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INTERNATIONAL MARKET EXPANSION BY THE POLISH FOOD INDUSTRY: REASONS, STRATEGIC GOALS AND METHODS

Abstract: *The paper discusses the directions of a global expansion of the Polish food industry companies and examines their strategic goals, motivations and methods of entering the foreign markets. The discussion is based on the quantitative research, conducted in 2018, among 250 Polish food companies selected from three food industry groups (10.7, 10.1, 10.3) according to the list of codes of Polish Classification of Activities. The Polish food companies perceive foreign markets as an opportunity for growth by increasing profits, acquiring new customers, increasing sales and strengthening the position as well as the potential of the company. The EU is a preferable direction of expansion. The companies find the EU members' markets locally convenient, stable and with business-friendly conditions. The paper complements the studies on internationalisation of the food sector companies, in particular in a static approach which constitutes the degree of company independence in implementing the market entry strategies and illustrates the intensity of the internationalisation process of the business.*

Keywords: *Food industry; Foreign markets; Internationalisation; Management.*

1. Introduction

Going international is an essential element in the economic growth of companies in the era of strong competitiveness. In the era of economic globalisation which allowed for trade liberalisation and integration, a phenomenon of internationalisation has a significant impact on contemporary enterprises (Altaf & Shah, 2015; Hillman, 2008; Akram et al., 2011; Wolf, 2014; Guttal, 2007; Saeed et al., 2018). The course of internationalisation of economic activity plays the role of the foundation of modern entrepreneurship, and it accompanies the ongoing changes in the economic and managerial sphere oscillating around building

enterprise strategies (Paul & Gupta, 2014; Wach & Wehrmann, 2014; Dubravská et al., 2015). Thus, considering issues such as global business processes, international competition and the phenomenon of internationalisation, it is impossible to ignore the concept of strategic management, which, as well as internationalisation strategies, constitute the foundation for the development and orientation of the company to foreign markets. Expansion to foreign markets gives many opportunities but carries a risk of failure (Altaf & Shah, 2015; Dubravská et al., 2015; Saeed et al., 2017). Therefore, proper state policy should not only enable entrepreneurs to enter foreign markets but also give help in establishing international

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cooperation and acquire skills to cope with difficult, sometimes crisis market situations and dynamically changing business conditions (Ślusarczyk, 2013; Acs & Preston, 1997). The essential in this case is the knowledge of foreign markets, market opportunities and the awareness of the business environment which favour contemporary internationalisation processes (Crick & Spence, 2005; Duliniec, 2014; Wąsikiewicz-Rusnak, 2005; Andersen, 1993). Today the entrepreneurs have excellent access to knowledge about foreign markets, and thus, greater opportunities and probabilities to enter these markets with their product and/or service. The question is whether they know how to implement the right choice of the entry strategies or plan and estimate their chances of success (Skudiene et al. 2015; Chandra & Wilkinson, 2017; Tepjun, 2016). On the side of the state, therefore, is to encourage entrepreneurs to use the latest achievements of science and technology and restructure their companies so that they become competitive not only in their local environment but throughout the country, continent and even around the world. Programs, workshops, courses, supporting agencies, foundations or institutions of individual local authorities and those at the state level should be a permanent element of the process of stimulating international entrepreneurship. State support measurably translates into nationwide success - the income of the population increases, the supply of goods and services dynamically develops, which in turn brings the country's economic growth. Appropriate state policy in the pure political dimension, as well as socio-economic and legal, determines the growth of entrepreneurship (Pabian et al., 2011; Łodziński & Brzeziński, 2013). These, so-called, external conditions of entrepreneurial behaviour largely depend on the priorities and economic goals of the state, as exemplified by the appropriate tax and credit policy, banking and financial system, as well as customs and social policy focused on the economic situation of entrepreneurship. It is up to the

government to determine whether such policy, in conjunction with the relevant legislative solutions, will be in agreement or conflict with the interests of entrepreneurs, and thus whether it will stimulate entrepreneurship or, on the contrary, drastically reduce it. It is a critical issue, especially if one takes into account the existing internal conditions of entrepreneurial behaviour. The internal conditions mainly oscillate around several entrepreneurs' skills to respond appropriately and adapt to changing market conditions – the conditions which are largely the result of the state of knowledge, intellectual possibilities, and personal characteristics determining a desire risk-taking or the value system that the entrepreneur trusts (Stanula & Brzeziński, 2006). Twice as the above issues are important, as nowadays, the challenge for entrepreneurs is to survive in an international, highly competitive business environment. Developing activities outside the country can become an asset to a company and effectively strengthen its position in the home country. It may generate much higher income and improve management skills, and consequently may bring great benefits for the state market in the economic dimension, as well as in the political dimension, because the presence of companies in foreign markets also reflects the country position on the international economic arena.

2. Polish export at the background of other EU countries

Several factors determine expansion of companies to foreign markets. Going international frequently takes place gradually. The gradual process of entering foreign markets by the companies – the Uppsala model (U-Model) – was introduced by (Johanson & Wiedersheim-Paul 1975; Johanson & Vahlne 1977) and became the most well-known concept of the internationalisation. The U-Model distinguishes three basic conditions for expansion to foreign markets. First of all,

expansion is preceded by an already well-established market position, the noticeably successful position, which determines the company to decide to expand its operations to foreign markets. Secondly, the first steps of entering foreign markets begin with the neighbouring ones, the closest ones, and then the expansion moves to further markets. It is caused primarily by several barriers that fall under the so-called cultural distance also called psychic distance, i.e. potential obstacles to the flow of information resulting from ignorance of the language, customs in a given country, economic level, or obstacles of a political and educational nature. And the third condition is the internationalisation method, which is usually export at the beginning, and over time this method becomes more advanced and reflects the company's greater involvement in activities in foreign markets. Then, presence on these markets is achieved, for example, in commercial or production branches (Ghauri, 2000; Brouthers et al., 2008; Brewer, 2007; Jussani et al., 2018; Buckley & Casson, 1998). The internationalisation process, therefore, takes place step by step, evolutionarily, in phases, and each phase of the process involves deepening knowledge of the foreign market. The more this knowledge is, the smaller the cultural distance becomes and the company is more willing to get involved in the expansion market.

Additionally, J. Johanson and J. E. Vahlne (1997; 1990) introduced the static aspects and the dynamic aspects of internationalisation into the Uppsala model. In the mechanism of internationalisation, the static aspects include knowledge about the market and market operations as well as market involvement in the current dimension. The dynamic aspects of the mechanism include decisions related to the involvement of resources and ways of operating the company in a foreign market. In the case of Polish companies, one can notice that internationalisation principally follows the U-model and is essentially based on sales export, which has maintained an upward trend since Poland's accession to the European Union. Statistics indicate (EY Polska Report, 2017) that after 2002, a steady increase in the volume of foreign sales of goods and services originating in Poland was accompanied by an improvement in the country's trade balance and a surplus in trade of services. Exports of Polish products survived the global economic crisis, noting just a slight decline in comparison to the new EU member states and other from the region of Central and Eastern Europe. As it is displayed in Figure 1 (Eurostat, 2019a), in years 2014 – 2018, the Polish export gradually increased, and in contrast to the Visegrad Group and Baltic countries, it remained at a much higher position.

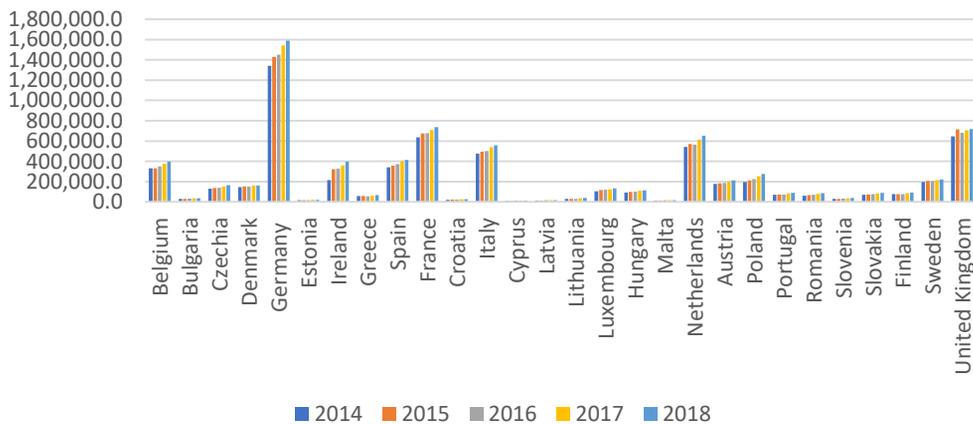


Figure 1. Exports of goods and services by EU members 2014-2018 (million euro)

Over the past 15 years since 2002, there has been an extremely rapid increase in the export of meat, grain and cereal products, or computers as well as office, optical and photographic equipment. The largest share in the Polish export of goods was recorded in the years 2010-2016 in the categories of machinery and mechanical equipment (24.65%) as well as vehicles, aircraft and vessels (14.98%). Less than 10% of the share was recorded in the export of Polish goods in the categories: base metals and their articles (9.25%), industrial goods (7.31%), or chemical industry products (7.02%). In the years 2010–2016, exports of goods from Poland increased from EUR 118.1 billion to EUR 176.5 billion, and exports of services increased from EUR 26.8 billion to EUR 43.9 billion (Radło, 2017). Foreign trade of Polish enterprises is much more often directed at large markets of Western Europe, to countries such as Germany, Great Britain, France, Italy and the Netherlands. A large part of the export is carried out in the Czech Republic and Russia or Hungary. In 2004 - the first half of 2017, Poland doubled its share of shipping of goods to the Netherlands and France and three times to Great Britain. Exports of products to the Czech Republic increased from 4.8% to 9.2%, and Hungary from 3.2% to 5.3%. The most visible in statistical reports is the increase in Polish exports of services. In 2012-2017, there was an average increase of 10.5% per year in the value of the Polish currency for service exports. It was faster than the rise in the number of exports of goods,

which grew by an average of 7.9% per year. As a result, all exports in Poland increased from 18.5% in 2012 to 20.4% in 2017 (NBP, 2018). Services related to transport and foreign travel are sold the most, with exports of business services coming third. In 2017, the value of exports of transport services amounted to PLN 59.6 billion, noting an increase of 12% (PLN 6.4 billion) compared to 2016. Transport services went primarily to European Union countries, and their sales reached in 2017 PLN 48.2 billion, i.e. 81.2%. The largest share in the total transport services was recorded in transport services, and more specifically in freight transport, whose value in 2017 was PLN 39.6 billion and thus constituted 66.4% of all transport services. It is worth adding that among transport services, road freight transport accounted for 59.0% of all revenues from transport services (NBP, 2018). Referring to the export of business services, it currently accounts for about 21% of total exports of services from Poland. In 2004-2017, it was responsible for a quarter of the increase in Polish exports of services (EY Polska Report, 2017). Considering the number of enterprises exporting their goods or services to other EU countries, Poland scored a high position in 2017. Almost one hundred thousands of Polish companies shipped intra-EU (Figure 2), which gave the third place to Poland after Germany and Netherlands and before Belgium or France.

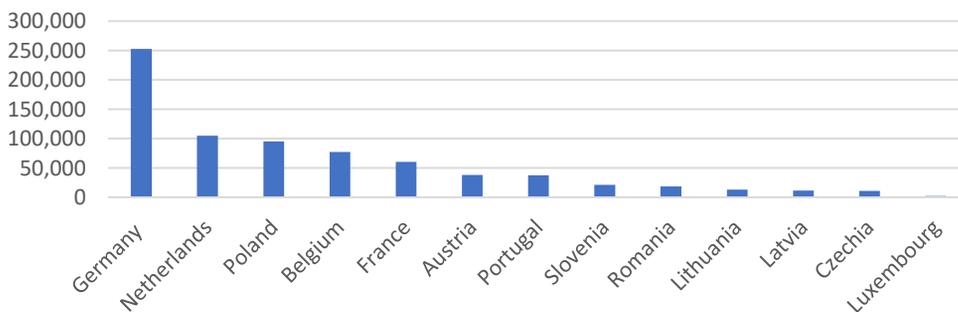


Figure 2. Poland in intra-EU exports statistics in 2017 (number of enterprises)

The share of exports in the EU by Poland was 2.2% in 2017 and 2018 (Figure 3). In comparison to Germany (above 27% in 2017 and above 28% in 2018), the score gives the impression of not being significant. Though, Poland at the background of the Visegrad Group countries i.e. Czech Republic (1.4%),

Hungary (1%) and Slovakia (0.6%) or the Baltic countries Lithuania (0.6%), Estonia and Latvia (0.2%) remains much higher position in the statistical summary (Eurostat, 2019c).

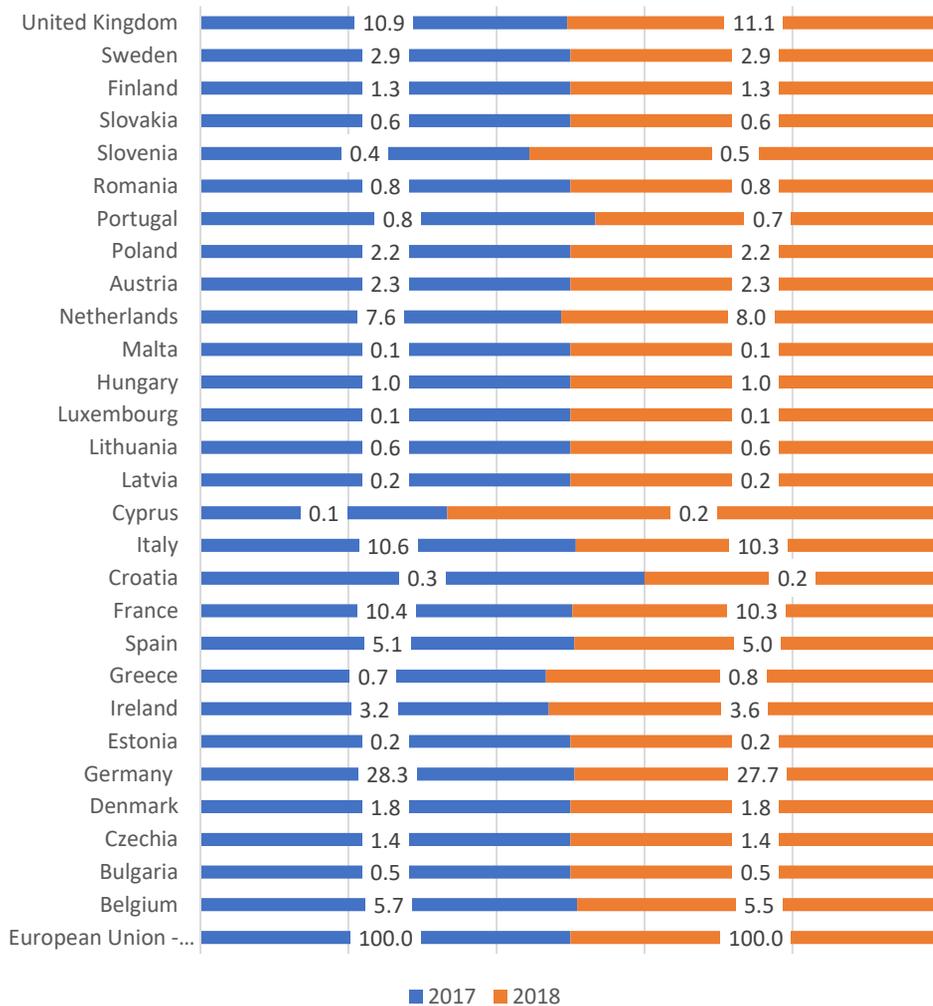


Figure 3. Share of exports by the EU Member States in 2017 and 2018 (%)

The increase in Poland's export sales has greatly contributed to the dynamic internationalisation of Polish enterprises. It is a result not only of the depth and far-reaching changes taking place in the Polish economy, especially since the accession to the European

Union but also of the noticeable evolution of Polish companies that are systematically gaining capacity in building strategies for entering foreign markets and joining international value chains. Basically since 2004, Poland has been experiencing an

upward trend in value exports in relation to GDP, which has grown from nearly 29% to over 52%. Increasing the scale of foreign turnover is accompanied by a growing improvement in Poland's trade balance - the country has regularly recorded a surplus in trade in services and goods since 2004. Regarding the above issues and the purpose of the paper, further discussion focuses on the food industry whose share in Polish export is visibly significant.

3. The internationalisation of the Polish food industry

As it was mentioned before, Poland's export of food goods has been increasing gradually since the country accessed the EU, i.e. since 2004. Food is the third product exported from Poland after machinery and chemicals. 80% of Polish food goods go to EU countries, mainly Germany. Apart from the EU market, Poland sells food mainly to China, Korea, Vietnam and some Arab countries and northern Africa. The first noticeable jump in the sale of Polish food abroad took place just after Poland's accession to the structures of the European Union. Facilitated access to the markets of the member countries brought Poland a spectacular export success in the food industry. Only during one year, i.e. in the period 2004-2005, it increased more than five times and brought a three-fold trade surplus (Forbes, 2015). In the period 2004-2017, food exports from Poland increased by EUR 22 billion, which is as much as 421% growth. Poland mainly exports livestock, meat and derivatives of meat (in 2018, it represented 21% of the value of Polish transfers of agri-food products), fruit and vegetables together with their processed products, as well as cereals (cereal grains) and cereals products, tobacco and tobacco products. After 15 years in the EU, Polish food export is still successful. In 2018, it exceeded EUR 29 billion (the value of exports was 5.5% higher than in 2017), which was recorded as the best result in history. In the period of January-November 2018, the export of agri-food

products increased by nearly 6% to EUR 27.1 billion from EUR 25.6 billion in the same period a year earlier. In the abovementioned 2004, the value of Polish food exports was EUR 5.4 billion (Bankier, 2019; Fryc, 2018). The share of products in Polish agri-food exports in 2018 was the largest in the category of livestock, meat and preparations and amounted to 21% (EUR 6.3 billion). In other categories, this share was: cereal grains and processed products 11% (EUR 3.4 billion), tobacco and tobacco products 11% (EUR 3.4 billion), dairy products 8% (EUR 2.2 billion), sugar and products confectionery 7% (EUR 2.2 billion), fish and preserves 7% (EUR 2.1 billion), vegetables (including mushrooms) and preserves 6% (EUR 1.6 billion), fruits (including nuts) and preparations 5% (EUR 1.3 billion), coffee, tea, cocoa 2% (EUR 0.7 billion), fruit and vegetable juices 2% (EUR 0.6 billion), oilseeds, vegetable fats 2% (0, EUR 5 billion), alcohol 2% (EUR 0.4 billion), the remaining 16% (EUR 4.6 billion). In general, half of the agri-food product category has grown compared to 2017. Livestock, meat and meat preparations increased its share by 6% more than in 2017 (red meat together with preparations obtained a 61% share in value, 1% higher than in 2017, the volume amounted to nearly 1.5 million tons and was higher by 2% compared to 2017). Cereal grains and cereal and flour products recorded similar levels as in 2017. Meanwhile, tobacco and tobacco sales increased by 13%, dairy products by 3%, and sugar and confectionery exports by 2%. In the case of fish and their products, the share increased by 12%, and vegetables together with products by 8% compared to 2017. Sales of fruit together with products were at a similar level as in 2017. In 2018, 82% of agri-food products were exported to EU countries, in particular to Germany (24%), Great Britain (9%) and the Netherlands (7%). Sales in other EU countries were as follows: Italy, France and the Czech Republic - 5%, Belgium, Hungary, Romania - 3%, Spain, Slovakia, Lithuania, Denmark - 2%. Other EU countries - 10%. Apart from that, Poland exported

goods to Commonwealth of Independent States (5%), USA (2%) and other countries (11%) (Biuro Analiz i Strategii Krajowego Ośrodka Wsparcia Rolnictwa, 2019).

4. Research objectives, methodology and findings

4.1. Purpose and methodology of the research

The food industry deals with strong rivalry and price volatility as well as shifting demand driven by consumption, population growth, or changing consumer tastes. Food companies oriented towards foreign markets expect the objectives to be achieved and usually follow a specific direction of development. Entering foreign markets in the case of the agri-food industry is associated with various requirements, learning about regulations and law, adapting products to market expectations, understanding the consumer preferences and proper recognition of opportunities for effective sales, as well as threats from the growing competition. As discussed earlier, the Polish food industry companies are statistically successful in EU markets, and the expansion of agri-food products has been maintaining an upward trend for over 15 years. Sales to other countries outside the EU are also increasing. China, India or Arab countries are Polish strategic goals. Based on many reports and sector research, the products of Polish agri-food industry in the initial period, soon after Poland's accession to the EU, enjoyed huge demand due to their low, highly competitive prices. In recent years, the demand for food products from Poland is driven by their quality, nutrition and taste, as well as safety. Currently, the strongly noticeable worldwide trend for healthy food gives the Polish agri-food producers a competitive advantage. For the time being, Polish food is still considered, above all in Europe, to be healthy, natural, ecological, little artificially processed and free from diseases, infections and genetic

modifications (Bankier, 2019; Fryc, 2018). In this paper the author discusses and examines the results of quantitative research conducted in 2018 among the group of Polish food companies oriented on foreign markets. The study included 250 entities (micro, small, middle-sized and large) of three food industries according to the list of codes of Polish Classification of Activities: group 10.7 - production of bakery and farinaceous products, group 10.1 - processing and preserving of meat and production of meat products and group 10.3 - processing and preserving of fruits and vegetables. The study was based on a questionnaire, and the answers were collected with the use of CAWI and CATI techniques. The paper intends to examine the strategic aims, directions of development and motives of expansion into foreign markets of Polish food companies.

4.2. Features of the survey sample

62% (156) of the surveyed companies belong to the group 10.7 (96 micro, 38 small, 14 medium-sized and 8 large entities), 27% (66) belong to the group 10.1 (43 micro, 12 small, 7 medium-sized and 4 large entities), 11% (28) belong to the group 10.3 (19 micro, 5 small, 3 middle-sized and 1 large). As it is illustrated in Figure 4, almost a half, i.e. 120 (48%), of the surveyed companies operates in foreign markets for no longer than four years.

Remarkably, in this group, there are young companies (10% of all surveyed entities) that entered the foreign markets soon after setting up the business. Therefore, they should be regarded as innate exporters (Ganitsky, 1989) or born global firms which internationalised their business in 3-4 years after starting functioning in the domestic market (Knight & Cavusgil, 2005; Knight et al., 2004; Christensen, 1991; Zahra et al., 2000; Schrader, 2001). Forty-six entities (18.5%) decided to internationalise their business much later in comparison to their over-16-year experience in the domestic market.

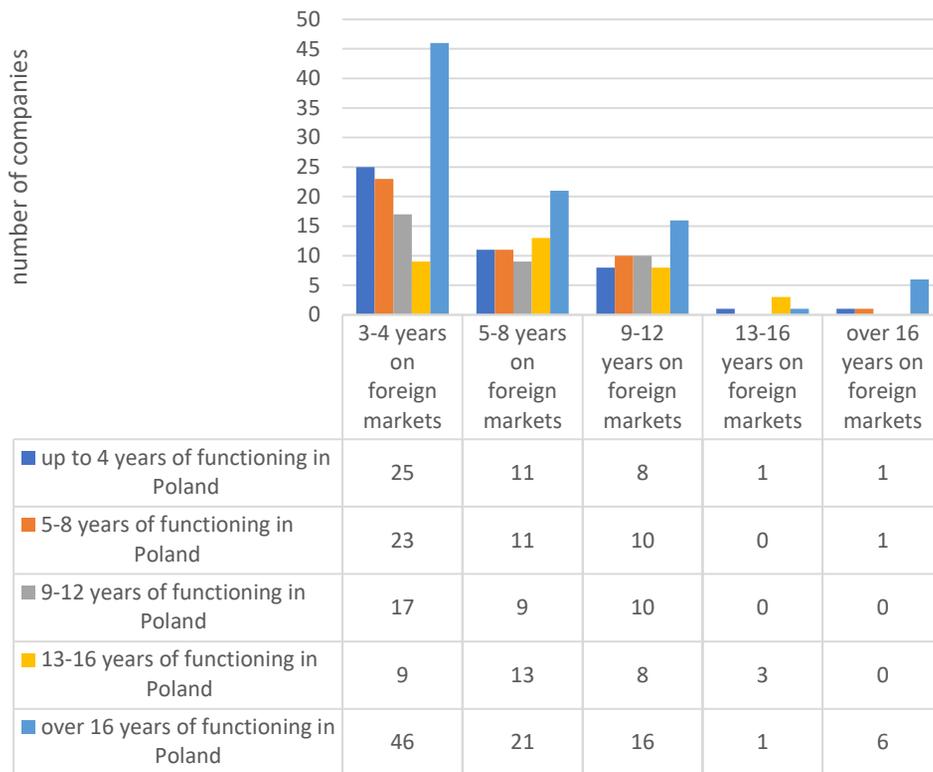


Figure 4. Food industry companies functioning on Polish market vs. foreign markets (in years), N=250

Sixty-five companies (26%) function abroad for five to eight years and 52 (nearly 21%) operate in foreign markets almost or just over a decade. Interestingly, two companies operate in a foreign country much longer (over 16 years) than in Poland, and six entities function in the external market as long as on the domestic one, i.e. over 16 years.

4.3. Findings of the survey

Regarding the purpose of this paper, the answers to five research questions are discussed:

RQ1. In what foreign market does the company operate?

RQ2. What was the purpose of the company entering foreign markets?

RQ3. In what direction does the company go in foreign markets?

RQ4. For what reasons did the company enter a specific foreign market?

RQ5. What methods of entry the foreign market did the company choose?

According to the gathered answers to RQ1, the vast majority (89%) of the surveyed companies operate in Europe in EU countries (Figure 5). 5% of companies do their business in non-EU markets; nonetheless they stay in Europe, 1% is present in North America and Australia, and 2% of the companies function in Asia, or they operate globally (not specified).

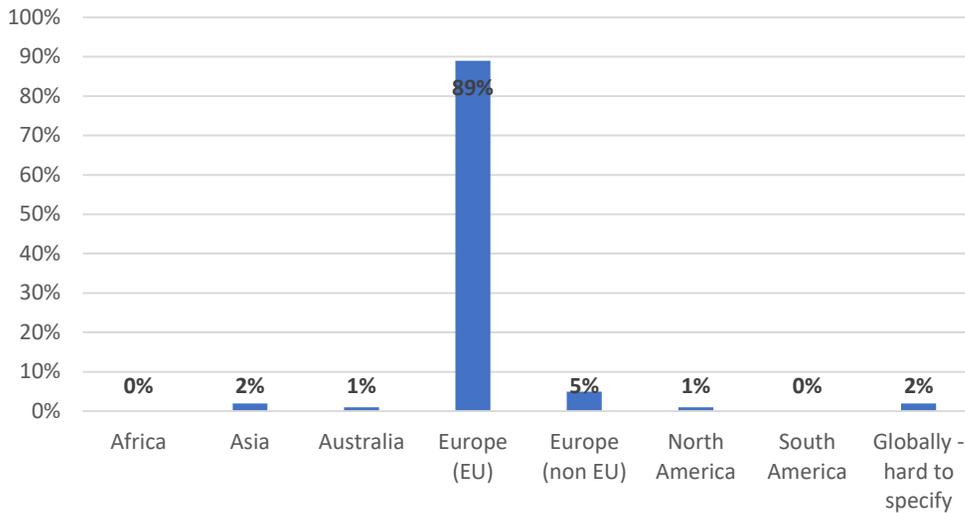


Figure 5. Foreign markets the surveyed companies operate in (%), N=250

Unfortunately, despite such an option, most of the surveyed companies did not specify in what EU countries they function. However, some results were noted. Germany was indicated by 20 companies, Czech Republic by 9, Lithuania by 6 and Belgium by five entities. Great Britain and Italy were mentioned by four companies, whereas Latvia and Hungary by three. Answering to RQ2, the surveyed companies

indicated that an essential reason for expanding their operations outside the country was their willingness to make a profit (Figure 6). Foreign markets are regarded as an opportunity to generate profits for more than a half, i.e. for nearly 65% of the surveyed enterprises (162 entities). For 101 (40.5%) companies, the profit is the only purpose of entering the foreign markets.

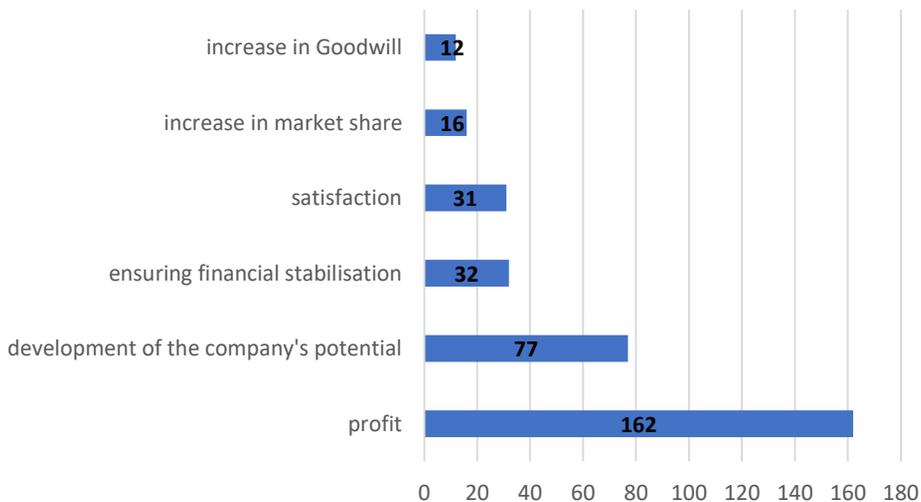


Figure 6. Strategic aims of entering the foreign markets (number of companies), N=250

Seventy-seven entities indicated the desire to increase the company's potential as another significant reason for entering the international markets. In the group of 162 companies, which count primarily on achieving profit on foreign markets, there are 41 entities which simultaneously expect and wish for the development of the company and the increase of its economic potential. Among 88 companies that in the survey did not indicate a profit as the target of entering foreign markets, there were 36 which specified the growth of the company's potential as the aim of ingoing the foreign markets. A small number of the surveyed companies find the international markets as the possibility of achieving financial stability and satisfaction (nearly 13% of entities). The surveyed companies expect foreign markets to provide specific development opportunities (RQ3), and therefore, their

presence in these markets is focused on the implementation of adopted management strategies (Figure 7). 202 (nearly 81%) of the surveyed companies want to maintain the position achieved in the chosen foreign market. Sixty-two companies wish to improve their functioning by increasing the sale; 43 want to attract new consumers. The companies as well, but in the minority, regard the foreign markets as the opportunity to develop the business by offering new products, or by varying or personalising the offer of products regarding the specific groups of customers. Only 3% of the surveyed companies want to improve business by attracting new segments of clients. Similarly, 3% regard the presence in the foreign market as a fulfilment of aspirations of entering new geographical areas.

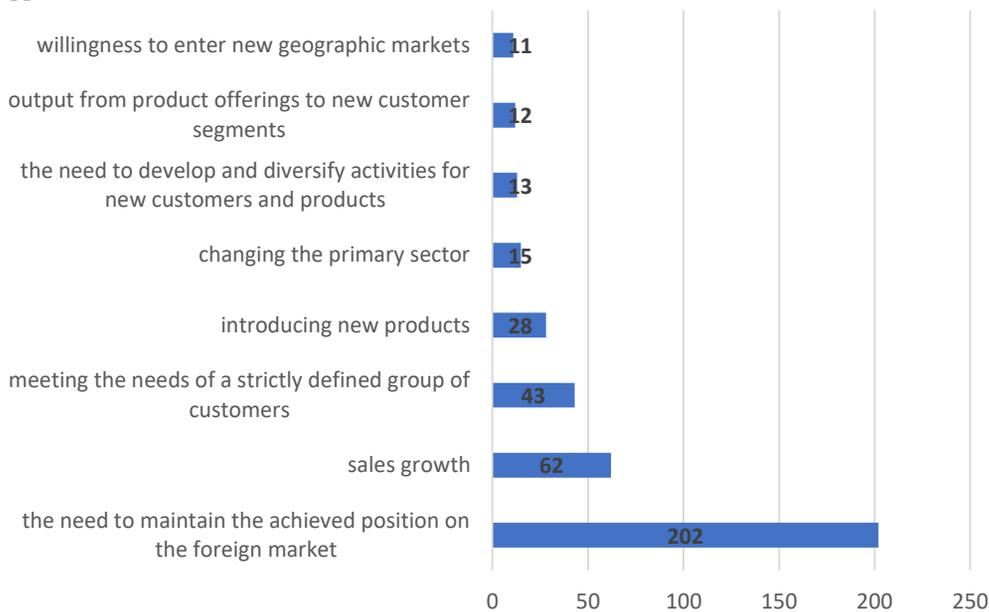


Figure 7. The direction of development on foreign markets (number of companies), N=250

The surveyed companies decide to operate in foreign markets for a variety of reasons (RQ4). More than 76% (191) of the companies focus primarily on the prevailing business conditions. They take into consideration several aspects such as access

to raw materials, the wealth of resources or the size of the market. For 92 (almost 37%) of the surveyed companies, the choice of the market was additionally determined by the convenient location of that market. This explains why the Polish food companies

choose EU markets for their operations and also proves the statistical data that in case of Polish companies in general, the internationalisation of business focuses mainly on neighbourhood markets, i.e. Germany or Czech Republic. Apart from that, the predictable competition is an essential factor determining the choice of the foreign market for business expansion - 67 entities find this aspect as significant. Sixty-five companies pay attention to the customers' preferences, and for 66, expanding business abroad is conditioned upon transparent and clear legal regulations. Besides, the surveyed companies specify other factors justifying the choice of the foreign markets such as: a stable, little changeable environment (58 firms), cultural similarity (remarkable for 56 companies), fast-changing technology (44 firms), slowly changing technology (39 firms), not intense competition (42 firms), or political stability in the foreign market which is significant for 31 of the surveyed companies.

Referring to RQ5, 210 companies (84%) decided to choose export as a method of entering foreign markets. In this group, 16 companies also rely on their resources, seven established an overseas branch, two companies started a cooperation based on an agreement or license, five entities found the collaboration with partner(s) for investments in a joint venture and four companies decided to cooperate with a foreign entity in order to use its distribution channels. Only one company established its plant, i.e. a branch factory or a raw material extraction point. The other 40 (16%) companies in the survey did not choose export as the method of entering the foreign markets. As a replacement for, 19 entities developed their business abroad thanks to their resources, five initiated a foreign branch, seven started cooperation based on an agreement, and two firms began to function out of the home country on account of franchise or license. Only one company made direct investment abroad, namely the capital investment, and also another one merged with another entity in a

foreign country. Five companies began a joint venture with partner, and nine started the cooperation with an international company to use its distribution channels. None of the surveyed companies chose greenfield or brownfield (types of direct investments) as the methods of entering the foreign markets.

5. Conclusion and suggestions for further research

According to the scientific literature implications, the contemporary management of the business should go beyond the resident functioning and concentrate on international activity. The internationalisation of business is nowadays necessary for the company to follow the globalisation process. As the statistics show, Polish companies function in the global business environment effectively and skillfully use the opportunities to enter foreign markets to develop their business. The example of the Polish food industry is worth debating, as it is experiencing a period of rapid economic growth in the foreign markets and superbly gaining a competitive advantage, especially in the markets of the European Union member states. The Polish agri-food products are, due to their price, quality, taste values or nutritional properties, considered as very competitive. This clarifies why the demand for these goods has remained at a high level for over 15 years.

The first conclusion of the conducted research among 250 Polish food companies is that companies perceive foreign markets as an opportunity for development, not as a threat. For most of the surveyed companies, the international markets represent a chance for growth by increasing profits, acquiring new customers, increasing sales and strengthening the position and potential of the company.

Secondly, the majority prefers EU markets (89%) because of the favourable trade conditions, location and stable business environment. The easy access to these markets is enabled by membership of Poland in the EU, which facilitates the expansion and

encourages all young companies to become born global firms, i.e. to enter and start international business from the very beginning of the company's operation in the home country. In the research, 70 companies started their business just before or at the beginning of 2010, and they immediately entered the foreign markets. For these companies, operating outside the home market is an indispensable and natural element of the business activity.

Thirdly, the conducted survey confirms the results of other studies on the internationalisation model of Polish enterprises present in the scientific literature. In the theoretical part of the paper it was mentioned that Polish companies, unquestionably in a vast majority, choose export as a method of internationalising its business activity and in general, going abroad with business is a process that takes time and requires employing strategic management practices. The conducted research results show that the Polish food companies initially stabilised their position in the domestic market and only later did they decide to expand their operations to foreign markets. The results, therefore, confirm the U-model of internationalisation for the surveyed companies (Figure 4). Born global firms, noted in the survey, are still in the minority. Furthermore, the obtained responses to RQ5 in the study indicate that, in fact, in the case of Polish food industry companies, it is the export that is the most commonly used method of entering foreign markets. Two

hundred ten companies chose export at the time of the decision to expand business outside the home country. Much less, 40 entities chose other methods to enter foreign markets. It is worth mentioning at this point that the study obtained 35 indications for the development of the company abroad by using its resources and 38 for different forms of cooperation with foreign partners based on various types of contracts and agreements, i.e. cooperation agreements, franchise, license or joint venture.

This paper should be considered as a supplement and an enhancement of other works discussing the internationalisation of business activities. The author expresses the hope that the results obtained from the survey among Polish food industry companies will be a valuable reference to further study of the industry in Poland, as well as a comparative base for research conducted among food companies in other countries. The content of the paper certainly does not exhaust the debate on the expansion of food enterprises to foreign markets. A valuable contribution to the research would be the analysis of resources used for development and the study on the ability of companies to search for, acquire or build the resources to enter foreign markets. Further considerations could also be accompanied by an analysis of the capabilities of food companies in exploring and identifying the opportunities in the international markets, as well as their skills to use these opportunities effectively.

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