LUMEN ET VIRTUS

Strategic analysis of internationalization and insertion in the Brazilian *Fast Food* market: Simulative study from the Spanish company *Cerveceria 100 Montaditos*

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ABSTRACT

The objective of this study is to analyze the internationalization and insertion of the Spanish business group Restalia, through the Cerveceria 100 Montaditos brand, in the Brazilian fast food market. It is a simulative panorama, via qualitative research, in a case study chosen by convenience and direct observation. The Pestel, Porter's Five Forces and SWOT analyses made it possible to map and identify critical success factors and threats. The results indicate that the self-service business model, with a variety of small snacks and beverages sold at low prices, has the potential to succeed in Brazil in cities with more than 200,000 inhabitants. This study lacks complementary research that involves detailing the Marketing and Logistics Plans, operational issues and economic feasibility, as well as contact with the company to verify the interest in operating in Brazil, considering that the business model undertaken exposes attractive characteristics, significantly applicable to the Brazilian reality.

Keywords: Internationalization, Strategic Analysis, Franchising, *Fast Food*.

INTRODUCTION

In the current context of globalization, the desire to enhance competitive advantages has contributed to a sensitive economic protagonism of the phenomenon of internationalization, increasingly incorporated into the market and social structures as part of the development process of the international expansion of organizations and as a synonym for progress and value creation (Mello, Silva, & Santos, 2014; Botelho, 2015; Souza, 2017; Pear tree; Zilli; Vieira, & Volpato, 2018).

In this scenario, internationalization can be a growing and continuous strategic alternative for the involvement of operations so that the company can start operating in countries outside its base of origin. According to Pereira ***et al***. (2018, p.473) "It is a continuous process that goes through several stages, and that can considerably expand the company's financial gains, regardless of its size".

Lockes (2017, p.7) notes that "in the face of a competitive global scenario full of uncertainties, one of the ways out for organizations encompasses not only innovation, but also

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internationalization. These, when combined, form a strategic pair in the search for international competitiveness." The author cites Dib (2008), ratified by Loncan (2010), when enumerating the main aspects most sought by companies in the internationalization process, which vary between demand and supply and can be identified, according to the authors, as: search for government policies and incentives, as well as for cheap labor and raw materials; possibility of amplifying its growth trajectory and sophisticating its activities, gaining as a result, greater visibility and international performance, among many others.

Loncan (2010) also observes that "the decision to extend its activities to international markets encompasses different spheres within an organization. In addition to the primarily strategic character, such decisions also take into account marketing plans and market observation" (Lockes, 2017, p.30). On the other hand, Predebon, Martins, Perinazzo and Gaievski (2012, p.159) argue that there is no more important internationalization strategy, much less a single one, when one looks at the international scale, since "the analysis of realities and the intervention of political-economic structures in complex, diversified and unequal countries require an approach from a multiple strategic perspective".

In view of the aforementioned considerations and from primary data obtained through direct observation (in *loco*) in January 2018, during the visit of one of the authors of the present work to two of the company's restaurants in Spain (Córdoba and Madrid – Atocha), the following question arose, which motivated this study: **the insertion of the Spanish company *Cerveceria 100 Montaditos* in the Brazilian market *Is fast food a viable opportunity?***

In view of the above, the central objective of this work is the preliminary analysis, through a simulative panorama, of the viability/strategic opportunity of internationalization, aimed at the insertion in the Brazilian market of the Spanish company *Cerveceria 100 Montaditos*.

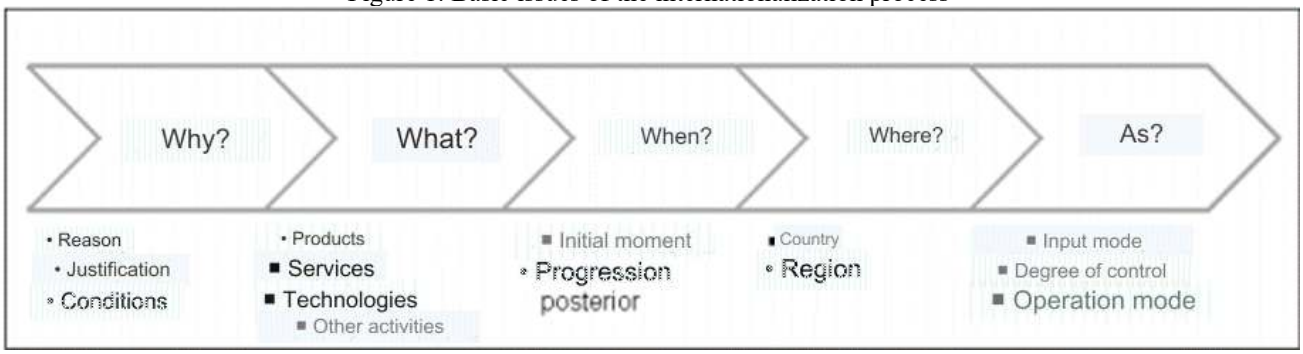
In addition, it has as intermediate objectives, not only the exploration of theoretical and referential concepts of the specialized literature on internationalization strategies, but also the identification of the business context of the researched company, through the analysis of the set of information and material elements. For the selection of the main aspects to be considered in the internationalization process, the Pestel*, Porter's Five Forces* and *SWOT analyses will be undertaken.*

THEORETICAL FRAMEWORK

According to Mello, Silva and Santos (2014, p.51) internationalization "is clearly configured as a multidimensional process, whose foundations have been developing since the great navigations and with the advent of globalization the interest has intensified". With the evolution in importance and significance, in addition to being treated as a business strategy, internationalization can also be perceived as environmental pressure that generates transformations in organizations.

Thus, as the company identifies international opportunities, several organizational dimensions such as structure, processes and culture, among others, tend to undergo significant changes. Thus, internationalization can also be understood as a phenomenon of incremental or accelerated consolidation of a company's economic activities with foreign markets (Melin, 1992; Barreto & Rocha, 2003; De Souza & Fenili, 2012). The following Figure 1 exposes some of the questions:

Figure 1: Basic issues of the internationalization process



Source: Lockes (2017, p.31); Carneiro and Dib (2007, p.7).

In general, the learning generated by internationalization occurs through a process of trial and error, a situation in which the competitive advantages acquired in the country of origin or in the international commercialization of products and services are reflected in the development and growth of the company in the local market, a determining factor for the incentive to international trade, through the interpenetration of national and international economies (Goulart, Brasil & Arruda, 1996; Thorstensen, 1998).

In a study on the role of political factors in the internationalization of companies, Fernandes; Bandeira-de-Mello and Zanni, (2012) highlight that Brazil is one of the emerging countries that has attracted a growing number of international companies. According to the authors, the strategies of the insertion process in other countries are divided into two distinct currents, one of an economic nature and the other of an organizational (behavioral or procedural) nature.

The economic aspects are those in which the bases for the decision to seek new markets and new countries are based on rationality, on the optimal allocation of resources, with the minimization of transaction costs, aiming to achieve competitive advantages. In this economic current, the Theory of Market Power, the Theory of the Product Cycle, the Theory of Internalization and the Eclectic Paradigm of Dunning (1980) stand out. This author was able to summarize the ideas of the school and reconcile the original concepts of Coase's firm theory (1937) with Buckley and Casson's (1976) internalization theory (Carneiro & Dib, 2007; Ferreira, Cavalcanti Neto, & Gomes, 2014).

The second justification for the internationalization process occurs from an organizational or behavioral perspective, centered on more subjective factors throughout the decision-making process for investments abroad; it is thus noted that internationalization is a natural and gradual sequence of

organizational factors and their interactions with the business environment (Rocha, 2002; Fernandes; Bandeira-de-Mello & Zanni, 2012).

This more organizational theoretical conception is based on the Uppsala School Theory (which implicitly establishes that internationalization will begin as a response to pressure for market demand) and the work of the Nordic School of International Business. This current is based on the limited rationality of agents (Simon, 1979) and on the scarcity of resources Penrose, (1959), consolidated in the works of Johanson and Wiedersheim (1975), Johanson and Vahlne (1977), Carneiro and Dib (2007), Ferreira, Cavalcanti Neto and Gomes (2014).

Souza (2017) notes that the competitive environment and globalization, in general, have fostered changes in the strategic strategies and objectives of companies, designed to take into account the prior assessment of the risks involved in establishing themselves in a given country, not only in relation to the financial area, but also in relation to the environment, the sector and the company, among others. Based on these considerations, the following analyses will be undertaken:

i. Pestel *analysis* to study the macro business environment involved;
ii. Analysis of Porter's *Five Forces* to identify competitors and rivalry between them, suppliers, customers, new entrants;
iii. SWOT *analysis* to identify the threats and opportunities, strengths and weaknesses of the company, as well as the facilitating and restrictive factors (risks) that are presented in the process of setting up the company in the Brazilian market.

PESTEL ANALYSIS

The analysis called *Pestel*, according to Gupta (2013), is a tool that is based on macro environmental factors and is based on the assumption that the business success of an organization should not be understood or studied without first analyzing and understanding all the information related to the organization's external environment. This type of analysis aims to help the company understand and react to changes in its external environment. Also according to Gupta (2013), the name Pestel is the result of a simple mnemonic, in which each letter corresponds to the external factors that will be analyzed:

P – refers to *political factors*, that is, aspects inherent to State interventions in the economy, licensing and government controls that may exist;

E – deals with *economic factors*, macro and micro aspects, which impact the external environment, related to the type of demand that may be seasonal, climatic factors and others;

S – are the *social, cultural and demographic factors* of the external environment and their relevant impacts in relation to the human factor and its relations;

T – are the *technological factors*, understood as infrastructure, innovations and their impacts related to the technology involved;

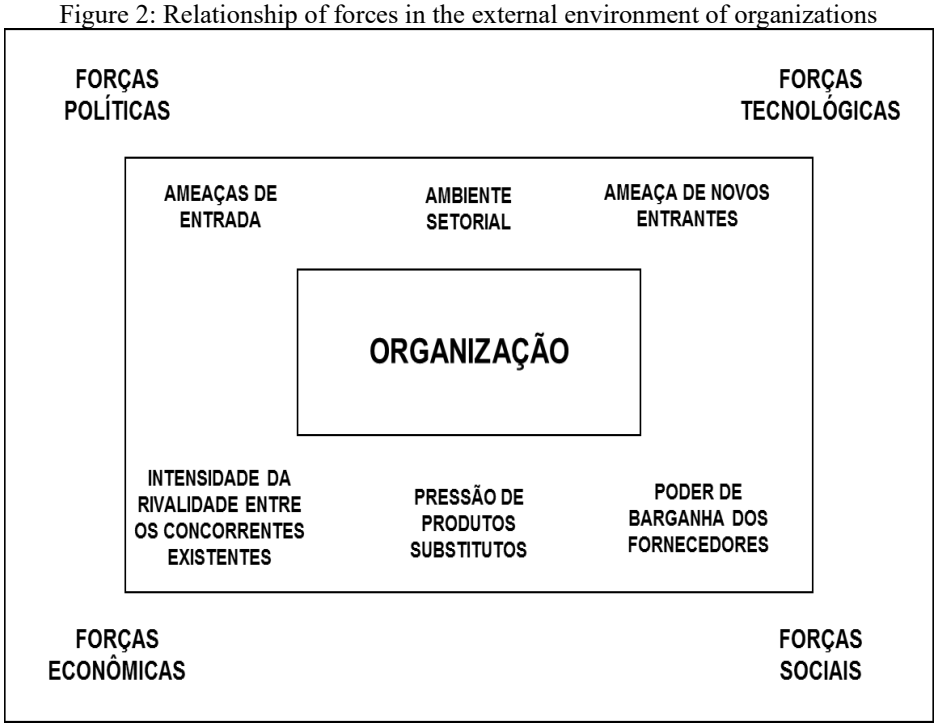
E – refers to the *ecological and environmental aspects* inherent to the company in its waste and impacts caused to the environment in its activities;

L – issues related to *legislation*, at the various levels (federal, state and municipal), such as environmental licensing, patents, operating authorization and others.

According to Guo and Nunes (2007), the Pestel Analysis resembles a "true panoramic photograph", which helps the company to evaluate and understand its external environment; thus, it ends up providing a generic view that needs better detail for its applications, in the practical circumstances that the company will face. For Wright, Kroll and Parnell (2006), technological forces refer to scientific innovations and improvements that offer opportunities and threats to organizations. These changes vary from one market to another, which allows more dynamic and agile markets to gain greater advantages.

Changes in the market are becoming more dynamic due to technological advances, making it an increasing challenge for companies to keep up with such changes. According to Bethlem (2004), in addition to the influence on the market structure, technological factors also influence the managerial and operational processes of a company (Chiavenato & Sapiro, 2009). In this context, the subsequent Figure 2 identifies the forces in the external environment of organizations.

Figure 2: Relationship of forces in the external environment of organizations



Source: Adapted from Wright, Kroll and Parnell (2006)

Figure 2 shows evidence of the performance of the various forces and factors that interfere or are influenced by the organization.

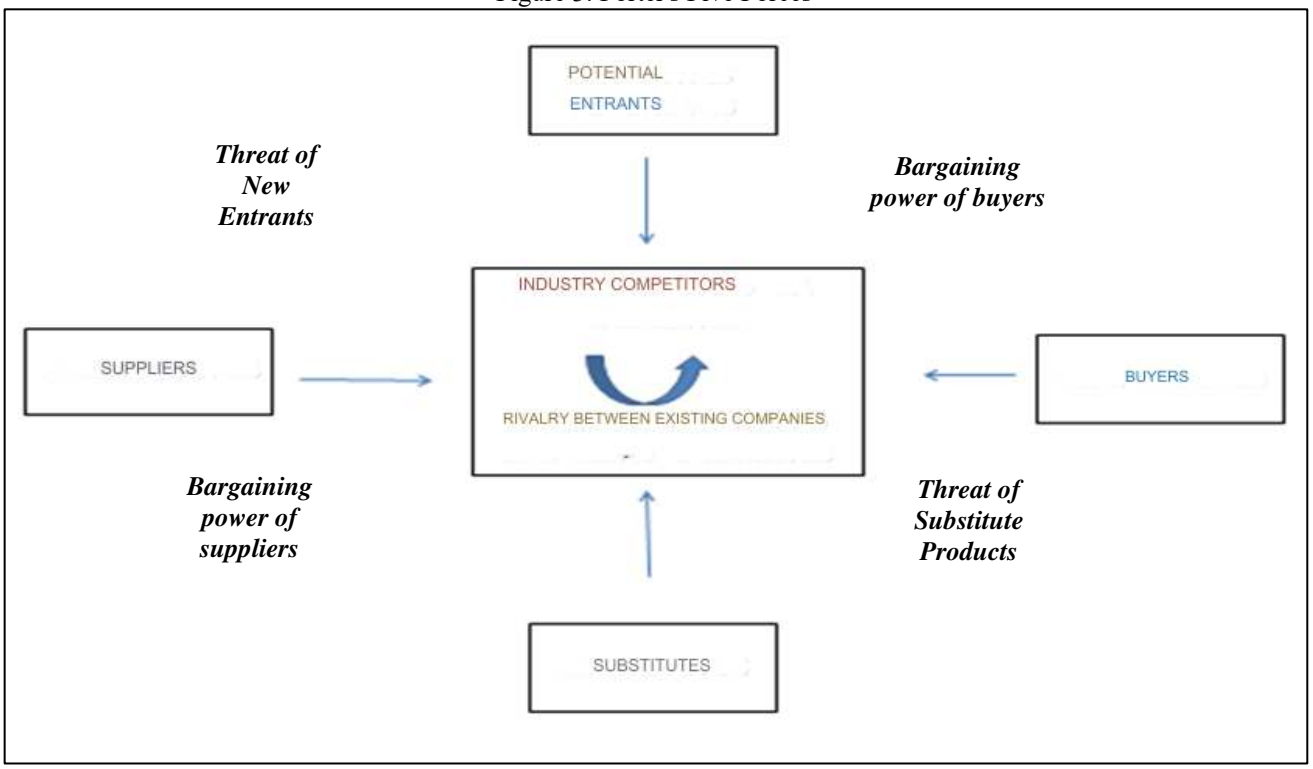
PORTER'S FIVE FORCES

The strategic tool called *Porter's Five Forces* originated from the work of Michael E. Porter (1989), when he identified the company's interrelationship with its environment. It is the essence in the formulation of a competitive strategy, by highlighting, in this environment, the organizations with which the company competes, that is, its competitors. According to the author, the environment in which organizations compete with their competitors has its roots in the economic structure of a market, which is influenced by five decisive forces for the success and profit of any organization, which are:

i. ***Potential Entrants*** **–** Entry of new companies into a given market that, consequently, will influence sales prices, costs and profitability;
ii. ***Substitute Products*** **–** Represent the threat of loss of profit and market share of a company, given the emergence of products that can perform the same function as yours, as a result of a better cost-benefit ratio;
iii. ***Buyer Power*** **–** Represents the influence that buyers can exert on a market, both in terms of changing prices downwards, and in demanding better quality or more services;
iv. ***Power of Suppliers*** **–** Represents the influence that suppliers can exert on a market, both in relation to the change in prices upwards and the reduction in the quality of the goods and services offered;
v. ***Rivalry between Competitors*** **–** Represents the influence that a company can exert on another competitor by virtue of its way of operating in the market, a situation that can force a reduction in prices or increase demand and the level of differentiation in a product.

Next, Figure 3 presents the main relationships of Porter's *Five Forces* and exposes the threats and bargaining power in the production chain.

Figure 3: Porter's Five Forces



Source: Adapted from Porter (1989)

Through the global analysis of *Porter's Five Forces* in the context of the company, it will be possible to establish strategic movements to better position the company in relation to competitors and, also, in the aspects of market segmentation and product differentiation, so that there is an understanding of the situation of the business environment and, mainly, for the establishment of current and future strategic actions (Porter, 1989).

ANÁLISE SWOT

SWOT *Analysis* emerged at Harvard University and became widespread after the 70s in studies on strategy, in relation to analytical observations of the internal environment (strengths and weaknesses) and external environment (opportunities and threats) of an organization. Considered a relatively simple tool, easy to understand and use, it is the main methodology for analyzing cases related to marketing and strategic positioning of companies, as it allows the strategy to be aligned with the company's resources, either in relation to its internal factors (thus understood as resources that the company has), or in relation to its external factors (those of the business environment) (Novicevic & Harvey, 2004; Wright, KrolL & Parnell, 2006).

The Swot nomenclature has its origin in the simple appropriation of the first syllables of each of the words that represent the conditioning factors of the analysis: **S** for **Strengths, or "Strengths of the positive aspects of the company in relation to its competitors"; W** for **Weaknesses, or the "Weaknesses with the negative aspects of the organization in relation to its competitors"; The**

Opportunities, i.e., the "Opportunities that the company has as a competitive advantage in the market in which it is competing" and, finally, the T of **Treaths, representing the "Market threats that may not favor the company and at the same time cause a competitive disadvantage" (Gupta; Mishara, 2016).**

The following Chart 1 presents a *SWOT* Analysis Model, highlighting the Positive and Negative Points:

Table 1. *Swot Analysis Model*

ENVIRONMENT	POSITIVE POINTS	DEMERITS
Intense	Forces	Weaknesses
External	Opportunities	Threats

Source: Adapted by the authors from Porter (1989).

METHODOLOGY

MATERIAL

Contextualization of the Case Study Investigated

In *just 16 years, the Restalia group has become a benchmark in the global food sector thanks to the success of the companies* Cerveceria 100 Montaditos, The Good Burger (TGB) *and* Cerveceria La Surena. With more than 650 restaurants worldwide and a vision of global growth, the group aims to reach 1,000 restaurants in 2019 by offering an investment option for those looking to start their own business through the franchise model. It began its global expansion process in 2001 with the inauguration of *the first Cerveceria 100 Montaditos* in Miami-USA; in 2012 it expanded in Latin America initially through Mexico. The following Table 1 shows the group's global performance between 2018/2019:

Table 1: Restalia Group – World Panorama of Restaurants

Country	Restaurants
SPAIN	526
PORTUGAL	2
ITALY	47
UNITED STATES	5
MEXICO	11
GUATEMALA	7
COLOMBIA	1
CHILE	2
COSTA RICA	1

Source: Adapted from the website http://gruporestalia.com/

The focus of interest for the present study in relation to the *Restalia* group is the company *Cerveceria 100 Montaditos*, active in the *fast food/low cost* business, with a self-service system and a wide variety of quick and cheap snacks. The specified company, whose internationalization process represents one of the main axes of the business and one of the main areas of development of the group, has been consolidated throughout Spain and expanded to nine more countries, including as a brand that also paves the way for the internationalization of other companies of the Spanish group.

With the strategy of growth via franchising, *Cerveceria 100 Montaditos* seeks to establish actions of responsibility with its franchisees, always seeking to improve the profitability and solidity of the business, through the maintenance of a permanent communication channel with its partners. In this way, the group in question has made innovation one of its main pillars, through the search for understanding the consumption habits of different audiences and resilience in relation to adaptation, which enables *Cerveceria 100 Montaditos* to create new concepts adjusted to the needs of consumers.

Quality is on the agenda of attention of the business group, which always seeks the best raw material, improving recipes that must be tasty and healthy, with the objective of maintaining a high level of quality with competitive prices. Another relevant aspect in the company's concept concerns the democratization of gastronomy, that is, providing gastronomy and leisure to all social strata and, for this, the company pays special attention to the environment, to *the design* of its establishments, with a very fair quality/price ratio, which makes its products accessible and competitive.

The research involved only two units visited, one of them, in Madrid-Atocha, this one a street unit, with a privileged location in front of the largest train and metro station (Atocha), in Madrid, with an indoor and outdoor environment for customer self-service. The other unit visited was Córdoba, at the El Arcangel Shopping Center, in a store in the internal environment of the mall, with the same standard of service, product and services as the others.

METHOD

This study is characterized as an applied research, whose qualitative approach, followed the recommendations of Godoy (1985) through the use of flexible hypotheses, to investigate, in a single case study, the internationalization opportunities of the Spanish business group Restalia, through the brand 100 Montaditos, for the Brazilian market, since the referred network is currently in the process of internationalization via franchising, with more than 650 restaurants, whose goal by the end of 2019 is to reach 1000 establishments, the vast majority of them in Spain and about 30 more in other countries, including the United States of America, Mexico, Colombia, Chile, Italy and Portugal.

It was considered in the observation the fact that Cerveceria 100 Montaditos, with self-service and a variety of small snacks and drinks and a menu based on 100 tapas dishes (montaditos) sold at a minimum cost of €1, in the low price system, is a company with differentiated characteristics in the market in which it operates and, fundamentally, in the cost-benefit ratio, with low prices and quality products. Such a competitive differential, which culminates in the addition of value for customers, was fundamental for the company's choice. The fact that the company is a leader in the segment of quick and cheap snacks aimed at the young public in the Spanish market, that it already has expertise in internationalization and franchising and does not yet operate in the Brazilian market were other factors of fundamental importance, motivating the simulative analysis for the feasibility of internationalization at Cerveceria 100 montaditos.

The data were obtained without considering preliminary assumptions that could confirm or deny the initial assumptions of the company's internationalization process. For the systematic literature review of the literature and the construction of the theoretical framework, the research and evaluation protocol proposed by Tranfield, Denyer and Smart (2003) was used, executed through the following steps: planning, research, screening and extraction/synthesis/report. The achievement of such a procedure guarantees greater relevance, comprehension and ease of replication to the study. The primary data were obtained through direct observation (in loco) by one of the authors in January 2018 in the restaurants of Córdoba and Madrid – Atocha, and, to complement the records, information available on the restaurant chain's website and in media outlets was used. Thus, secondary data were compiled from the institutional websites of the business group, scientific articles, documents available on Google Scholar and in the Web of Science database.

The present study arose from the interest aroused by the 100 Montaditos chain in one of the authors of the work in question who, when visiting Spain in January 2018, had the opportunity to visit the chain's restaurants located in Córdoba and Madrid – Atocha. The business acumen, combined with the professional experience of more than 30 years and the solid academic background (Post-Graduation, Academic Master's Degree from the University of Extremadura – Spain and Professional Master's Degree from the São Paulo State University – UNESP – Brazil), as well as

university teaching in the areas of Business Administration and Management, led the aforementioned author to seek bases in the literature to carry out the analysis of the target market, with observations of feasibility, restrictions and opportunities to, in this way, detect what would be the best marketing and logistical strategies necessary for the insertion of the 100 Montaditos Brand in Brazil, since, already from the on-site observation, it glimpsed in the aforementioned restaurant chain a reality perfectly applicable to the Brazilian food and beverage market.

RESULTS

ASPECTS ANALYZED IN THE UNITS VISITED

Restaurant Environment

They are characterized by presenting a simple and cozy environment, but with little comfort for customers, always with wooden benches without a rear backrest. The bathrooms are very clean, very airy environments and always with the presence of employees cleaning the tables and floors. The subsequent photos, by his own authorship, better demonstrate the characteristics of the environment of the restaurants visited.

Photo 1: Facade of the Madrid-Atocha Company



Photo 2: Córdoba – El Arcangel Environment



Ordering and Meal Supply System

The system used is self-service, in which the customer goes to the cashier, orders food and drink; within the numbering from 1 to 100 for each dish with a fixed price for all of € 1.00 (there are also some options available to the customer with prices higher than the one exposed). Once the order is placed, the cashier himself receives the amounts, delivers the drink on the spot, writes down the consumer's name on the *ticket*, after which the order is passed on to the kitchen. After approximately 2 minutes, the customer is called through a loudspeaker, by name, to deliver the food, all through a very fast and efficient process.

It is worth noting that at the tables there are commands and a pen so that orders can be placed in advance, before the consumer goes to the cashier. It was possible to notice that the prior annotation of the request is something quite common; Groups of people organize themselves and only one of the members of the group goes to the cashier and places the order for everyone.

Despite the high turnover of consumers in the establishment, it works perfectly with a minimum number of employees, only five: 01 at the cashier, 01 at the food delivery counter, 01 in the kitchen and 02 in the cleaning of the establishment, permanently. The dining environment is a bit cramped, without much space between the tables, which are very small. Only in the Madrid restaurant is there a more spacious and comfortable outdoor environment, with chairs that have a back backrest.

Photo 3. Prior annotation of the request



Photo 4. Order/Payment Box



Menu

The menu has an excellent design and is bilingual (English and Spanish) in the two restaurants visited, with numbering of the different dishes (only for products with prices above two euros are photos of the dishes presented). On all tables there is a small structure with paper napkins, pen, order command and meal menu, in addition to the specific menu for distilled beverages, whose prices vary between 5 and 10 euros per dose.

In addition to the basic products that are the small snacks called *Montaditos*, a wide variety of alcoholic and non-alcoholic beverages, ice cream and coffees are offered. The food is tasty, the beer of good quality and very affordable (one euro a 500 ml mug). At the Madrid-Atocha Store there is flexibility in the menu with specific options for afternoon snacks, to better serve the customer at specific times, with a differentiated menu.

Photo 5. Basic and Standardized Menu – Cover



Photo 6. Menu with first opening (front



Photo 7. Menu with numbered products



Photo 8. Takeaway menu



Consumers and Amenities

It is observed that the young public represents more than 70% of consumers at the times of the visits made, with an average observed spend of approximately four euros per person, a relatively low value by local standards.

Photo 9. Young man on rollerblades with his request



Photo 10. Hot *dog* snack for one euro



The stores offer additional amenities, such as televisions for consumers to watch games (at the time of the visit there were three per store), free *Wi-Fi* and a hot and cold air conditioning system.

RESULT OF THE PESTEL ANALYSIS

The *Pestel* Analysis complements the different aspects analyzed in the *SWOT* Analysis, as it seeks to identify mainly the relevant favorable or unfavorable aspects of the macro business environment, according to subsequent records:

Political: **Favorable**

i. There is no type of government political action at any of the levels (federal, state and municipal) that can hinder or help the company; in this aspect, this factor is FAVORABLE;

There is no prospect of creating restrictive legislation for the installation of a snack bar chain in Brazil. FAVOURABLE;

ii. There is strict legislation on the quality of the food served, but the company already has this concern in the places where it is already installed; therefore, it only needs to follow the Brazilian legislation, which, in many aspects, is even less restrictive than the Spanish one. FAVOURABLE.

Economical: **Favorable**

i. Existence of international financing with much lower rates than those of the Brazilian market for this type of expansion. In addition, the local financial market also has lines of credit with appropriate rates and terms for any franchisees who may be interested in the investment. FAVOURABLE;

ii. The company needs to maintain strict control of its processes and pay very special attention to costs to achieve a competitive cost advantage in the market. ADVERSE;

iii. There is no seasonality in demand, since people, as a rule, need to eat three basic meals every day, and it is important to position the company to be chosen by the consumer, among the many options. FAVOURABLE;

iv. There are many competitors installed in the main commercial points and there may be difficulty in finding the appropriate points for the installation of stores. ADVERSE;

v. Leveraging the company's expertise in consolidating itself as a leading company in the Spanish market and for already having several restaurants in nine countries, with different cultures. It can be inferred that the expansion in the Brazilian market, a country that represents the largest economy in Latin America and has a GDP higher than the company's country of origin, presents itself as a great opportunity for *Cerveceria 100 Montaditos* to share its fixed costs through a larger network of restaurants. FAVOURABLE.

Social: Favorable

i. There is no difficulty with the availability of labor in Brazil. The company will need to carry out good selection and training, however, labor costs in the country are lower than in Spain. FAVOURABLE;

ii. Greater job creation and opportunities in the labor market are always well regarded by society and governments. FAVOURABLE.

Technological: Favorable

i. The company uses management concepts that are widely disseminated in this segment; it does not need any more significant technological innovation. FAVOURABLE.

Ecological: Indifferent

i. The company's products are basically food and beverages that already exist on the market. The use of fully disposable plates and cutlery and the proper disposal of leftover food and products that can be recycled demonstrates ecological concern. FAVOURABLE;

ii. The company does not have trash cans with selective collection for the disposal of other types of products such as plastic, paper, glass and others, showing little concern with such types of waste. ADVERSE.

Legal: Favorable

Brazil does not impose any type of restriction on the opening of foreign companies and still has some incentives for foreign investments. FAVOURABLE;

i. There is no restrictive legislation or very strict control for companies in the food sector; The company will only need to adjust to the Brazilian legislation, which in many ways is less restrictive than that of European countries. FAVOURABLE;
ii. There is a need to hire a law firm in Brazil for guidance and drafting of all civil contracts in relations with franchisees or even if the company chooses its own stores. There will also be contracts of a labor nature with Brazilian employees and any Spaniards who come to work in Brazil. And, finally, the orientation of general issues of Brazilian legislation will be welcome, which in many senses is presented with specific details and nuances. Brazil already has many law firms specializing in this type of guidance. FAVOURABLE.

In the context exposed above, it can be considered that the company *Cerveceria 100 Montaditos* presents in its Strategic Mapping a very FAVORABLE situation in practically all aspects considered in the analysis undertaken.

RESULT OF THE ANALYSIS *FIVE FORCES OF PORTER* AND *SWOT* OF THE COMPANY

In accordance with the theoretical model of the *Five Market Forces* developed by Porter (1989), the variables that act in competition and in the context of the strategic determination of the present study are presented as follows:

i. ***Suppliers' Bargaining Power* – The** company already has a wide network of suppliers in Spain and in franchised countries in recent years. The suppliers of raw material for this type of restaurant are common to other chains already installed in Brazil; Thus, there are no problems either in relation to the supply or even in relation to the quality of the raw material. It is worth mentioning that there are many suppliers that compete fiercely in this business segment, so it is possible to assess that raw material suppliers do not have great negotiating power;
ii. ***Customers' negotiating power* –** The company's end customers eat away from home, they are notably concentrated among young people who want low cost, high quality and some amenities, such as: fast service, variety of options, quality of products, proximity to the location of the restaurant and pleasant atmosphere. This market is already consolidated and mature in the country's large urban centers, in cities with populations above 200 thousand inhabitants. Thus, the location of the stores can be in places with a large movement of people on foot or in shopping centers, in the Food Courts. Customers have high negotiating power

since there are many options in this type of restaurant, with brands already consolidated in the Brazilian market, such as: *Mc Donald's, Habib's, Giraffas* and others. In this way, the consumer's power of choice gives him a high negotiating power;

iii. ***Threat of Substitute Products*** - There are many optional substitute products for fast and cheap food in Brazil's shopping centers and in the main places of influx of people, with brands already consolidated in the global and local market. This threat is quite relevant for the Spanish company *Cerveceria 100 Montaditos* due to some characteristics: it is a totally unknown brand; the name does not identify it with the products and services that offer a menu adapted to the Spanish culture with quick snacks called *Tapas* or *Montaditos.* This issue is understood as a very relevant threat to the company's installation in Brazil, a situation that requires more in-depth studies in the redefinition of the menu and the Name/Brand, so that it can compete in Brazil on equal terms with the already consolidated brands;

iv. ***Threat of New Entrants*** – There is an extensive number of new entrants in the fast food market, with self-service and low prices, especially global brands that usually arrive through Brazilian investors. The barrier to entry for this type of business is non-existent or quite low;

v. ***Rivalry between Competitors*** - There is effectively great rivalry between competitors in this business segment, with consolidated global brands, with low prices, good quality and fast and efficient service in very comfortable environments. This aspect presents itself as a problem that will be permanently faced by the company. However, these characteristics are also present in the Spanish market and in practically all the countries where the company is installed.

Porter*'s Five Forces Analysis* can be summarized as shown in Chart 2:

Chart 2 - Strengths, Weaknesses, Threats and Opportunities detected in the company

STRENGTHS	**WEAKNESSES**
Quality of products	Unknown brand in the Brazilian market
Experience in Internationalization	Menu not adapted to the culture of Brazil
Management of more than 500 restaurants	Need to search for suitable commercial points
Franchise experience	
OPPORTUNITIES	**THREATS**
Global brand growth	Many competitors already installed
Robust size of the Brazilian market	Competitor brands already consolidated
Consolidation of the brand in Brazil	Ease of new entrants to the market

Source: Prepared by the authors

Thus, the situation exposed should not be an impediment, but a permanent level of attention, even considering that the group of which the company is a part, in 16 years, has become a leader in the segment in Spain, even with fierce competition.

CONCLUSION

The company's internationalization process began in 2001 and over the years the company has been acquiring experience to face the difficulties that are interposed in global expansion. In this way, the company has not only consolidated itself as a leader in the Spanish market, but is also on the rise in Europe and in different Latin American countries.

The experience accumulated with the management of more than 600 restaurants becomes, without a doubt, a robust facilitating agent for the internationalization process and its insertion in the Brazilian market. The company's expertise in the relationship process with franchisees is also very noteworthy, as they become strategic partners in this global growth process.

In this scenario, new opportunities are viable for the company in the Brazilian market, which has a large consumer market, a population of more than 200 million inhabitants and many cities with potential for the type of fast food business, with quality and low prices. The consolidation of *the Cerveceria 100 Montaditos* brand in the Brazilian market represents a very relevant strategic step for a company that focuses on the global market and has an appetite for growth, with very ambitious goals such as reaching 1,000 restaurants in 2019.

Still in relation to the facilitating factors, it can be identified that the Brazilian market already has a basic infrastructure, with an abundant supply of labor, qualified entrepreneurs to become franchisees of the company and a banking network with credit offer for this type of enterprise.

Regarding possible restrictive factors, it is possible to identify that the company's main global competitors are already installed in Brazil and have a very aggressive performance in the market. In addition to the relevant competitive aspects that it will face in the market not only of global brands, but also of national competitors already installed in the country and of new local and global entrants, there is also the need to adapt the name of the enterprise and its menu to the culture and needs of Brazil.

It can be inferred from the strategic analysis that the *Restalia* group, owner of *the Cerveceria 100 Montaditos* brand, has a structure focused on internationalization through the franchise system and, even though it is a relatively recent company, it is already successful in its home market, but its internationalization has not yet reached a significant maturity, because, even though it is already present in Latin America, has not yet settled in Brazil, considered a very promising market in the food and beverage sector.

The Cerveceria 100 Montaditos *restaurant model*, through the concept of self-service, with a wide variety of small snacks sold at low prices, presents itself as something of potential success to be installed in Brazil, notably in large cities such as: São Paulo, Rio de Janeiro, Curitiba, Belo Horizonte, and also cities in the interior of the State of São Paulo with more than 200,000 inhabitants.

In an eventual installation in Brazil, the restaurant environment and the ordering system may be maintained, with priority given to places with a high flow of people on foot and *shopping malls*. It should be noted, however, that the available menu is very focused on the eating habits of Spain and needs to be adjusted to the Brazilian reality, with modification not only in the snacks offered, but also in their size, since in origin they are very small, almost like a *tapa*, a typical appetizer of the country. As an additional suggestion, the change in the name, in such a way that the new designation presents an identification with the Brazilian reality.

From the considerations made, it is possible to see in the internationalization of *the Cerveceria 100 Montaditos restaurant* in Brazil a great business opportunity, either because of the experience of the *Restalia* group in other international franchisees and is focused on growth through this system, or because Brazil has already consolidated legislation for the franchise system.

As a restriction to be considered in this work is the fact that it is exploratory and strictly related to strategic factors, thus, without delving into operational issues and economic feasibility of implementation. As this is only a simulative study, it is also noteworthy that no type of interview, preliminary consultation or prior contact with the company was made to verify any interest in operating in the Brazilian market.

In view of the above, it is noted that the main purpose of this study is to offer subsidies so that new complementary lines of research can be undertaken in the sense of detailing the recommended internationalization/insertion, such as the elaboration of a Market Plan and a Logistics Plan, since the exposed business model presents attractive characteristics, sensibly applicable to the Brazilian reality. Finally, it should be considered that there is no evidence, by the Pestel*, Porter's Five Forces* and *Swot* analyses previously made, any type of restriction or limiting factor, whether financial, human or physical for the internationalization/insertion of the *Restalia group*, via *Cerveceria 100 Montaditos,* in Brazil.

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