LITHUANIAN COMPANIES IN EMERGING MARKETS: INTERNATIONALIZATION MOTIVES AND BARRIERS

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Abstract

Companies that want to compete not only in domestic but also in the international market and continue to grow have to look to internationalization as the essence of their development. Nowadays they are increasingly looking to emerging markets, especially BRIC, for sales, profit, and product development growth. Lithuanian companies have a lot of challenges to think of the ways how to enter the foreign market and use the advantages of other emerging markets. The paper presents theoretical insights on the emerging market attractiveness factors. On the basis of qualitative survey of Lithuanian companies the emerging market's attractiveness factors that influence Lithuanian companies' internationalization motives and barriers entering the BRIC markets are investigated. The results show the predominance of external as opposed to internal barriers and pull and push motivation factors importance for Lithuanian companies engaged in the import and export activities with emerging BRIC markets.

The type of the article: *Research report.*

Keywords: *internationalization motives, barriers for internationalization, emerging markets, BRIC.*

JEL Classification: *F23, M16.*

1. Introduction

In recent years internationalization of company‘s activities has become a necessity seeking to be competitive not only in the domestic but also in the international market. With established domestic and international markets becoming increasingly saturated, companies are increasingly looking to emerging markets, especially BRIC, for sales, profit, and product development growth (London & Hart, 2004). Main factors that influence the emerging market's attractiveness are the size of the market and the amount of customers. For foreign investors, the emerging market is an opportunity to expand its market share, production and revenue. From the perspective of the emerging market, it gains the access to the new employment opportunities, transfer of skills and technology, and the source of economic growth (Singh, 2010).

Today internationalization in the emerging markets is a frequently analysed topic in the research literature. It should be noted that most research and publications address the internationalization strategy and entry modes. Analysis of theoretical and empirical studies allows to state that there is a variety of internationalization motives (Žukauskas, 2006; UNCTAD, 2006; Žičkienė, 2008; Zeng *et al.*, 2009) and barriers, that are divided to external and internal (Hutchinson *et al.*, 2009, Ojasalo & Ojasalo, 2011). Motivation for internationalization of companies from developed countries differ from the companies from emerging countries (Lasserre, 2004). Researchers agreed that the motives and barriers to internationalisation should be studied based on the situation in each country.

Despite the existing theoretical studies of internationalization issues, there is no unified attitude to internationalization motives and barriers for internationalization that influences emerging markets' attractiveness. The internationalization motives of the companies from Lithuania, as emerging country, and barriers to emerging BRIC countries are especially scarcely discussed. The research analysis revealed that the research on the internationalization motives and barriers of emerging market companies were fragmented. There is lack of such research in Lithuania. The research problem can be defined as the following questions: what are the emerging market‘s (un-attractiveness) factors that are related to the motives of companies' internationalization? What are the main internationalization barriers?

The purpose is to disclose the emerging market‘s attractiveness factors that influence Lithuanian companies' internationalization motives and barriers entering the BRIC markets.

The research is based on the systematic and comparative analysis of scientific literature and qualitative research, employing semi-structured interviews and content analysis research methods. Primary data collection was done with 34 managers from Lithuanian companies who are engaged in the international import and export activities with emerging BRIC markets or are going to do that.

The first part of the article provides rationale for the emerging markets attractiveness factors, and internationalization motives and barriers. The second part of the article provides rationale for the research methodology. The third part presents the research results based on the emerging market‘s attractiveness factors that motivate Lithuanian companies' or become a barriers to enter the BRIC markets. The research is valuable for sharing the experience of small country‘s companies' internationalization preconditions with other emerging countries. The research may help to enrich the comprehension of internationalization in emerging market phenomena.

***Emerging market attractiveness factors*.** The emerging markets meet the large interest as they undergo the financial and economic structuring recently, take the experience of developed economies and are able to enter the same strong economic phase as developed countries (Loredana, 2012). Emerging markets are the markets in a transitional phase between advanced and developing markets that develop very fastly. The development processes were influenced by transformations in geopolitical and economic terms, in the location, organization and distribution of production (Sekliuckiene & Langviniene, 2012). There are four emerging markets nowadays: Brazil, Russia, India and China. They called "BRIC" that are seen as the next generation of the economic superpowers (Marr & Reynard, 2010). Some economists extended emerging countries list by including South Africa and Central and Eastern European (CEE) countries (Kvint & Kvint, 2009). The emerging markets present the international marketers with potential lower production and labour costs and the growing number of consumers. The growing gross domestic product (GPD) rates make these markets increasingly attractive for foreign investors, multinationals and smaller organizations from different countries. According to Hoskisson *et al*. (2000), most economies are opening their borders to free trade and joining regional trading blocs to further maintain their economic growth. These variables become the market attractiveness factors for companies from developed as well as emerging countries.

The market attractiveness factors usually are described by four blocks (McDonalds & Wilson, 2011; Hollensen, 2004): 1) market factors: growth rate and size of the market, market potential, product life cycle stage, differentiation potential, customer loyalty, price elasticity; 2) economic and technological factors: investment intensity, industry capacity and saturation, maturity of technology utilization, ability to pass through inflation effects, barriers to entry/exit, access to raw materials; 3) competitive factors: industry structure, competitive groupings, substitution threats, perceived differentiation among competitors, individual competitors' strengths; 4) environmental factors: regulatory climate, degree of social acceptance, cultural proximity.

All BRIC markets distinguish by the lots of the market attractiveness factors. In 2011 the GDP grow rate (annual %) was 9.3 in China, 6.9 in India, 4.3 in Russia, and 2.7 in Brazil (The World Bank, 2013). Another factor of the market attractiveness is the high potential of the domestic market. India's rapidly rising middle class should grow from more than 160 million people in 2011 to 267 million people in 2016 (Asian Development Bank, 2012). The cost competitiveness remains another key characteristic of the BRIC countries. India and China provide low cost labour and inexpensive manufacturing capabilities as the key attraction for their business. Attractive labour costs can explain the phenomenal growth of Chinese and Indian industries and its rapidly growing manufacturing sector. Despite the attractive factors there are some unattractive factors. According to the Doing Business Report (2012), starting a business in the BRIC countries is not so easy: China requires 14 procedures and 38 days (91 out of 183 countries); India requires 12 procedures which take 29 days (132 out of 183 countries); in Russia it takes 9 procedures and 30 days (120 out of 183 countries); and in Brazil it takes 6 procedures and 34 days (126 out of 183 countries).

Internationalization motives**.** The factors of emerging markets attractiveness influence and increase the motivation of companies to work in the emerging markets. Most authors distinguish push and pull factors (UNCTAD, 2006; Tatoglu *et al.*, 2003). Push factors foster companies to undertake internationalization process due to the factors present in their domestic marker. The companies are forced to internationalize their activity due to the unfavourable conditions in the home market (e. g., high market concentration, small markets, the absence of demand, the policy implemented by the government towards local companies'). Pull factors foster companies to undertake the internationalization process due to the factors functioning in the international market and host market. Pull motives are related to the aim of the foreign countries to attract as many foreign direct investments as possible. For example, the emerging economies aim is to attract foreign direct investments because it helps to improve the manufacturing productivity, as well as competitiveness. Companies can be divided into (Sekliuckiene, 2008): 1) intending to enlarge the market part (such companies most frequently enter into the emerging markets of average income); 2) intending to decrease the operating costs (the companies striving for effectiveness most frequently enter into the emerging markets of lower income); 3) seeking for essential resources of the activity (they enter to the countries, where are a lot of natural and other resources that are necessary for the company); 4) seeking to acquire new technologies in order to improve the company's productivity (enter into developing countries).

Pull factors most often influence the investment and internationalization activity in emerging markets. According Tatoglu *et al*. (2003) the highest ranked internalization motives to emerging markets were found to be concerned more with host country-specific motives than home country and firm-specific motives. They also mentioned that the relative importance of the internalization motives varied most with the type of operations and market entry mode.

Barriers for internationalization can influence company's positive or negative decision on penetrating into emerging markets. Thus barriers for internationalization can become the factors due to the expression of which the emerging market can be unfavourable for investors. The barriers for internationalization are differently classified by various authors. Most frequently the limitations for penetration into a new market and operational barriers, which arise for the companies that already function in the foreign markets (Ojasalo & Ojasalo, 2011; Zimmerman, 1999). Other scientists distinguish internal or conditioned by the company as well as external or conditioned by the place barriers for internationalization (Reinstaller *et al.*, 2010, Hutchinson *et al.*, 2009; Saixing *et al.*, 2009); the third group of scientists focus to the barriers of business-to-business services internationalization (Ojasalo & Ojasalo, 2011). Ojasalo & Ojasalo (2011), when analysing the problems of penetration into foreign markets, distinguish such barriers as discriminatory taxation, discrimination in government procurement, rejection of participation in national trade associations, complicated procedures when employing foreigners, limits of international data transmission or limitations of cross-border data flows, government competition, government subsidies to domestic companies, requirements for licensing, monopolistic markets, service limitations, local ownership requirement, exaggerated financial requirements, workforce limitations. They cannot be highly influenced by the organizations because they impact the organization from the inside. However, barriers for internationalization are also influenced by the internal problems of company's management, such as lack of international experience, lack of innovativeness, the problems of new products' adaptation in the market, the lack of organizational and management abilities: logistics, marketing, service, knowledge about the market (Hutchinson *et al.*, 2009). The problems of managing businesses with alternative entry methods in different markets and the conflicts arising from the exercise of power in relationships are mentioned by Moore *et al*. (2004). Although barriers affect small and large companies alike, many of them make a greater impact on small businesses (Hutchinson *et al*., 2006; Hutchinson *et al*., 2009). The size has traditionally been considered a strong internal barrier for the internationalization as it often entails the lack of the financial capacity, the largely inappropriate corporate culture and unskilled human resources (Hutchinson *et* *al.*, 2006). Having considered the barriers being analyzed in scientific literature, it is expedient to divide the barriers for internationalization into external and internal (see Figure 1).

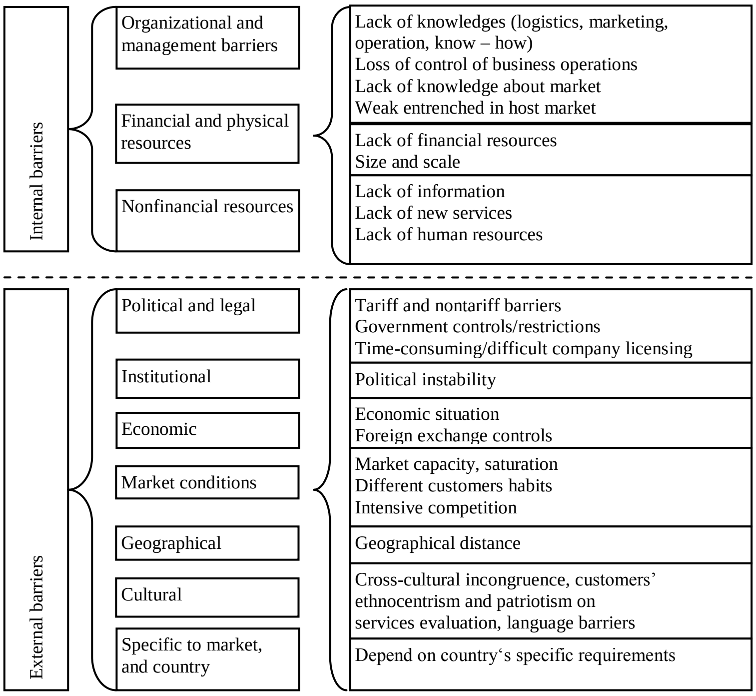

Figure 1. Internal and external barriers for internationalization (*contributed by author*)

The figure presents the outspread external barriers, which include macro-level and meso-level environment factors (political, economic, cultural, geographical, market). Some barriers of the external environment are stable enough and vary only in long-term perspective (e.g., political stability, geographical and cultural aspects). However some of them can be influenced by political decisions or international organization contracts in medium or short perspective. This is very important in penetrating into the emerging markets because they are usually named as higher-risk markets. However, the taking of higher-risk often brings the greatest profit to the investors and the market pioneers. It is usually named through motives for internationalization by the companies, which intend to entrench in emerging BRIC markets.

2. Method

The empirical research aim was to explore the internationalization motives, perceived and actual barriers to internationalization to BRIC markets encountered by Lithuanian companies. The research was grounded on the most relevant literature analysis (McDonalds & Wilson, 2011; Hollensen, 2004; Tatoglu *et al.*, 2003; Ojasalo & Ojasalo, 2011; Hutchinson *et al.*, 2009). The research questions were as follows:

- To ascertain the factors, which influence the attractiveness of the emerging BRIC markets for Lithuanian companies and which impact the business possibilities to expand import and export activities in these markets.
- To analyze the essential motives to enter BRIC markets.
- To identify possible barriers for Lithuanian companies when entering the markets of the BRIC countries.

In order to generate the empirical data, a survey has been designed. Referring to the internationalization push and pull motives as well as internationalization barriers, the semi–structured questionnaire has been developed and content analysis has been made. Some criteria have been measured using the five-point Likert – type scale ranging from unimportant (1 point) to highly important (5 points). The following investigating blocks have been formed:

- The market attractiveness factors: market/customer, economic and technological, competitive, environmental.
- The internationalization motives: pull and push.
- The external and internal barriers, which hinder international expansion to BRIC countries, based on the taxonomy shown in Figure 1.

The primary data collection has been done with 34 managers from Lithuanian services companies who are engaged in the import and export activities with emerging BRIC markets or are going to do that. The organisations chosen for the collection of the qualitative information through semi - structured interviews are listed in Table 1.

Table 1. Companies which participated in semi-structured interview

Sector	Company size*	Number of interviews	BRIC markets
Transport services sector	5 micro, 5 small, 3 medium-sized	13	Russia
Milk industry	3 large	3	Russia
Information – communication services sector	4 small	4	Russia
Fertilizer sector	2 small, 1 medium-sized, 2 large	5	India, Russia
Wholesaling sector	2 small, 2 medium-sized, 2 large	6	Brazil, China, Russia
Retailing sector	2 small, 1 medium-sized	3	China

*Size of the company estimated by number of employees, when micro sized enterprise has 1- 9 employees, small sized has 10 – 49 employees, medium-sized has 50 – 249 employees, large sized has more than 250 employees (Law of Small and Medium Business Development, 2010).

The organizations, which carry out their activity in the BRIC countries, have been interviewed. They have also communicated this in the public reports of their companies' activities and on their websites. The companies have been selected for the survey on the basis of the principle of assessed expert sample. Such criteria for choosing the respondents for qualitative research have been selected: the company should be one of the leaders in their field, to function longer than 5 years. The headquarters of the surveyed companies are in Lithuania; their main activity take place in Lithuania. The companies develop their activity both in the EU countries and in BRIC. The exploratory survey was carried out in November - December 2012.

3. Results

BRIC market attractiveness factors. The research results have shown that the small and medium Lithuanian companies that have internationalization experience in the EU markets or one of BRIC markets consider possibilities to expand their activities in the emerging markets. Most managers of the companies have pointed out that they work in the markets of European countries (Latvia, Estonia, Poland, Slovakia, Hungary, Italy, Romania, Germany, Denmark, Norway, Sweden, Finland, United Kingdom, Spain, France), USA, Canada, Australia, Kazakhstan, Republic of Belarus, Africa (Republic of Angola, Mali, Burkina Faso); Latin America (Dominica, Columbia, Panama, Republic of Peru , etc.), Asia (Thailand and Malaysia). Russia and China have been most frequently mentioned countries out of the BRIC countries. The emerging BRIC markets are attractive for Lithuanian companies due to their size of the market, rapid market growth, and expected profit. Thereinafter the paper presents the factors of the market attractiveness referring to the research results.

Indian market attractiveness factors. When assessing the factors of the Indian market attractiveness, the representatives of the companies of fertilizer sector that function in this market have stated that market as well as economic and technological factors are essential and that they enlarge the attractiveness of this market, exclusively '<...> *cheap materials*, *price policy and* *legislation'*. However, India distinguishes in the poorly developed infrastructure as well as the intensive competition in the market both among local and foreign companies (*'I would say that this year it seems that we have not sold much, but last year – it happened. This year in India our competitors have been very active. The supply by Moroccans and Europeans, newly established factory in Saudi Arabia influenced our results in India').* Other companies could not assess the Indian market because they do not function in that marker or they feel not ready to enter this geographically remote market (*'The Indian market is simply not relevant for us', 'Today we do not see any perspectives there; however, we follow the events there, analyze the changes and perhaps in future it will be interesting for us too').* The environmental factors mentioned by the respondents prove that the geographical distance and lack of information about this market become one of the essential factors of India's unattractiveness.

Chinese market attractiveness factors. The perceived price and quality ratio, favourable competitive environment give the greatest competitive advantage for China. The most companies choose China for business development due to the reasonable prices of the product *('The ratio of the product quality and prices is attractive for our market', 'Cheaper products').* The market factor as main factor of the Chinese market attractiveness has been mentioned by the each interviewed companies (*'The market growth speed in China is probably the highest in comparison with other markets; thus the potential of the market is great, and this is favourable for us').* The economic factors, except low price and easy access to the raw materials, have been mentioned by the interviewed retailing and wholesaling companies, which work in the Chinese market. The companies willingly choose the Chinese market for their further business development, and the growing Chinese economy attracts more and more foreign investments (*'The viewpoint is very positive because as the Chinese economy grows the life of the people also gets better, salaries increase , more of rich people emerge. As the Chinese domestic market gets stronger, people want more various products; thus if the demand for import is increasing in China, it is necessary to try to enter the Chinese market'*). Though the Chinese market is competitive, one of the main obstacles becomes the quality of services and products. Lithuanian companies can't blindly trust the manufacturers. They must additionally check the product quality and this enlarges the costs of product purchasing *('As we import a product from China, so we face that products are not produced in time and the product quality has to be checked before buying the product. This greatly increases the purchase expenditure').* The environmental market attractiveness factor is one of the regulatory climate factors and it becomes the important factor in order to form the trust in the Chinese market. The interviewed companies show rather sceptic viewpoint to the Chinese political system, and this is influenced by the stereotypes about the communist part governing. Thus the Chinese taxation system and political system are moderately assessed by the respondents. The greatest problem, with which companies face when wishing to enter the Chinese market, is the large geographical distance for the collaboration with the European Union countries and the complex search for right partners *('Large distance', 'I work with the European Union and in China there are difficult to find the right partners').*

The companies that do not work in the Chinese market, see the perspectives for the development in this market ('*We would develop our activity in China if the qualitative production for reasonable price were available*', '*China's attractiveness for investors are fostered by large profit possibilities*', '*If the possibility emerges it is really worth trying to enter the Chinese market*', '*The viewpoint to the Chinese market is positive, but in the short run we do not plan our business either in China or increase the number of order from China*').

Russian market attractiveness factors. The companies perform different business operations in the Russian market. The respondents named the size of the Russian market, the favourable market growth tendencies, the geographical location, the old traditions of collaboration with the Russian market as the most important factor of this market attractiveness (*'In the Russian market we have appeared since the seventh decade because our factory was built in order to supply the certain regions of Russia with milk products').* Lithuanian companies feel competitive in the Russian market. They possess competitive advantages due to the qualitative provided products and services, understanding of the market, knowledge about the cultural context. Due to the market size the Russian market has not been yet filled and the customers have not yet been loyal; thus the entry barriers are relatively small.

Brazil's market attractiveness factors. The factors influencing the Brazil's market attractiveness have been named only by two wholesale companies, which perform foreign business operations in Brazil. These factors were *'<...> favourable taxation policy, economic and political stability, friendly environment for the business, the cheap workforce as well as developed infrastructure'*. For the Lithuanian wholesale companies the Brazil's market is or would be really attractive enough to develop own business. In assessing the experienced obstacles in developing own activity in the Brazil's market, the following has been mentioned: *'<...> uncomfortable geographical location, language barrier, lack of information about the country, insufficiently qualified workforce and high corruption level'*. Thus the environmental market factor becomes the most important factor of the Brazil's market unattractiveness. The companies are frightened away because Brazil is in rather uncomfortable geographical place in respect of Lithuania. Thus the companies avoid exporting into this country due to implied increase of transportation costs.

Motivation for internationalization. When analyzing the potential markets for business development beyond the country borders, the Lithuanian companies stated that the most important motives became *'<...> home market saturation, economic state in the host country, the wish to expand in larger market, profit margin, convenient logistics and its small costs as well as comfortable geographical location for trade development'*. The choice of the foreign market is determined by the possession of trade partners. They can create more favourable conditions to realize production as well as the specific needs of the very market, which cannot be satisfied by local manufacturers *('The lack of specialized fertilizers produced by us, partners', 'Where we have the possibility to buy or sell under better conditions, there we buy and sell')*. The prevailing pull motives are supplemented by push motives, especially which are vivid in separate sectors.

The activity volumes of the companies of transport sector in Lithuania's market have not justify the formulated goals and there are big consumption market in Russia *('There is no market in Lithuania because soon no person will be in Lithuania', 'Russia is the big country with great money, large market, greater perspectives for financial profit, possibilities for activity and financial profitability', 'Cheaper fuel and better profitability')*. The representatives of the transport companies have mentioned the importance of the company's size when internationalizing the activity as well as the limitations created in Lithuania *('Practically there is no possibility for a small company to become the member of Lithuanian Carriers Association LINAVA in order later to become the member of the TIR system. This is the only condition allowing a carrier to perform international transportations into Belarus and Russia')*. The companies of the milk industry have pointed out the intensive competition in Lithuania's market and the saturated market with milk products. These factors become push motives inducing the search for new markets for realization of the products.

The experience of the activity in foreign markets and the size of the company are important factors motivating the companies to function in BRIC markets *('From the Soviet times the Lithuanian milk products are valued as qualitative. As we collaborate with Russia for a long time, this is the main reason to develop sales', 'The company's size and experience become core factors in ensuring the successful development in new markets'*). The surveyed companies of transport, fertilizer and milk industry sectors distinguish in long-year experience of the activity in foreign markets. In small and medium-sized companies of retailing and wholesaling the entry to foreign markets cause additional difficulties as well: *'<...> more confusion and stress emerged', '<...> it should have been necessary to prepare and train specialists; on the other hand, the employees showed more motivation'*.

The empirical research has revealed that the analyzed Lithuanian companies' motivation for internationalization depend on their scale, size and industry. Companies look for more favourable conditions to realize products not only on domestic market and entry markets facilitators. Not only pull motives, which are usually determined by the attractiveness factors of BRIC countries but also push motives, which are determined by competitive and market conditions unfavourable for separate industries in Lithuania become important motives.

Barriers for internationalization. The interviewed experts have agreed that both external and internal barriers for internationalization influence their decisions to enter the BRIC markets. Table 2 presents the systemized barriers for internationalization, which were named by the respondents.

Table 2. Barriers for internationalization to the BRIC countries mentioned by Lithuanian companies

Internal barriers	External barriers
Company's size	Licenses and approvals on activities
Company's scale	National and target market regulations (tariff and nontariff barriers)
Lack of knowledge (marketing, logistics, processes, know how, languages)	Bureaucratic problems and processes
Lack of financial resources	Cultural differences in specifics areas
Lack of experience in BRIC countries	Intensive competition
Lack of managerial time to deal with internationalization	Verbal and nonverbal language differences
Inability to contact to customers and distributors	Problematic communication with overseas customers
	Geographical distance

The lack of financial resources and lack of the managerial time to deal with internationalization have been named as main ***internal barriers*** by most respondents (*'The entry to China needs a lot of financial and time resources. Also the rotation in a vicious circle 'here and now', crisis lessons and caution, perhaps even fear of investments also interfere')*. The size of the company and lack of experience in BRIC countries also have been mentioned by the respondents. This influences the companies' caution in searching for partners in foreign markets, especially in Brazil, China and India. All the interviewees have agreed that human resources are the main barrier for internationalisation. The lack of human resources' competences influences the lack of knowledge (logistics, marketing, languages) and abilities of other activities.

The respondents have named the national and target market regulations, as well as bureaucratic problems and processes, corruption and the costs of company's establishment as ***external barriers*** (*'The establishment costs are high in India', 'We did not try to enter the Indian market, first of all due to great corruption. Also the establishment costs are high and the logistics costs a lot. We theoretically calculated all chances – it does not count', 'The Russian market is not the most transparent, there is a lot of corruption; thus it is hard to start business there', 'The customs procedures, especially the policy carried out by the Russian customs')*. Other external barrier, which has been mentioned by the companies, is the intensive competition in the market as well as great transportation costs *('It is expensive to transport, strong activity of competitors. Large expenditure for travelling').* The intensive competition in the market determine lower prices for the purchase of the products. This determines the decrease of the profit, as well as under great competition it is hard to find customers and foothold in the market. The representatives of the IT companies have stated that it is opposite than in the companies of the other sectors *'<...> we have not faced any peculiar obstacles of the government policy and cultural differences. Our product is provided in English and Russian. Thus we do not face any language barriers. As we work with the countries, which are in different time zones, so the time is our greatest 'enemy'')*. However, language barriers become important for the companies working in the markets of India, China and Brazil. These countries face the problematic communication due to language barrier and cultural differences with the customers and distributors (*'Cultural differences become the barrier in China. When speaking, you can be differently understood. Also there are differences of work specifics*'). The geographical distance to Brazil, China and India also becomes the psychological obstacle to develop the activity in these countries.

4. Discussion

The findings allow concluding that market attractiveness factors directly influence the motives of company's internationalization and induce more careful assessment of the barriers for internationalization. The emerging BRIC markets are attractive due to their market characteristics, competitive characteristics in separate economy branches, economic growth, technologies' permeability and intensity, as well as other environmental factors. Often main motives of the companies entering the emerging BRIC markets are pull ones. When striving to attract foreign companies the governments of the BRIC countries create more favourable conditions for investments and collaboration activity in the host market than the ones offered for the company in the home market. Despite unfavourable conditions determining the motivation of investors, in the BRIC countries there are a lot barriers for internationalization, such as national and target market regulations, bureaucratic problems and processes, etc.

The research results have shown that Lithuanian companies, which have internationalization experience in the EU markets or one of BRIC markets, consider possibilities to expand activities in other emerging markets. Emerging markets are attractive due to the size of the market, rapid economic growth, and expected profit. The empirical research has revealed that the motivation for internationalization of the analyzed Lithuanian companies depend on their scale and experience, size and industry. The companies of fertilizer, milk and transport sectors have performed foreign operations not for a year; they more courageously enter other markets. The research results have shown that Lithuanian companies entering the BRIC countries not only by pull but also by push motives because the conditions for business development in Lithuania become limited due to external factors. It should be emphasised that external barriers when going to the BRIC countries are still very important for Lithuanian companies. Lithuanian companies need to be aware that the key resources for successful internationalization are not only financial, but they are people-based. Lithuanian companies need to improve different knowledge of personnel. Concluding it should be mentioned that markets of Brazil and India have not been found by Lithuanian companies yet. However Lithuanian companies see more development perspectives as well as the internationalization values in the Russian and Chinese markets.

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