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Article

The Internationalization of the Portuguese Textile Sector into the Chinese Market: Contributions to Destination Image

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Abstract: Globalization and market saturation have prompted companies to explore international markets, not only for business growth but also to strengthen their country's image abroad. In the tourism sector, the international presence of national industries can enhance perceptions of quality, tradition, and authenticity—key elements in destination branding. This study investigates the internationalization of Portuguese textile companies into the Chinese market, an emerging economy with growing demand for premium and culturally distinctive products. The Portuguese textile sector, known for high-quality standards and growing global visibility, presents a relevant case for understanding how product-based industries contribute to destination image. The research addresses the question: “What are the key factors determining the success of Portuguese textile companies in the Chinese market?” A literature review was conducted on internationalization strategies, the characteristics of the Chinese market, and the role of national industry in international perception. A qualitative approach was adopted, using semi-structured interviews across two groups: companies already operating in China and those preparing market entry. Results indicate that established companies focus on the luxury segment, enter with prior international experience, and work mainly through local agents. Firms intending to internationalize also favor local agents and highlight innovation and distinctive quality as their main competitive advantages. These results emphasize the role of niche positioning, cultural alignment and perceived quality in supporting not only commercial success, but also the wider image of Portugal associated with excellence and refinement.

Keywords: destination image; internationalization; textile industry; Portugal; China

1. Introduction

Emerging on a foreign market is a difficult decision, particularly due to a lack of preparation, knowledge or the choice of country to internationalize to (Anderson, 2011). However, it is also in the international and touristic market that many opportunities can be found, as it provides access to new markets and more economical resources (Ashley et al., 2007). Demand for foreign markets has become increasingly intense, especially from emerging economies, or in other words, countries that are in a phase of accelerated growth, such as China. This great nation is currently seen as one of the world's greatest powers, it is the third largest country in the world and has one fifth of the world's population. Since the implementation of economic reforms, the country has become one of the fastest

growing economies in the world, the largest exporter and the third largest importer of goods in the world. On the other hand, the Portuguese textile sector is increasingly recognized abroad due to its high quality, and is increasingly sought after not only by the countries of the European Union, but also by foreign countries (Serra et al., 2012). There are few studies on internationalization in the textile sector, and those that do exist are case studies of companies present in the market. After the research carried out, no relevant study was found in Portugal that responded to the problem of the critical factors that lead to the success of Portuguese textile companies in the Chinese market. Thus, the scant theoretical, critical and empirical reflection carried out to date in Portugal makes the subject of this re-search pertinent. The research presented here also aims to understand the importance and role of destination image and, consequently, tourist consumer behavior.

2. Theoretical Background

Internationalization was already considered fundamental in Phoenician and Carthaginian society. However, the phenomenon intensified in the late 15th and 18th centuries with the mercantilist doctrine that boosted international trade and reached its peak after the discovery of America and the sea route to India (Costa e Silva, Meneses, & Pinho, 2018). Kotler and Keller (2019) state that it has shortened borders and, consequently, cultures are increasingly close and dependent on each other. But even so, most companies would choose to remain in the domestic market if it were sufficient, as it would be easier and less expensive. Nevertheless, emerging on a foreign market can create a number of opportunities. According to Bartlett and Beamish (2018), carrying out operations all over the world not only provides access to new markets and more economical resources, but also offers new sources of information and knowledge which, consequently, will make the company expand its strategies to compete in both the domestic and foreign markets. With the growing demand for the international market, especially from developed countries, companies have begun to find business opportunities in emerging economies (London & Hart, 2004), i.e. countries that are experiencing faster economic growth, such as South Korea, Singapore, Taiwan, Brazil, India, Mexico, Argentina, Indonesia, Russia, Thailand, China and Poland (Ferreira, Reis, & Serra, 2011).

2.1. *International Marketing and Destination Image*

When internationalization is mentioned, the need to link (tourism) marketing to it inevitably arises, since companies will have to adapt and adjust their products and/or services to the country they want to enter (Luong, 2025). At the root of these strategies are two particularly important factors: local adaptation and pressure on costs. In other words, when the pressure for local adaptation is stronger, the company seeks to adapt its offer to the countries where it is going to emerge (Ferreira et al., 2011). According to Ferreira et al. (2011), adaptation can come from various sources, such as consumer preferences and tastes, government requirements and the specificities of each market. On the other hand, when the pressure on costs is higher, companies need to be more efficient by rationalizing their production, and may choose locations where the cost of production is lower (Hätönen, 2009). Of course, this type of pressure only works for products that can be mass produced and do not require differentiation. Thus, internationalization can be seen as a multidimensional decision problem that requires a set of choices and, although several studies have been carried out over the years, it is still unclear which factors and strategies are decisive for success (Kraus, Mitter, Eggers, & Stieg, 2017). According to Kotler and Keller (2019), the internationalization process has four stages: 1st stage - Inconsistent export activities; 2nd stage - Export through agents; 3rd stage - Establishment of sales subsidiaries; 4th stage - Establishment of industrial facilities abroad.

The relationship between international marketing and destination image is pivotal in the tourism industry (Akroush et al., 2016; Roman et al., 2022). International marketing strategies aim to promote destinations to a global audience, creating a compelling image that attracts tourists (Hays, Page & Buhalis, 2013). Destination image encompasses the perceptions and beliefs that potential visitors hold about a place, influenced by marketing efforts, media, and personal experiences (Ye & Tussyadiah, 2011). Effective international marketing can enhance a destination's image by

highlighting its unique attributes, cultural heritage, and attractions, thereby differentiating it from competitors (McCartney, 2008). This process involves strategic branding, advertising, and public relations campaigns designed to shape and maintain a positive destination image in the minds of international tourists. Moreover, the destination image significantly impacts tourists' decision-making processes. A strong, positive image can increase a destination's appeal, leading to higher visitation rates and economic benefits (Al-Kwafi, 2015). International marketing plays a crucial role in managing and improving this image by continuously engaging with target audiences through various channels, including social media, travel blogs, and international travel fairs (Kiráľová & Pavlíčka, 2015). By understanding and leveraging the factors that contribute to destination image, marketers can develop more effective campaigns that resonate with potential tourists, fostering loyalty and repeat visits (Goeltom & Hurriyati, 2024). Thus, the synergy between international marketing and destination image is essential for the sustainable growth and success of tourism destinations (Roman et al., 2020; Roman et al., 2024).

2.2. Culture and Tourism in the Internationalization Process

According to Hofstede (2022), deciding which country to export to on the basis of proximity and similarity is not always the most appropriate, as the six dimensions of culture must be taken into account: power distance, individualism, masculinity, aversion to uncertainty, long-term orientation (Confucian dynamism) and indulgence. Power distance reflects the degree of deference that individuals project towards their hierarchical superiors, i.e. the need to maintain and respect the relationship between a leader and their subordinates. Individualism argues that individuals should take care of themselves and be independent of groups or organizations. Masculinity refers to a society that focuses on competition and trying to achieve success. Uncertainty aversion shows how a society deals with ambiguous situations. Long-term orientation describes how societies must maintain links with the past in order to deal with the present and the future. And finally, indulgence, which is defined as the extent to which people try to control their desires and impulses, based on the way they were brought up. Culture and tourism play a pivotal role in the internationalization processes of companies by facilitating market entry and enhancing brand recognition. When companies expand into foreign markets, understanding and integrating local cultural nuances can significantly improve their acceptance and success. Tourism, on the other hand, serves as a powerful tool for promoting cultural exchange and awareness, allowing companies to showcase their products and services to a diverse audience. This exposure not only helps in building a positive brand image but also fosters trust and loyalty among international consumers. Consequently, leveraging culture and tourism can provide companies with a competitive edge, enabling them to navigate the complexities of global markets more effectively.

2.3. Models and Theories of Internationalization

The theories are divided into two distinct approaches: the economic approach and the behavioral approach. In the economic approach, the focus is on multinational companies, based on economic return, since they have access to information and resources that allow them to make a more rational decision, i.e. the company decides to internationalize only if it brings benefits to itself, and makes a thorough internal and external analysis to make any decision. The behavioral approach focuses on the recent phenomenon involving small and medium-sized enterprises and is based on the importance of organizational learning, while explaining internationalization as a gradual process (Wu, 2020). The theories/models that will serve as examples for the process of entry into the international market by multinational companies and small and medium-sized enterprises are: the eclectic paradigm, the Uppsala model, network theory, and finally, the theory of competitive advantages, since these are some of the most relevant and appropriate internationalization theories for this research work.

The eclectic paradigm, also known as OLI (Ownership, Location, internalization) was first presented in 1976 by the English economist John Dunning and has been refined over the years by

other authors (Dunning, 2001). However, despite being more than four decades old, it is considered one of the most influential frameworks for research related to foreign direct investment. Ownership advantages are all the tangible or intangible resources that a company has and its competitors do not, and therefore provide it with a competitive advantage. The Uppsala model focuses on describing the internationalization process through a behavioral approach, and is based on empirical studies that analyze the fact that Swedish companies develop their international operations in small steps, rather than making large investments all at once (Johanson & Vahlne, 1977). Therefore, according to the aforementioned authors, internationalization is a gradual process in which companies acquire knowledge through experience in foreign markets and this can influence their performance. Over time, companies increase their involvement in foreign markets through various stages. Costa e Silva et al (2018) state that involvement abroad is initially carried out through casual export activities, then export begins using independent intermediaries located in the destination country and tourist destination. Network theory is seen as an extension of the Uppsala model, since several authors argue that this model can only be used in the first phase, where companies do not have sufficient knowledge of the market. On the other hand, this theory can not only help companies in the first phase, but also support those that already have a certain amount of experience in internationalization (Andersson, 2004). In this way, the internationalization process can be influenced not only by the conditions of the company itself, but also by the relationships it develops in the foreign market.

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Also known as Porter's Diamond, this theory argues that a country's competitiveness can be measured when it is still operating only domestically, i.e. a country subject to internal rivalry becomes more sophisticated and more competent to face the international market (Ferreira et al., 2011). According to the aforementioned authors, this theory helps to understand where a company's future competition may come from, since competitors will probably emerge from countries that offer companies location advantages.

Thus, the diamond model emphasizes some important factors for competitiveness, such as critical production factors, more important markets, more demanding customers, more sophisticated competition and more developed suppliers.

2.4. Characterization of the Textile Sector in Portugal

According to the General Directorate of Economic Activities (2020), the textile sector is not only one of Portugal's oldest and most traditional industries, but also one of the country's largest and most important business sectors. According to data released by the Bank of Portugal (Portugal, 2022) in an analysis of the Textile and Clothing Industry in Portugal, the number of companies remained stable between 2015 and 2018. However, it has fallen sharply in recent years, particularly since 2019, from 6662 companies to 6346 in 2021. Despite everything, turnover has always seen gradual increases over the years, but this changed in 2019, from a figure of 7628.7 million euros to 6888 million euros in 2020. However, the sector showed a rapid recovery, rising to 7975.5 million euros in 2021, already surpassing the figures recorded before the pandemic caused by COVID-19. According to the Bank of Portugal, the majority of companies in this sector are micro companies (60.7%), followed by small companies (30.4%), medium-sized companies (8.2%) and large companies (0.7%). However, turnover and the number of people employed stand out among medium-sized companies, with 49.5% and 43.2% respectively. No que diz respeito à exportação do setor têxtil português, de acordo com os dados disponibilizados pela AICEP (2022), a indústria do vestuário apresentava 5,2% das exportações em 2019, e desceu para 4,8% em 2020. Já a indústria das matérias têxteis mostrou um crescimento das exportações, passando de 3,5% em 2019, para 3,8% em 2020. With regard to exports from the

Portuguese textile sector, according to data provided by AICEP (2022), the clothing industry accounted for 5.2% of exports in 2019, down to 4.8% in 2020. The textile materials industry, on the other hand, showed an increase in exports, from 3.5% in 2019 to 3.8% in 2020.

2.5. Specificities of the Chinese Market

China is a large nation, with an ancient culture and enormous historical importance, and is currently seen as one of the world's greatest powers. It is the third largest country in the world and has around a fifth of the world's population (Haw, 2005). According to data provided by AICEP (2022), China has the second largest GDP in the world, with 1,398.5 million inhabitants, and it is believed that in 2021, the Gross Domestic Product (GDP) per capita was 12,640 US dollars.

It is important to note that Chinese culture is also present in business and is strongly preserved by the natives. Therefore, a company wishing to internationalize to the country will need to have some basic knowledge of it. Within the six dimensions of culture mentioned in the previous chapter and defended by Hofstede (2022), it is possible to characterize Chinese culture. The first dimension is power distance, where China appears to be one of the highest ranking countries, i.e. for the Chinese, inequalities between people are acceptable and the relationship between subordinate and superior tends to be polarized and there is no defense against the abuse of power by superiors. This is followed by individualism, where China appears to be a collectivist society, as the Chinese tend to put the interests of the group ahead of personal interests. In addition, personal relationships take precedence over the task and the company, the Chinese are cooperative with colleagues and can be hostile towards people outside the company. Third is masculinity. From this perspective, China is a masculine society, i.e. it is oriented and motivated towards success, visible in the fact that many Chinese work late, often even keeping stores open all night, sacrificing family and leisure priorities. Workers in more rural areas leave their families to get better jobs and salaries in cities or other countries. Students are constantly worried about their exam results, as this will determine whether they succeed or fail. With regard to the fourth dimension, uncertainty aversion, it is important to note that the Chinese are comfortable with ambiguity, adapt easily to situations and are entrepreneurial. This is followed by long-term orientation, which shows that Chinese culture is very pragmatic, i.e. people believe that the truth depends a lot on the situation, context and time. In addition, the Chinese have a strong propensity to save and invest in order to get the results.

According to data provided by the China Internet Network Information Center (2022), by June 2022, China had 1,051 million internet users, an increase of 19.2 million compared to December 2021. As a result, the country is responsible for more than half of all B2C e-commerce worldwide. Currently, this form of commerce has been boosted by the COVID-19 pandemic. Thus, China and e-commerce are increasingly important concepts for Portuguese companies and require priority dedication (Falardo & Sequeira, 2021). In 2020, the Portuguese Agency for Investment and Foreign Trade (AICEP) established a partnership with the second largest e-commerce platform in China, JD.com, and created the first Portuguese marketplace in China, which was primarily dedicated to the wine trade. Chinese e-commerce attracts many companies because it has lower market entry costs associated with mobility, leading to less capital invested and fewer human resources required. What's more, it allows companies to increase their range of customers, since the reach is greater, covering practically the entire Chinese territory, including the most rural areas (Falardo & Sequeira, 2021).

China is one of the world's top textile exporting countries and the level of exports continues to grow, which doesn't make imports any easier, as the country is a major producer. The country exports mainly to Europe, the USA, Japan, Hong Kong and South Korea. In terms of production capacity, China remains the world leader (Irun, 2017). In turn, according to the aforementioned author, fabrics, medical and healthcare textiles are the main imported products. The import of so-called technical textiles, i.e. products that are not manufactured for aesthetic purposes and where function is the main criterion, is increasing considerably, as the constant construction of infrastructures and the rapid development of the automotive, aerospace and healthcare industries are driving their demand. The

country imports mainly from Japan, Taiwan, Korea and the United States, although imports from Europe are on the rise.

3. Method

For this study, exploratory interviews will be carried out, the main function of which is to reveal certain aspects of the phenomenon being studied, which in turn will help to complete the work suggested by the reading (Quivy & Campenhoudt, 2005). In general, exploratory interviews help to uncover the aspects to be taken into account and broaden or rectify the field of research carried out by the readings. In addition, they clarify the relevance of the framework provided by the readings and aim to save wasting energy and time on reading and observation (Pinto da Costa, 2011). Thus, the qualitative method carried out through exploratory semi-structured interviews will be crucial to the development of this study, since it aims to answer the following research question: - "What are the factors that determine the success of a Portuguese company in the textile sector in the Chinese market and what is the importance of destination image?" To this end, objectives and hypotheses were created for each separate study, which will be described in the course of this chapter.

Study 1 will be carried out through semi-structured exploratory interviews with experts. In order to answer the question described above, the following five objectives and five corresponding hypotheses were created:

1. Objective 1: To understand which markets are present in Portuguese companies that have internationalized to China. → Hypothesis 1 was generated for this objective: "Portuguese companies exporting to the Chinese market already had extensive experience in large international markets" (H1).
2. Objective 2: To analyze the motivations that lead a Portuguese company to opt for such a geographically and culturally distant market. → Hypothesis 2 was formulated for this objective: "Portuguese companies choose the Chinese market because of its potential and size" (H2).
3. Objective 3: To determine which mode of entry into the Chinese market best suits Portuguese companies. → For this objective, Hypothesis 3 was created: "Since China imposes major limitations on the entry of foreign companies into the country, the most commonly used method is alliances and joint ventures" (H3).
4. Objective 4: To understand whether companies were aware of Chinese culture, as well as the country's specificities, namely the term Guanxi and the recommendation to translate the brand name. → Hypothesis 4 was established for this objective: "Companies were not fully aware of Chinese culture, knowing only a small part of it" (H4).
5. Objective 5: To analyze the perception that Portuguese companies had of Chinese technological advances, particularly with regard to e-commerce, before internationalizing. → Hypothesis 5 was generated for this objective: "Portuguese companies did not have sufficient knowledge about Chinese technological advances" (H5). Similarly, for this study, a semi-structured interview was created, divided into five main dimensions, the aim of which is to facilitate the analysis and discussion of the results, including markets, motivations, the processes and specificities of internationalization, knowledge and preparation and, finally, difficulties and facilities.

Study 2 will be carried out using semi-structured exploratory interviews. However, at this stage, interviews will be conducted with companies wishing to enter the Chinese market. In order to answer the question described above, the following five objectives and five corresponding hypotheses were created:

1. Objective 1: To analyze whether companies take care to promote their brand in the Chinese market through the means they use in China, especially e-commerce. → Hypothesis 1 was created for this objective: "Since most internationalizations to China are carried out through intermediaries, there are no adapted communication strategies on the part of companies" (H1).

2. Objective 2: To understand whether companies wishing to internationalize to China take care to analyze cultural factors, particularly the term Guanxi. → Hypothesis 2 was formulated for this objective: “Companies analyze culture before entering the Chinese market, however, they are only based on the levels of culture that are visible” (H2).
3. Objective 3: To determine whether companies are aware of the Chinese special economic zones and their specificities. → For this objective, Hypothesis 3 was established: “Companies that intend to internationalize their activity to the Chinese market show knowledge about Chinese special administrative regions” (H3).
4. Objective 4: Determine whether Portuguese companies are aware of Chinese technological advances → Hypothesis 4 was generated for this objective: “Portuguese companies are not fully aware of Chinese technological advances and consequently may not be financially prepared to compete in this market” (H4).
5. Objective 5: Understand whether Chinese legislation is considered a barrier to market entry, especially due to the requirements imposed on foreign companies in China regarding the mode of entry into the country. → Hypothesis 5 was created for this objective: “Portuguese companies consider that legislation will be the greatest obstacle to be overcome in the Chinese market, not only regarding the mode of entry, but also in a general context” (H5). For this study, a semi-structured interview was developed divided into five dimensions, including communication and internationalization strategies, cultural factors, special economic zones, Chinese technological context and, lastly, difficulties and facilities.

4. Analysis and Discussion of the Results

Study 1 was conducted through semi-structured exploratory interviews with experts in the field of internationalization for the Chinese market. Each interview lasted approximately 30 to 40 minutes and was conducted online, via Zoom or Google Meets, according to the interviewees' preference. Study 1 contributed significantly to achieving the general objective of this master's thesis, as it allowed for an effective understanding of the application of the theoretical principles addressed in the first chapters. Thus, it is through this study that it is possible to conclude that Portuguese companies currently present in the Chinese market have managed to internationalize and remain in the market through hard work and based on several years of experience in other markets, whether European, Asian or American. China, although a challenge for most companies, is also a great opportunity due to its market size, especially in a luxury market niche. Furthermore, Portuguese companies that enter the country generally do so through an agent, unlike what is practiced in other markets and after several years of analysis of the culture, technology and business opportunities. Although they are somewhat ignorant when it comes to the country's enormous cultural history, this can sometimes lead to misconceptions about China or the population itself. Of course, when talking about a country that is so geographically and culturally distant, it is certainly necessary to make changes to products so that they fit in with what the market is looking for, and this is what Portuguese companies do when entering the Chinese market. In the textile industry, changes in colours, product sizes, collections based on festive seasons that differ from the West, among others, are visible. In general, knowledge of the Chinese language can be an asset and make internationalisation easier, or a hindrance if one is unfamiliar with it. Entering such a different country requires respect, understanding and study, not only of its culture but also of its customs. There needs to be an adaptation of mentalities and communication. It is also clear that the high quality of products from Portuguese companies in this sector can make it easier to enter the Chinese market, especially in the luxury market niche, both for selling one's own brand (B2C) and for selling to Chinese luxury brands (B2B).

Study 2, like study 1, was conducted through semi-structured exploratory interviews with experts in the area of internationalization of Portuguese companies that intend to enter the Chinese market in the future. Each interview lasted approximately 20 to 30 minutes and was conducted online, via the Zoom platform or in person, according to the interviewees' preference. Study 2

contributed significantly to the perception of the critical success factors for a company that wishes to internationalize into the Chinese market. Through it, it was possible to understand that Portuguese companies that are preparing to enter China in the near future are thinking about innovative strategies that will make them stand out from the rest. Furthermore, they intend to do so through an agent or intermediary, which makes the process simpler, since they will not have to gain in-depth knowledge in complex areas such as product adaptation, media or cultural studies. In general, all interviewees have knowledge of the market, legislation, policy and special administrative regions, although they need to investigate in more depth certain cultural and legislative issues in all areas of China, since it is clear that companies lack some market knowledge. As for e-commerce, due to the type of product that companies produce or sell, according to them, it will not be necessary to use e-commerce means. However, it is important to note that what may not seem feasible in Europe may well be feasible in a market where the digital age is more advanced than ever.

Exports play a crucial role in shaping the destination image of countries by showcasing their unique products and cultural heritage to the global market. When a country exports goods that are distinctive and high-quality, it creates a positive perception among international consumers. This perception can translate into a desire to visit the country to experience its culture, traditions, and products firsthand. For instance, countries known for their wine, such as France and Italy, attract tourists who are interested in wine tours and tastings, thereby enhancing their destination image.

The branding and marketing strategies employed in the export process can significantly influence the destination image. Countries often use their exports as a means to promote their national identity and values. For example, Japan's export of technology and automobiles is often accompanied by marketing campaigns that highlight the country's innovation and precision. These campaigns not only boost the sales of exported goods but also enhance Japan's image as a technologically advanced and culturally rich destination, attracting tourists who are eager to explore its modern cities and traditional heritage.

Finally, the economic benefits derived from exports can be reinvested into the tourism sector, further enhancing the destination image. Revenue generated from exports can be used to improve infrastructure, develop tourist attractions, and promote the country as a travel destination. This creates a positive feedback loop where successful exports lead to increased tourism, which in turn boosts the economy and allows for further investment in both exports and tourism. Consequently, countries that effectively leverage their exports can create a strong and appealing destination image, attracting more tourists and fostering sustainable economic growth.

5. Conclusions and Implications

From the analysis of the interviews conducted, it was possible to reach the following conclusions:

- Portuguese companies currently present in the Chinese market have managed to internationalize and remain in the market through hard work and based on several years of experience in other markets, whether European, Asian or American;
- China, although a challenge for most companies, is also a great opportunity due to its market size, especially in a luxury market niche;
- Portuguese companies that enter the country generally do so through an agent;
- Companies appear to have little knowledge regarding the country's vast cultural history and this can sometimes lead to misconceptions about China or the population itself. However, this is due to the fact that internationalization into the market is conducted by an agent. The term "Guanxi" is often forgotten, as is the translation of the brand name. However, companies make adaptations to their products, especially in terms of colors, product sizes, collections based on festive seasons that differ from the West, among others;
- In general, they are aware of Chinese technological advances and this does not seem to be a problem for companies; on the contrary, it is a help, as it leads to their modernization and adaptation. In general terms, it was found that all the companies interviewed are present in the

Chinese market through the luxury market and stand out for the extreme quality of their products. When they are in the market, they admit that knowledge of the Chinese language can be an asset and make internationalization easier, or a hindrance if they are unfamiliar with it. As mentioned previously, entering such a different country requires special care, respect, understanding and study not only of its culture but also of its customs. There needs to be an adaptation of mentalities and communication.

Thus, after analyzing the interviews conducted with Portuguese textile companies that intend to enter the Chinese market, it was possible to reach the following conclusions:

- In fact, most of the interviewees do not have a communication and brand promotion strategy in China. This is largely due to the fact that they intend to enter the country through an agent/intermediary;
- At the stage in which the companies were interviewed, there was no care taken to carry out an in-depth analysis of the country's culture. In the future, this could lead to failure or misleading in the taking of certain decisions or certain attitudes, such as the choice of product names, the translation of the brand name, among others;
- Portuguese companies that intend to internationalize to China are aware of the special administrative regions and their specificities;
- Likewise, they are aware of technological advances or the “tip of the iceberg” thereof;
- Legislation is by no means the greatest difficulty that the interviewees expect to encounter in the Chinese market. Once again, it was found that companies aiming to internationalize into China in the future intend to do so in a luxury market niche and hope to distinguish themselves through differentiation. In short, Portuguese companies currently present in the Chinese market can improve their presence through a deeper knowledge of the market, especially at a cultural level, to understand how Chinese people think and how business is done in the country. On the other hand, companies that intend to enter the market need to prepare more thoroughly, as they give the impression that they only have general knowledge of the country. Although an agent facilitates entry into China, it should be borne in mind that the company itself also needs to be prepared to make certain adaptations.

Exports are essential in forming the destination image of countries by presenting their unique products and cultural heritage to the international market. When a country exports distinctive and high-quality goods, it fosters a positive perception among global consumers. This favorable view can lead to a desire to visit the country to experience its culture, traditions, and products in person. For example, countries renowned for their wine, such as France and Italy, draw tourists interested in wine tours and tastings, thereby enhancing their destination image.

Additionally, the branding and marketing strategies used in the export process can greatly impact the destination image. Countries often utilize their exports to promote their national identity and values. For instance, Japan's export of technology and automobiles is frequently accompanied by marketing campaigns that emphasize the country's innovation and precision. These campaigns not only increase the sales of exported goods but also enhance Japan's image as a technologically advanced and culturally rich destination, attracting tourists eager to explore its modern cities and traditional heritage.

Finally, the economic benefits from exports can be reinvested into the tourism sector, further improving the destination image. Revenue from exports can be used to upgrade infrastructure, develop tourist attractions, and promote the country as a travel destination. This creates a positive feedback loop where successful exports lead to increased tourism, which in turn boosts the economy and allows for further investment in both exports and tourism. As a result, countries that effectively leverage their exports can build a strong and appealing destination image, attracting more tourists and fostering sustainable economic growth.

Finally, it is hoped that this study will be used to help companies enter the Chinese market in a more coherent manner, balancing the advantages and challenges that they may encounter. Furthermore, it is expected to improve the Portuguese presence in China, through some adjustments

that should be made to companies that are already in the country. It is important to highlight that China is, in fact, a very attractive market due to its size and economic power. However, it is important to bear in mind that several brands and/or companies have already tried to enter the market without success and there are still many trying their luck. Internationalization is expensive and should always be carefully considered; the first step should be taken after analysis and the creation of a well-founded strategy.

In terms of research methodology, this work used a qualitative methodological approach, through semi-structured exploratory interviews with Portuguese companies present in the Chinese market, or with the aim of entering the market in the future. However, the fact that exploratory interviews were used instead of a questionnaire survey, for example, made it difficult to collect information. The interviews lasted 20-40 minutes and many companies were not willing to spend that time. On the other hand, if online questionnaires had been carried out, it is believed that the sample could have been more significant. However, for the purpose of this study, the most appropriate methodological approach was interviews, since the aim was not to measure the results, but rather to understand them. With regard to recommendations, it is suggested that a study and analysis be carried out on Portuguese companies that were in the Chinese market but left. Also through exploratory interviews, to better understand the phenomenon and analyze the reasons why they were not successful. This analysis could be complementary to the analysis carried out in this study, since it will help to define which errors may hinder success. It is also suggested that an analysis of the revenues/profits of Portuguese companies present in China be carried out through a quantitative study, with the aim of measuring the results. This research is suggested as a possible complement to the present study, since the analysis of the revenues/profits of the companies interviewed for this research could explain which companies are most successful and why.

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