ABSTRACT
International new ventures are described by Oviatt and McDougall (2005) as business organizations that seek to obtain a significant competitive advantage from the use of resources and the sale of outputs in multiple countries. These start-ups often demonstrate significant and observable commitment of resources such as material, people, financing and time, in more than one nation. Newly internationalized firms face difficulties and most fail or achieve low levels of success. This means that internationalization is even more problematic for SMEs in the case of extensive international investment and commitment (Yip, Biscarri, & Monti, 2000). The motives for internationalization are many. Perhaps the home market is saturated, presence in a certain country grants access to strategic resources or there are cluster effects to be explored in a specific region. Most companies start operations domestically with value adding activities conducted within the borders of the home country only. Despite scarce resources, young firms therefore use a mix of strategies that allow success in diverse international markets (Knight and Cavusgil, 2004). One way of overcoming financial constraints is to engage in alliances with other firms internationally, for example involving collaborations with suppliers, distributors and joint-venture partners. This study sought to determine the internationalization process that agricultural firms in Kenya may borrow from in a bid to increase their operations beyond the local markets by studying the internationalization process at Melvin’s Marsh International Limited. Melvin’s Marsh International, hereafter referred to as Melvin’s, is a limited liability company that was incorporated in 1994 and is situated at the busy Industrial Area just outside Nairobi’s Central Business District. In what was originally a flat market offering the customer no alternatives to how they could take their tea, Melvin’s prides itself in being the first company in Kenya to offer ready flavored teas. This study adopted a case study, where the population of interest is the management of Melvin’s Marsh International. The researcher made use of an interview guide to conduct face to face interviews with managers in various departments, namely, Marketing, Sales, Research and Design, Finance and IT. Content analysis was used to analyse the respondents’ views with the data being coded to enable the responses to be grouped into various categories. The study found that Melvin’s Marsh International Limited, Kenya has undergone the internationalization process to enter into the East Africa Market through joint venture, licensing manufacturers and use of various distribution channels. The study found that the success of foreign market is influenced by export knowledge, commitment, technological superiorities of the exported products and external support programmes such as government assistance. The study found that the entry strategies challenges faced by Melvin’s Marsh International Limited were hostile competitive environment, regulation by the government and product introduction in the market. From the findings, the study recommends that to ensure competitive advantage in the foreign market, the company should ensure that they have the export knowledge, they are committed and should obtain technological superiorities of the exported products which in earlier studies was found to have a positive relationship with success. The study recommends that an in-depth study should be carried to determine challenges