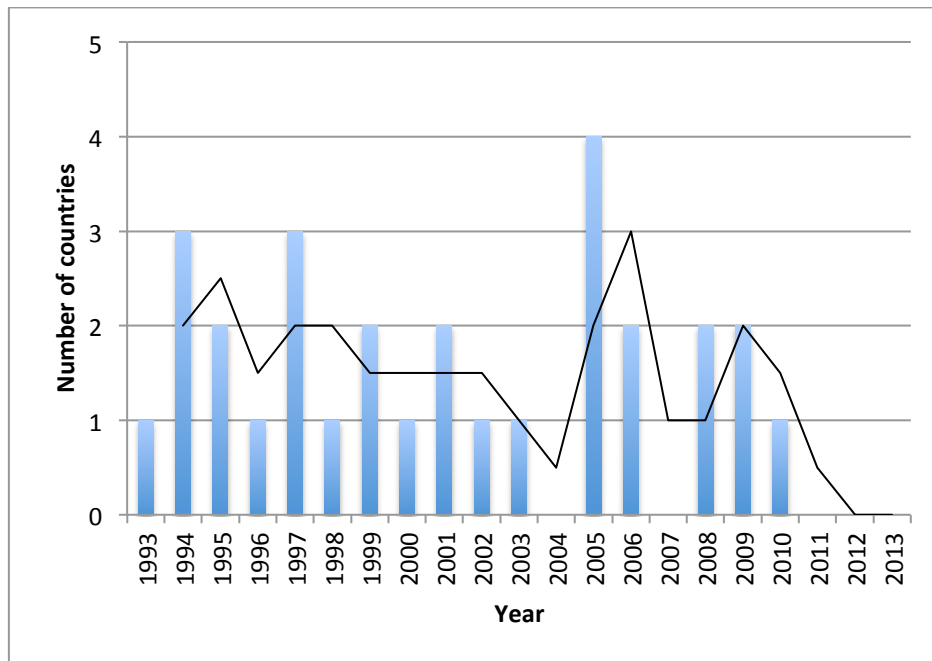
The context that surrounded SABMiller's arrival to all the analysed countries is not exempt of political turmoil and economic unrest, therefore, the entrance of the company

can be considered as a risky move. Actually, in 2002 “SAB was being criticized for its over-exposure to the perceived risk of emerging markets” (Klein and Wöcke, 2007: 327).

SABMiller’s Internationalization Process Analysis

Trend of foreign markets entered per year

Figure 4: New foreign markets per year



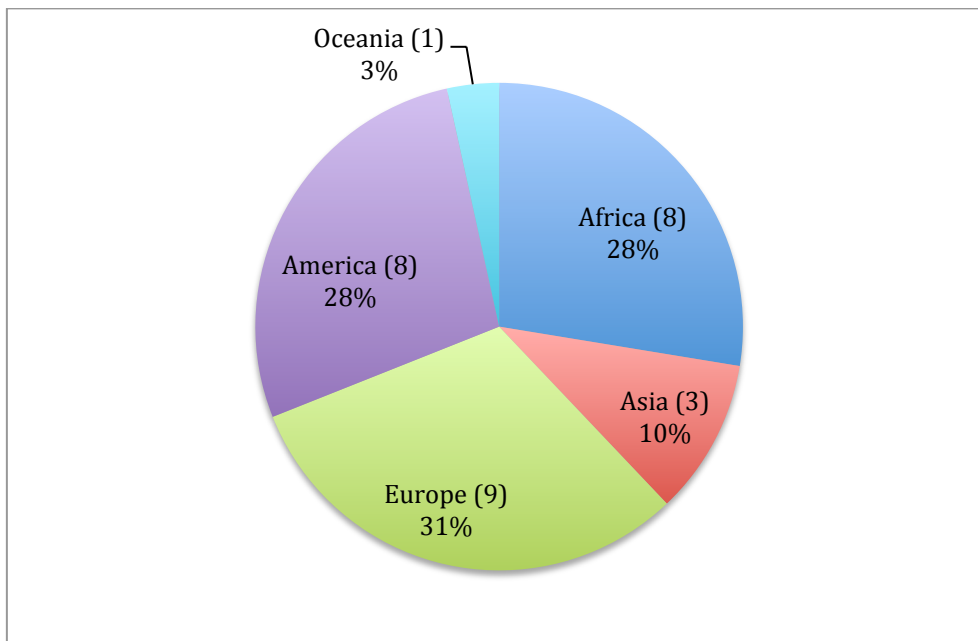
- Data source: SABMiller, 2013.

The first decade shows intense activities in terms of international expansion, with a slowing down during the second decade. This reflects the company and the industry’s consolidation.

The peak in 2005 is explained by the acquisition of Bavaria: This company had presence in four countries, allowing SABMiller’s entrance to Colombia, Ecuador, Peru and Panama simultaneously.

- Regions entered

Figure 5: Entries to regions from 1993 to 2013

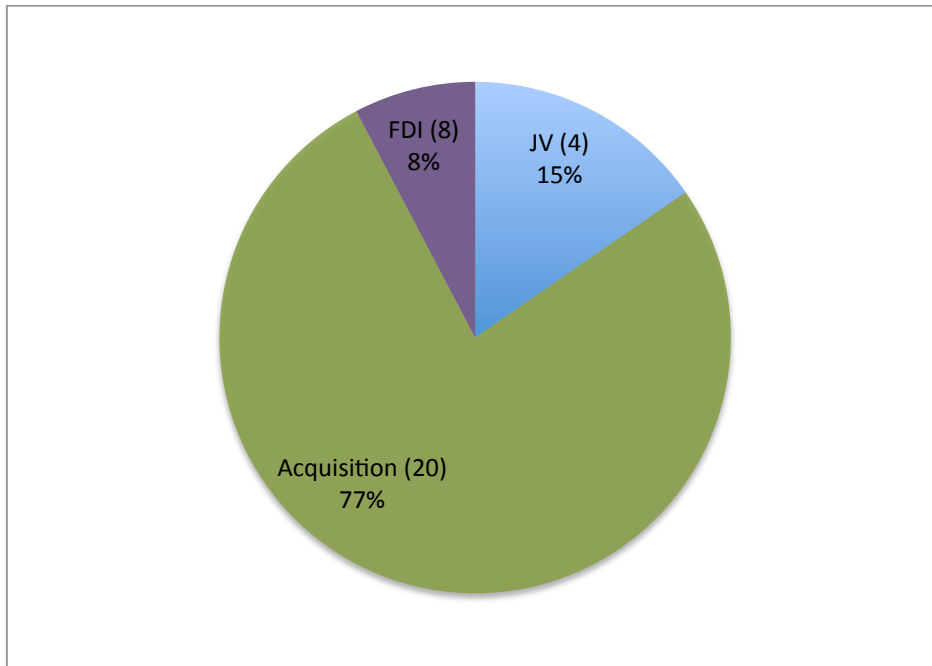


Data source: SABMiller, 2013.

For this period, SABMiller's international expansion was aiming a global presence.

The graph below represents the number of countries per region that the company entered during this period, which does not have anything to do with the importance of the regions for the company, or the markets' size.

Figure 6: Entry modes 1993-2013

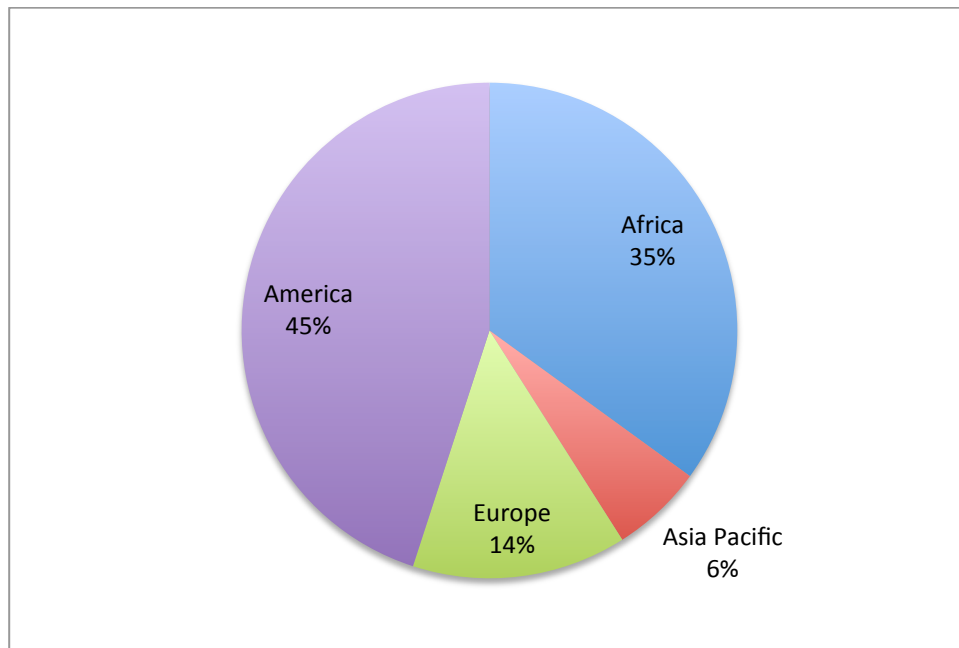


Data source: SABMiller, 2013.

Acquisitions were the most used strategy during this period, reflecting a strong interest on equity investment to have ownership and control of foreign operations. Additionally, in some African countries they did some partial acquisitions of government-owned companies, to take advantage of a wave of privatizations in the region. Examples of this are Tanzania and Uganda; the firms from these countries later became fully owned companies.

Joint ventures were used to enter in China, India, Australia and Vietnam. The chinese company is still a joint venture, the other three later became acquisitions.

Figure 7: Contribution of EBITA by region 2012



Data source: SABMiller, 2013

America (as a continent) is the most important region regarding earnings, followed by Africa. The graph represents the markets' importance and size, considering that America includes the US. It also reflects that the company still has strong connections with Africa and a leadership in this region.

The perspective under which SABMiller's internationalization is best understood is the LLL theory, which states "that any firm which lacks resources in foreign countries can take advantage of the new features of the global economy, particularly its globally interconnected character, to become an international player as well" (Mathews, 2006: 23). This framework provides an explanation for the success of MNEs from emerging markets.

Mathews (2006) considers the drivers for the success of emerging firms as are their late coming accelerated, strategic and organizational innovations. These same characteristics can be considered as the ones that have driven SABMiller's success in the global market, because it is a company founded in a developing country that was a latecomer to the internationalization process.

The latecomers' characteristics of SABMiller are:

- Accelerated internationalization: SABMiller started its most intense period of internationalization in 1993, just after international economic sanctions were lifted to South Africa. By 2000 it was already a major player in the global beer industry.
- Organizational innovation: SABMiller does not have in its organization an international division; it has a global view of the company, demonstrating that the corporation already has a global outlook.
- Strategic innovation: SABMiller was able to win a place in the global economy, not on the basis of its existing strengths but on the basis of its capacity to

leverage resources from others' strengths. This is seen in how the company has gained market access, becoming a leader in each market after acquiring companies with local positioned brands.

According to the LLL theory, the firms' international expansion is driven by the resources linkage, leverage and learning. For the specific case of SABMiller, this is analysed as follows:

- Linkage: SABMiller has advantages developed in South Africa, such as superior technology and processes. However, the company needed other capabilities relevant to succeed in global markets, like more sophisticated marketing. Because of this, the company acquired Miller in the US and other important companies worldwide; the goal was to access already positioned local brands, important markets shares, consumers and market knowledge.
- Leverage: SABMiller has been successful in leveraging the acquired resources by consolidating the leadership of local brands in the different markets where the company operates.
- Learning: SABMiller became the second largest brewer in the world, by repeatedly acquiring existing and positioned companies, first from emerging markets and later from developed countries. Moreover, the company successfully leveraged the resources acquired.

Finally, the LLL theory can also explain SABMiller's internationalization patterns. The company started its international expansion to less developed and developing countries, afterward, it moved to developed countries like the US. However, SABMiller later acquired (once again) companies from developing countries, such is the case of Bavaria to enter Colombia, Ecuador, Peru and Panama; and later on the joint venture with Vinamilk, which enabled the entry to Vietnam.

Mathews (2006) argues that global participation "through linkage and leverage possibilities that were unknown just a few years ago, and add their own multiply-linked contributions. This creates more possible patterns of internationalization, and thus again opens up opportunities for newcomers and latecomers which may well be more nimble in seizing the opportunities created" (Mathews, 2006: 15). SABMiller has been able to create a global interlinked network that has permitted the company to take advantages of many opportunities in different markets, regardless of the level of development, in order to access to resources that wouldn't be available otherwise.

The following table summarizes the processes of international consolidation of current company leaders in the global beer industry.

Table 3: Comparative table of international consolidation of major beer companies

Company	World market share (2012)	Country of origin	Date of creation	Most significant M&As	Current headquarters	Region with major market share (in 2012)
SABMiller	9.7%	South Africa	1895	SAB (South Africa) + Miller Brewing	London,	Australasia

Plc				Company (United States) (2002)	UK	(36.4%)
Anheuser-Busch InBev NV (AB InBev)	17,8 %	United States	1852	Interbrew (Belgium) + AmBev (Brazil) in 2004	Sao Paulo, Brazil	North America (47.7%)
Heineken NV	9.2%	Netherlands	1886	United Brewery (India) in 2009; FEMSA Beer (Brazil and Mexico) in 2010; Five breweries in Nigeria and 2 en Ethiopia in 2009; Asia Pacific Breweries in 2012.	Amsterdam, Netherlands	Middle East and Africa (19.2%)
Carlsberg Breweries Group	5.7%	Denmark	1847	Partial acquisition of Scottish & Newcastle in 2008.	Copenhagen	Eastern Europe (24.6%)

Sources: Companies reports 2013; Euromonitor (2014).

As portrayed in the table above, it could be concluded that although, major beer companies have over a century of both domestic and international experience (via exports and the establishment of some direct operations), the process of global consolidation of the industry was intensified only in the past decade, and via M&As. While these leading companies operate in all continents, each of them has leadership in a particular geographical region.

Conclusions

After analysing SABMiller's internationalization process during the period 1993-2013 and after looking at it through the various theoretical lenses of the internationalization theories, it can be concluded that this new phenomenon of having successful MNEs from developing countries can only be understood under the view of new theories. Mathews (2006)'s approach explains the success of MNEs from emerging markets, by how they are able to externally acquire resources than can be leveraged by establishing links with other companies to finally get organizational learning by the repeated application of its strategies.

Although this case of successful internationalization happened in the beer industry, companies from developing countries in any other industries can learn from SABMiller's strategies, if they wish to gain importance in the global market and reach top positions. Because, according to the LLL theory, the success of MNEs from emerging markets does not depend on the type of industry but on the complementarity between the characteristics of the emergent global economy and the strategic and organizational innovations of companies that are just getting involved in the global markets.

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