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How do Companies Adapt to Cultural Factors to Gain Legitimacy in International Markets?

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Abstract The internationalization process entails challenges, and companies need to identify the best manner to reach social support and legitimacy in the host countries. Among the main challenges, cultural differences between the home and foreign country should be highlighted. Since legitimacy is achieved through consistent corporate behavior aligned with social norms and values, enterprises must identify and adapt to these cultural differences to succeed in the expansion process. Therefore, the main objective of this research is to identify the most critical barriers in the internationalization process as well as to provide solutions and guidelines for future enterprises that want to follow an international approach.

Keywords Legitimacy · Institutional Context · Cultural Values · Internationalization

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The increase in global competition has motivated many enterprises to establish part of their economic activity in diverse markets. This decision involves important challenges for companies since entering a foreign market with a different culture can be complex. Initially, these organizations may face relevant costs associated with the lack of experience in the new location, as well as the constant monitoring and questioning by the local community (Yin et al., 2013). Under this scenario, enterprises must align their behavior with the norms and values of the new location to receive social support. This social support will grant legitimacy to these organizations, which will represent a great advantage for their success in the internationalization process (Plaza-Casado et al., 2024; Rivero-Gutiérrez et al., 2024), since this social acceptance of the company's economic activity is essential (Suchman, 1995). The company's ability to achieve legitimacy will determine its possibilities of survival and high performance in the new market or, on the contrary, its disappearance in a short period of time (Deephouse, 2016; Kostova & Zaheer, 1999).

Legitimacy is considered a critical resource for organizations' survival and success (Plaza-Casado et al., 2024; Suddaby et al., 2016). Enterprises with high legitimacy levels will receive stakeholders' support, better access to critical resources, and more freedom to develop their activities (Deephouse, 2016; Glozer et al., 2019; Zamparini & Lurati, 2017). Organizations acquire legitimacy when their behavior and actions are consistent with society's cultural values and norms of rules. Therefore, companies entering new markets need to first understand the cultural context of the new environment and then adapt to develop the correct actions and strategies to gain legitimacy and receive support from the local community. Once legitimacy is achieved, organizations must manage it to maintain it in the medium and long-term (Díez-Martín et al., 2021).

Every company seeks its long-term survival, which reinforces the need to constantly adapt to changing environments (Suddaby et al., 2016). For example, at the end of the last century, the environment, ecology, or being "green" was not as important as it is today. The changing trends present in every cultural context must be monitored and understood for companies to adapt to social values and demands. Organizations that are able to satisfy and create value through the consistency of their behavior with society's values will maintain their legitimacy level and succeed in the market (Del-Castillo-Feito et al., 2022). On the other hand, if an enterprise loses part of its legitimacy, it must make a deep effort to recover it if it expects to continue its economic activity (Schembera & Scherer, 2014).

The internationalization process is complex and requires time to ensure the inclusion of the company in the new market (Buckley, 2015; Casillas & Acedo, 2012). Either if the company expects to export products or is exploring the possibility of establishing a subsidiary, the social acceptance of the local community would be critical for the company's arrival in the new market (Buckley, 2015). In today´s global context, internationalization provides important opportunities for the development and growth of the business; therefore, organizations must gain legitimacy in the new environment to survive and perform its activity with success (Marschlich & Ingenhoff, 2022).

Existing cultural barriers will determine acceptance in the new market (Shenkar, 2001; Stenholm et al., 2013). Aspects such as language, religion, customs, values or even the ways to understand a business are examples of the possible cultural differences between the home and foreign country (Okoro, 2012; Tenzer & Pudelko, 2017). The ability of the international company to adapt to these barriers will determine its legitimacy (Suddaby et al., 2016). In fact, the enterprise must understand the cultural differences in the new location to adapt its behavior and activity since it will be critical to develop its business and achieve a positive performance in the new market (Adamczyk, 2017).

The main purpose of this research is: first, to analyze the importance of legitimacy for international companies; second, to identify the most influential cultural differences for the adaptation process in a new market; and third, to propose strategies to help companies overcome the described barriers for the internationalization process. To pursue this objective, several interviews with CEOs and executive directors of Spanish multinational companies will be conducted. The achieved results will offer guidance for those companies that are about to begin their internationalization process since they will have a better knowledge about the main challenges that they will face along the process.

The paper is divided into two sections. The first one analyses organizational legitimacy, focusing on its concept and definition as well as on its management. In addition, it briefly analyzes the internationalization process and examines the importance of legitimacy in business internationalization. In this sense, cultural barriers are analyzed, offering different strategies to adapt to each of them. The second section consists of the empirical part where an analysis of fifteen interviews with managers of Spanish multinational companies is carried out. In these interviews, several questions regarding the internationalization process, cultural differences, how to adapt to them, as well as about the Spanish and European brands were asked. Finally, the conclusions of the research are presented, developing recommendations regarding the internationalization process.

Organizational Legitimacy as a Competitive Advantage to Overcome Cultural Barriers

When an organization begins developing its business, it needs social support to become successful. Legitimacy is understood as the acceptance sought by an organization for the consistency between its activities and results with the prevailing values and norms in society (Susith & Stewart, 2014). Thus, legitimacy depends on the efforts to adapt within the organization's internal and external environments (Deephouse & Suchman, 2008). On the one hand, achieving internal legitimacy is crucial for enterprises since employees´ performance and engagement will be better (Blanco-González et al., 2020). On the other hand, the perception that society has is essential, not only at an explicit level due to compliance with laws, environmental standards, etc, but also at an implicit level, since the image that the organization projects indirectly on individuals is critical (Haack & Sieweke, 2020).

Legitimacy determines individuals' attitude toward the organization as well as how they understand it (Díez-Martín et al., 2020). Bitektine and Haack (2015) state that when legitimacy is achieved, a feeling of trust is born in the social context. Thus, a cultural congruence appears that facilitates the rational explanation of what the organization does and why (Bitektine & Haack, 2015). However, building legitimacy would be nonsense if it is not possible to maintain it over time (Dacin et al., 2006). Since one of the main purposes for organizations is persistence over time, enterprises try to maintain legitimacy by making changes in the organization to adapt to variations in the environment (Roy et al., 2016). When an organization seeks legitimacy, it must communicate the value that it is adding to society. Sometimes, if legitimacy assessments are positive, they will grant the organization with enough social support to be accepted by the community and be able to continue with its economic activity (Sonpar et al., 2010).

In the end, legitimacy is based on meeting expectations, corresponding to individual value judgments (Rivero-Gutiérrez et al., 2024). The world is currently made up of around two hundred countries, all of them with their own political and geographical characteristics, with their own laws and trade regulations. All this makes the work of multinational organizations increasingly difficult, which will have to rely on the presence of leaders and managers who are aware of all these differences (Yang et al., 2012).

The problem regarding cultural differences when trying to gain legitimacy arises when one partner tries to impose its own culture on a different society with a different cultural context (Okoro, 2012). A clear example is the difference in doing business between the United States and Asian countries (Shenkar, 2001). While the former relies on people's actions and future attitudes to make business decisions, the latter place a great deal of trust in their god, encountering a major culture clash when it comes to making joint business decisions (Ozanne & Saatcioglu, 2008). Traditionally, institutional theory has focused on seeking an explanation for organizational behavior based on a society's norms, rules, and ideology (Barley & Tolbert, 1997). However, in recent years, the so-called neo-institutionalism has focused on understanding how organizations can influence and change the institutions that surround them (Lawrence & Leca, 2009).

Under these circumstances, several questions arise: how are new organizational forms created and legitimized? Who has the power to legitimize a new business form? Hoffman (2001) determined that the pillars of an institution are divided into three groups (Hoffman, 2001). First, the regulative pillar refers to the laws and norms that shape future behavior according to whether punishments or rewards are applied based on nonconformity or conformity in the environment surrounding the institution. Second, the normative pillar encompasses all the unwritten values and norms that shape the institution's behavior. Third, the cultural pillar, which constitutes the company's internal interpretation of the culture that exists externally, through beliefs, ideologies, thoughts, etc. (Adler, 1980). All these constituent elements of the institutions shape the performance of the company, determining the legitimacy level of the strategies adopted in each country (Barley & Tolbert, 1997). As a result, the research makes clear the direct and bidirectional relationship between institutional forces and business activity, which can be conditioned by the surrounding environment.

In the field of internationalization, the theory of institutionalization and neo-institutionalism are even more relevant (Barley & Tolbert, 1997). When a company faces a process of expansion to another country, it is exposed to a situation where part of the learning acquired changes completely, resulting in changes in managers' decisions. The selection process of the foreign country is key, as well as the entry strategies to be followed by the entity (Brouthers & Hennart, 2007). In this context, Yang et al. (2012) state that it is crucial for an internationalizing firm to develop strategies to cope with existing institutions in the host country to gain social acceptance, and a result achieving legitimacy.

In this development of entry strategies, McKague (2011) addresses the concept of dynamic capabilities, a term based on the firm's own resources. The author himself defines them as "*resources to which an organization has access, either by direct ownership or through its network of relationships, and which it can draw on to perform a particular task or meet its objectives*" (McKague, 2011). These dynamic capabilities seek to achieve changes in the environment with long-term perspectives. Therefore, one of the determining capabilities according to McKague (2011) are political actions, whereby the company must establish contacts with the government of the host country to ensure the support of the rulers and secure their acceptance. Another dynamic capability highlighted by the author would be to conduct a reconfiguration of beliefs within the company itself. When an organization undertakes the internationalization process, it should never impose its beliefs and ways of acting on the host country society. In addition, it also highlights the opportunities that exist when engaging with other private sector institutions. Given its previous experience with the society, the internationalized company can learn not only from the ways of proceeding of the national company, but also from the prevailing culture (Okoro, 2012).

It has been shown in studies of the field that there is a direct relationship between the success in the internationalization process of a company and the legitimacy level that it obtains in the host country, as well as its ability to overcome cultural barriers (Stenholm et al., 2013). Therefore, a dependency relationship is observed between legitimacy, business internationalization, and cultural barriers. Consequently, any entity that decides to undertake the internationalization process should address the joint study of these variables. First, when the company expands to another country with a completely different culture, achieving legitimacy will make the difference between the survival or disappearance of the company. Second, to achieve social acceptance, the company must address the existing cultural barriers, i.e., all those differences between the national and foreign society will condition the correct development of the business activity. Consequently, it is essential to perform an investigation of all the existing barriers to subsequently develop and implement the necessary strategies to achieve a good reception in the host country.

Sample And Methodology

The dependency relationships between different markets highlight the need for a joint study of the business internationalization process and cultural barriers (Roy et al., 2016). The process by which firms recognize and adapt to cultural barriers becomes of prominent interest when trying to achieve legitimacy and, thus, establish a lasting activity in the host country (Feldberga & Grike, 2015). Although it is a topic of growing interest in society, the reality is that empirical studies are not too numerous (Lvina et al., 2019; Mendy & Rahman, 2018; Stahl & Tung, 2015). It is true that there is theory regarding business internationalization, institutional theory, detecting and developing strategies to adapt to cultural barriers, etc, but practical evidence of all the theories is relatively scarce. This study aims to facilitate an approach to reality to verify the application of theory in a practical way, creating new alternatives and paths for the analysis of cultural barriers in the field of business internationalization.

Information gathering

The research follows a qualitative methodology through the development of semi-structured interviews with 15 B2B manufacturing companies with an important international approach and belonging to the Club of Exporters and Investors of Spain, as the main reference in terms of internationalization, both for companies and for public administration.

As Table 1 shows, the interviewees were selected according to the activity of the firm and their position and international experience, since the primary objective is to understand how these organizations detect and deal with cultural barriers, all with the aim of fostering organizational legitimacy in international markets. The interviews were conducted with the collaboration of CEOs, export managers, purchasing managers or business development managers, and private sector figures with an overly broad knowledge of the strategies, decisions and issues that arise on a day-to-day basis. The information extracted from the interviews can be summarized in the following points:

- Internationalization strategies adopted by their companies.

- Specific aspects of the internationalization process, such as local partners, reputational issues, or cultural differences.
- Skills acquired from experience in international markets and how to adapt to cultural barriers.

The interviews were conducted online between the association and each professional. With prior authorization, they were guaranteed absolute anonymity to obtain the most accurate and concise information possible. These interviews were conducted between March and June 2021. The fieldwork comprises 15 interviews previously prepared with a script that helped guide the conversation without influencing the findings. Table 1 summarizes the essential information of the entities by providing a brief description of their economic activities, the interviewee's experience in the position, and the position of the persons contacted.

Table 1

Description of the companies

	Activity	Experience	Position
1	Engineering services	40 years	Purchasing Manager
2	Engineering services	20 years	CEO
3	Manufacture of equipment and hand tools for industrial use	28 years	CEO
4	Operations management and consultancy	3 years	COO
5	Engineering services	11 years	Business Development Manager
6	Management of the infrastructure projects	12 years	CEO
7	Engineering services	19 years	COO
8	Operations management and consultancy	40 years	CEO
9	Engineering services	5 years	Business Development Manager
10	Tank and container manufacturers	8 years	Internationalization Manager
11	Paint and coating manufacturing	13 years	Quality and internationalization manager
12	Pharmaceutical	15 years	CEO
13	Beverages and other products for consumption	15 years	Internationalization Manager
14	Engineering services	35 years	Market Intelligence Manager
15	Technology consulting operations and digital transformation	34 years	COO

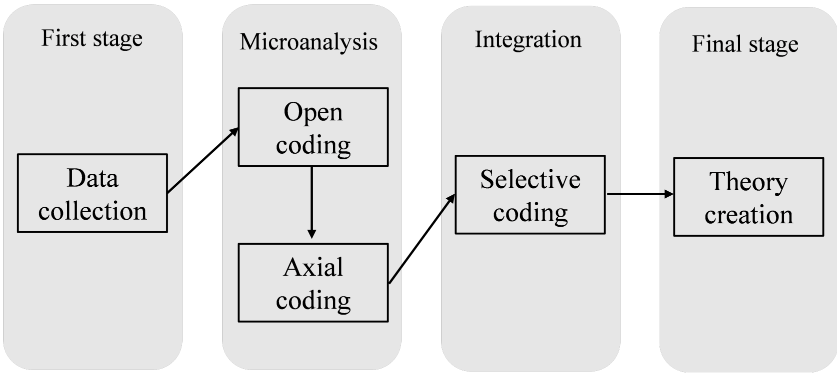
CEO: Chief Executive Officer; COO: Chief Operating Officer
Source: Own elaboration.

Data Analysis

The Grounded Theory approach, suggested by Glaser, was used due to the large amount of data collected and because it encourages the creativity of researchers in the analysis of results, through manual coding of results (Johnson, 2015). Two different researchers participated in the coding process. The data collected in the interviews with the experts in the first step were transformed into information through an iterative coding process with three steps: open, axial and selective coding (Creswell, 2014) (see Figure 1). This sequential approach is aimed at fostering creativity to provide new alternatives to the analysis of the topic. The qualitative data were first subjected to open coding to reduce the information to the essentials. These codes were then organized through axial coding to observe links and data patterns. Finally, selective coding was used to identify the relationships between the elements defined through axial coding. The findings were discussed and shared among the four researchers who participated in this project (Preikschas et al., 2017) and were only included when there was consensus on their interpretation. This is done to reduce any distortions that may exist in the context of the research and to provide greater credibility to the findings.

Figure 1

Analysis and coding process



Source: Own elaboration.

Specifically, from the data collected in the interviews, the part related to cultural differences has been analyzed, indicating which of these have been identified by the interviewees, what their importance has been in the internationalization process, as well as the strategies used by the companies for their adaptation process. First, a summary of how the companies have approached the internationalization process has been presented, followed by an introduction to the cultural differences they have encountered. Some of these differences will be language, values and customs, or the political context and relations with the Public Administration. Throughout the analysis, the interviewees will provide concrete examples to illustrate the theory. Finally, and as an aspect that has been considered related to the way of adapting to cultural differences, the Spanish and European brands will be addressed, with the aim of studying whether one facilitates more than the other the process of legitimization and helps in the adaptation to cultural barriers.

Results

When a company enters an internationalization process, it faces the challenge of gaining legitimacy in the host country. In this regard, all the interviewees stated that it is essential to adapt the company to the corporate culture in the new country. The 15 interviewees pointed to a change in trend with respect to the past. Whereas at the end of the 20th century, organizations tried to impose their culture and way of working on the new culture, today it is the foreign company that must learn and adapt to the new society. Specifically, CEO #4 expresses that "*to be successful in the foreign market, the international company must become local*". This statement, in one way or another, can be extracted from every interview.

In line with this argument, all interviewees differentiated procedures for achieving a good degree of local relationships. The basic strategy mentioned is the contact and collaboration with a local partner. CEO #3 stated that the relationship with local partners is a basic strategy in internationalization. It mainly helps the foreigner to understand the market to which he wants to expand, offering vital information about who could be potential customers, who pays more, who pays less, which customer is interested in a quality product, even if it is more expensive, or which customer is looking for a product that fulfills the same functions for a lower price. The business development manager #9 analyzed this strategy in two ways. On the one hand, he is a local partner who helps to understand the market and the culture; and on the other hand, he is also their semi-finished product distributor, who not only takes care of manufacturing the final product and, thus, avoiding its deterioration during transport, but also knows the company in which he works, taking care of all the logistics.

Another strategy mentioned in eight of the interviews is the acquisition of small companies that serve as a direct entry into the new market, or the establishment of an own subsidiary by hiring local workers. In the first case, the acquisition of a small company in the foreign market that already performs the same activity has many advantages (internationalization manager #13). These include knowledge of the company, which helps to adapt to cultural barriers, knowledge of the customer and knowledge of different distributors. In the second case, the establishment of a subsidiary would be the second step in the internationalization process, always after having the collaboration of a local partner. CEO #2 commented that the existence of its permanent office in the Philippines not only facilitates all negotiations within the country itself but also makes it possible to accelerate the negotiation processes in other nearby countries. In the end, cultural barriers will influence the strategy that the company ultimately chooses to enter the new environment. The 15 interviewees categorically stated that it is vital to adapt to the culture of the host country to gain legitimacy, hence the importance of the local partner.

Although the interviewees referred to language as the main barrier to overcome, only those operating in Asia or Africa considered it to be a major factor. The 12 companies interviewed that offer their services in Latin America do not consider language as a barrier. The companies operating in Europe simply mention that, to overcome the language barrier, they proceed to hire personnel who are fluent in German, French, English, or even Eastern European languages such as Polish or Romanian. Although it is true that the internationalization manager #10 highlights the difficulties they had in expanding to France since they could not find a person with the necessary technical qualifications and at the same time with a very good language level. In the case of the companies operating in North America, they also had no difficulty with the language.

However, the reality is quite different when companies operate in Asia or Africa. Although English is a commonly spoken language and French is quite widespread in Africa, there are countries that prioritize knowledge of their language as a requirement for fruitful negotiations. More specifically, according to three of the interviewees (#13, #4 and #5), Middle Eastern countries such as the United Arab Emirates, Oman and Saudi Arabia require the presence of a translator or a foreign company employee who understands Arabic. For example, the COO #4 determined that language is a barrier that must always be considered in Arab countries, in addition to a sensitivity that allows them to be able to grasp the different nuances in the way of behavior of the people they are going to visit.

The above appreciation leads to the next two cultural barriers: customs and values. These are possibly the two most complex barriers to adapt to, since they are not written, but internalized in the society itself. Consequently, the sensitivity referred to by one of the interviewees must be a basic characteristic of the people who make up the company's international team. Specifically, CEO #3 offers a clear example of business in Arab countries. This society values personal relationships, so the object of a meeting should not be directly the negotiation. They would be interpreting that the only objective is the economic activity itself, leaving aside a pleasant and relaxed conversation. Therefore, the international team should not only be informed about the cultural characteristics of the host country but also have the emotional intelligence to analyze the impact that their presence will have on the potential international client.

The business development manager #5 explained that when conducting international business in Africa, it is necessary to consider the colonial history of the countries, arguing that the more traumatic the independence, the worse the relations with the former colonial power. He gives the example of Angola, a former Portuguese colony with which he maintains fruitful commercial relations, unlike the African country with Portugal. In line with this argument, COO #7 also refers to this colonial legacy as a determining factor in the values of a society. In this case, reference is made to Latin Americans and Africans as people who are going to go ahead with “yes” to any project, given that they are societies that need to develop, and the entry of international companies is ideal for this purpose. Thus, both the interviewee and the COO #15 say that the process of gaining legitimacy is a long one, based on making many trips to create a climate of trust, as well as building a network of contacts to make the company known.

The business development manager #9 offers a strategy to get to know the values of the company that operates in the country to which they are expanding. When they start the internationalization process and get local partners, they offer them training both in their own country and at the parent company in Spain. This procedure brings with it two benefits. On the one hand, a direct and very personal relationship is established with the partner in the host country by showing them the company from the inside. On the other hand, this more personal relationship allows the Spanish company to investigate and learn about the local society to be more prepared for the negotiations with the final client. This same manager makes a small clarification referring to Africa, indicating that, in general, they tend to value the contact, the presence, the possibility of responding to a problem on a Saturday or Sunday, among other things. These are facts that reinforce trust, and at the same time, they appreciate the values of the Spanish company based on this closeness and concern.

Being environmentally responsible and fighting climate change, as well as developing any project that helps those in need, are values that are increasingly present in all societies. In this regard, #1, #8 and #13 exemplify how small actions can greatly enhance the legitimacy level. Company #1 gives the example of an action they carried out in one of their projects when they were commissioned to build a bridge over a river. In this case, the river was polluted and had a huge number of plastics in it, so, as part of the project, they offered to clean up the river, providing what their purchasing manager calls "*regenerative solutions*". The COO #7 speaks of its irrigation projects and facilities related to the primary sector, contributing to local development, actions that immediately gain the support of society. The same example is offered for the Dominican Republic and Haiti, where they have carried out projects for sanitation and water supply, actions that are viewed with great appreciation by the inhabitants of these countries. Finally, CEO #12 explains the social project they have in Colombia. Their delegation has a procedure through which they take in Venezuelans who have fled their country and provide them with various forms of assistance.

The way of understanding business is another significant cultural difference in international negotiations. Regarding this concept, CEOs #2 and #3 highlight three very representative examples. In the first case, reference is made to the Dutch, who are defined as very direct people, so that beating around the bush in the negotiation process can be seen as a lack of honesty. In the second case, the Japanese, who are usually referred to in the complete opposite way. If they are spoken to in a very clear and direct way, only dealing with the business, they may feel rejection, a feeling that would truncate trust and, consequently, the negotiation. Third and finally, the interviewee offers a twofold example. The local partner they have in Kenya is in a region bordering Somalia, a country with an Arab culture and language. That is, they are ethnically distinct from Kenyans, so they are characterized by the Arab way of doing business, which means they are more prone to continuous and more willing negotiation. Otherwise, if the partner were African, the CEO assures that the business would not be so "easy".

Complying with these values and leaving a good impression is essential today because of the so-called "word of mouth". In four of the interviews, reference is made to this mode of communication, which consists of the fact that a local client talks to other partners, both within the country and in neighboring countries. In this way, excellent references are given for Spanish companies. CEO #8 exemplifies this "word of mouth". On his first visit to the businessmen with whom he was going to collaborate in Peru, he was pleasantly surprised by the treatment he was receiving from the beginning, which was very close considering that he had not had any previous contact. A few weeks after working with the Peruvian businessmen, they were the ones who told him if he had been surprised by the good treatment they had given him from the first day. The explanation they offered was that their Costa Rican partners had already informed them of the Spanish way of proceeding to achieve more fruitful negotiations. In a similar way, the COO #15 explained the facilities provided by having projects in Morocco and then being able to access other countries in French-speaking sub-Saharan Africa, all of which are partners or clients of the Moroccan company.

Within additional cultural differences, the political context and relations with the public administration play an important role in the road to legitimacy. In the 15 interviews, contact with the authorities was mentioned. 100% of the interviewees affirmed that at least moderate relations would favor the legitimization process, but they would not mean the closing or not of the deal with the client, if the client is not the government of the country. CEO #12 emphasizes that not in all cases do they contact the Administration and, if they must do so, they use their local partner as a channel, since they will always receive a better reception than if the foreign company were to do so individually, a statement corroborated by CEO #3. A Completely different situation is the case of #5 and #6, whose business development manager and CEO state the imperative need for good relations with the Administration given that, for example, in Angola, their main client is the Ministry of Agriculture. From another perspective, the COO #15, when asked about his company's relations with the Administration, uses the example of projects they have developed in Peru. He assures that they must always go hand in hand with a local partner because, when it is a foreign company, the Government is quite willing to leave the organization aside when a problem arises.

The political context also plays a role in achieving good relations with the host country, as explained by COO #7. To sell a project to Côte d'Ivoire, a change of government occurred in the middle of the negotiation process. Consequently, until the appointment of the new government, the entire negotiation process could not be restarted. In other words, every trip to this country was paralyzed until the situation was regularized.

One aspect mentioned in some interviews as a determining factor for entering a country and gaining legitimacy in it, is the relationship with Embassies or with local commercial-economic formations, such as importers' or exporters' clubs. As mentioned at the beginning of this section, all the companies interviewed belong to the Spanish Exporters and Investors Club, and some of them also collaborate with the Spanish Institute of Foreign Trade, which shows that this type of organization works to project the international path of companies. In fact, CEO #2 refers to the support provided by the Commercial Office of the Spanish Embassy when they have had to deal with the host country's administration. He assures that, within the public sector, the fact of going hand in hand with the same Embassy can make a big difference, especially in the initial stages of the negotiation. For her part, the business development manager of company #9 explains her collaboration with the Spanish Embassy in the host country in the first steps of the internationalization process. The Commercial Office, after learning about the company's interest, provides support and usually puts the company in contact with local partners. As a final comment on this aspect, COO #4 mentions that, in certain African countries, his company is part of the Importers' Club, which not only allows it to enter the market of the country under consideration but also opens doors to other international markets.

Another cultural difference, mentioned in only two of the interviews, is religion. CEO #8, when referring to his company's business with Arab countries, comments that negotiations are much more complicated than with Latin America, for example. He assures that the values, the language, as well as the religion, require a prior knowledge of the country that is strictly necessary. The internationalization manager #13 illustrates the importance of religion with a real case that happened to his company. During one of his exports to Algeria, he received a sudden call from the importer notifying him that the cargo had been blocked at the port because of a complaint to the country's Ministry of Religion. The problem was that the labels of his product had an *s*, placed horizontally, which in Arabic read as Allah. The whole unforeseen event led to the redirection of the shipment to another country and the consequent modification of all subsequent labeling for products destined for that African country.

The final topic to be addressed is the one regarding the Spanish and European brands. In the 15 interviews, the question that was asked was whether the Spanish Brand facilitates acceptance and good reception by customers and local society, or if, on the contrary, the European brand really opens more doors. Significantly, 13 of those interviewed said that the Spanish Brand helps in international business, but with several nuances. The first is the sector to which the company is dedicated, since it is not the same for companies dedicated to consulting or pharmaceuticals, which do claim to use the prestige of the Spanish Brand. However, other companies dedicated to engineering services find greater competition with other Brands such as the German or American. Similarly, the degree of development of the country also influences the use of the Spanish or European Brand. Companies #4, #9, and #11 stated that the Spanish Brand is very well received in developing countries, mainly in Africa or Asia. On the contrary, when it comes to developed countries such as those located in North America or Northern Europe, the reception is not very positive.

An additional aspect highlighted in the interviews on this issue is related to the technical and financial factors. Companies #7 and #15 state that they have noticed a clear difference between the good reception of the Spanish Brand when the project is offered at the technical level, while at the financial level the European Brand opens many more doors. On the other hand, only two of the companies said that Spanish Brand has not helped them. Companies #2 and #3 state that the Spanish Brand has not opened any doors for them, but the European Brand has. In addition, CEO #2 highlights the importance of the European brand to compete against Chinese entrepreneurs in international trade.

Finally, it is worth mentioning the warning given by the CEO of company #6 when asked about the Spanish Brand. "Unfortunately, being Spanish, I always say that the image of Spain abroad is infinitely superior to the image of Spain inside, that is, the Spaniards of ourselves". He assures that, apart from all the designations in terms of technical quality, product quality, technology, etc, Spain is a cultural element that, according to his experience, is already well received. He points to Russia or India as countries that can offer great services and their companies can be great rivals, but the gastronomy, the climate, all those attributes that surround Spanish society already pave the way for international business. For this reason, he explains, he is pleased to see this pride in Spain in other parts of the world and, nevertheless, it saddens him that when arriving in Spain this feeling is decimated, among other reasons for political, historical comments, etc. With all this analysis, we can confirm that the Spanish Brand does favor adaptation to cultural differences and, equally, facilitates international business.

Implications

Theoretical implications

In today's environment, many organizations need to enter new markets to grow and expand their business. Nevertheless, the internationalization process also entails important challenges related to the initial lack of support from the local communities (Yin et al., 2013) as well as the poor knowledge of the new location. In fact, the lack of social support in the new market is many times related with the cultural differences between the home and the foreign/local country. International enterprises must identify the most determining cultural barriers to adapt to them and achieve legitimacy in the new environment. Without legitimacy, these organizations will not have local support, and thus, the internationalization process will not succeed (Del-Castillo-Feito et al., 2021; Rivero-Gutiérrez et al., 2024).

Under these circumstances, the aim of this research was to empirically demonstrate the importance of gaining legitimacy for achieving a successful acceptance in a new location, as well as to identify the most important challenges to overcome entry barriers within the internationalization process. Through the analysis of the developed interviews, several conclusions were identified. First, the responses of the CEO´s proved the relevance that legitimacy has for the success and survival of an international company entering a new market, which was already supported by authors such as Bitektine (2015), Deephouse (2008), and Suchman (2011) whose research summarized the relevance and benefits that legitimacy holds in every scenario. In addition, other papers such as Jiang et al. (2022), Rivero-Gutierrez et al. (2023), Plaza-Casado et al. (2024) or Zhang et al. (2022) reached similar conclusions highlighting the relevance of legitimacy to achieve a successful internationalization process since local support is critical. Second, the interviewees also confirmed that cultural barriers are one of the main challenges in the internationalization process, highlighting the importance of taking them into consideration and adapting to them in the aim of being accepted in the new location.

These implications were also supported by other authors such as Canadian et al. (2021), who demonstrated how cultural values determined the level of acceptance of certain enterprises in new environments.

Based on these arguments, enterprises need to understand that entering an internationalization process without considering the challenges related to cultural barriers would be completely naïve. Since legitimacy is obtained when society (in this case the local communities) perceives the organization as appropriate within their social system based on their cultural values and beliefs, it is essential to identify these cultural aspects and try to adapt to them.

For this purpose, it is essential for the foreign company to have good corporate diplomacy to help it achieve business success (Fitzpatrick et al., 2020). As shown in the achieved results, any company embarking on the path of internationalization should analyze in depth the existing cultural differences. Among the benefits of adapting to these differences are the faster start-up of economic activity; the good reputation that goes hand in hand with the achievement of legitimacy; the ability to undertake new projects in the host country; and the knowledge of new cultures that will facilitate entry into other target countries.

Managerial implications

Each country has its own characteristics, and therefore, it is completely different to negotiate with Algerian, Canadian or Japanese businessmen, for example. In this sense, the analysis of the values and customs of the host country, as stated by the interviewees, must be part of the internationalization process.

Companies need to understand that if they expect to offer their product abroad, it is crucial to analyze the target society by observing and examining its behaviors. These behaviors can be understood as unwritten rules that are part of the host country´s traditions.

Based on these arguments, through this research, several guidelines could be defined for managers aiming to expand internationally. As shown in the result discussion within the main cultural barriers, the interviewees highlighted that language, the basis of communication, should be the first cultural barrier to overcome; therefore, one of the first initiatives should be to hire translators or native workers. These employees should also have the capability and sensitivity to adapt and understand a new culture. Since the success of the internationalization process is highly linked with the employees' capacity to adapt to the new environment, the interest and knowledge of the local characteristics would be a relevant skill demanded when hiring the parent company´s employees.

Another relevant issue when expanding abroad is the host country´s values, which in some cases play a significant role even in the negotiation procedures. In fact, in some Arab countries, it is frowned upon for women entrepreneurs to negotiate with male executives. Under this situation, a recommendation for the international company would be to consider whether the internationalization manager should delegate the negotiations to a male colleague from her company. However, in this sense, companies should consider that this controversial situation would not be generally applied when negotiating with other countries such as the ones in Latin America.

The way of understanding business in each country is another essential cultural barrier. In the Netherlands, for example, negotiations are more fruitful when they are direct and to the point, while in Arab countries, the interest of the foreign company in the personal sphere is valued. Japan, with a completely different approach to business, values silence and having time to analyze the project on offer. In this sense, it is important for international companies to have a deep knowledge about the manner in which businesses are conceived in order to be able to adapt to each situation.

As demonstrated through this research, cultural differences are an important challenge when entering a new country; therefore, companies should identify the most suitable entry strategy to succeed. Company managers must evaluate which strategy will be the most convenient, considering different aspects (host country´s culture, values, language, complexity etc) and decide either to enter directly into the new market through a subsidiary or to use the acquisition of an existing local company. What has been proven by the empirical analysis is that establishing contact with a local partner is a strategy used by all companies, so it is recommended that those who want to follow the path of internationalization seek a potential partner in the foreign country. Approaching a local partner not only facilitates the commercial entry but also allows the expanding company to get to know the culture of the new country.

Additional barriers to the cultural issue have also been identified in this research. In fact, the environmental impact that the new enterprise can have on the host country is an important factor for the local communities. Therefore, it is important for international companies to consider their environmental impact on the host country in the negotiation process. The corporation's legitimacy in the new country will be higher when the local community perceives not only an economic interest in their country but also the possibility of being socially responsible while doing business in the new location.

Receiving support from the host community is a key element for achieving legitimacy. In this sense, an atmosphere of trust between the two involved parties is important. Relationships with native businesspeople take hold over time, with travel being necessary both to foster face-to-face negotiations and ongoing contact to show interest and concern for each other. If a company wants to establish a commercial background in the host country, it is not only important to start up the first project, but also to keep that project alive and try to move forward with others. This is one of the main benefits of adapting to cultural differences and building a trustworthy relationship.

An additional tool to overcome the challenges of internationalization identified in the interviews was the relationship with Embassies or other commercial formations. These alliances always pave the way for international negotiations. When the decision is made to start the internationalization process, this resource can make the difference between a good and easy entry into the country, versus a much more complex process. Contact with the national Embassy should be the first step, since this entity has a marketing department whose job is to put the foreign company in contact with local partners.

Finally, another highlighted aspect is that the concept of the Spanish and European Brand always opens doors. Depending on the sector and the economic activity, one or the other is better seen. In the case of financing, Europe gives a better image since it is understood that the European Union is behind and, in case of a financial problem, it will be easier to solve it. In the case of sectors such as engineering or machinery, the Spanish Brand enjoys a good reputation and recognition.

In conclusion, the internationalization process requires adaptation to the new cultural context, since it is the way to gain legitimacy and local support. The conclusions from this research will serve as guidelines for company managers who are interested in expanding their business to new markets. In fact, through the analysis of the developed interviews, we have presented the most recurrent challenges and cultural barriers and provided several strategies to overcome these issues.

Limitations and future research lines

Regarding the main limitations and future research lines, the following aspects could be considered. We understand that the development of the interviews with experts and relevant managers in international companies provides first-hand information on the internationalization process; however, the sample could be increased in the future. Moreover, this research follows a qualitative methodology; thus, in the future, a combination with quantitative measures could provide a deeper understanding. Future academics interested in expanding the knowledge within legitimacy and internationalizations could focus on how companies can develop good corporate diplomacy to achieve business success; the effect of political-economic uncertainty on organizational legitimacy; the effect of armed conflicts on internationalization operations; how companies must act in delegitimized markets; or how companies can manage their dynamic capabilities to operate in the competitive global world.

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