



Faculty of Legal Sciences

School of International Studies

**GROWTH STRATEGY THROUGH THE
INTERNATIONALIZATION OF THE COMPANY
DIMCOFE INTO THE CONSTRUCTION SECTOR OF
THE COLOMBIAN MARKET.**

Degree thesis before obtaining the degree of Licenciada in
International Studies.

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DEDICATIONS

To my Lucy, my mom, who, with her unconditional love, example of resilience, and unwavering support, taught me that the word impossible doesn't exist and that I can achieve anything I set my mind to.

To my dad, who, with love, strength, and constant presence, has been by my side through the good and the bad, and taught me that every sacrifice brings its reward.

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GROWTH STRATEGY THROUGH THE INTERNATIONALIZATION OF THE COMPANY DIMCOFE INTO THE CONSTRUCTION SECTOR OF THE COLOMBIAN MARKET

ABSTRACT

This study aims to develop growth strategies to enable the internationalization of the company Dimcofe into the Colombian market. To achieve this objective, four main areas were addressed: the investigation of internationalization theory and its strategies, the analysis of the specific needs of the Ecuadorian company, an overview of Colombia's trade policies, its import activities, and other key factors. A comparative study of three companies that have successfully entered the market was conducted to determine the appropriate strategies for Dimcofe successful entry. The methodology applied was qualitative, based on research analysis from journals, case studies, and web sources, which allowed for a deep understanding of the factors affecting internationalization processes. As a result, a thorough analysis of Dimcofe and the Colombian market was conducted, alongside a comparative study of three successful companies, to propose and establish eight key factors for internationalization and ultimately develop a strategic proposal for Dimcofe entry into an international market.

Keywords: Growth, imports, internationalization, international policy, strategies, trade

ESTRATEGIA DE CRECIMIENTO A TRAVÉS DE LA INTERNACIONALIZACIÓN DE LA EMPRESA DIMCOFE AL SECTOR DE LA CONSTRUCCIÓN DEL MERCADO COLOMBIANO

RESUMEN

Este trabajo tiene como finalidad desarrollar estrategias de crecimiento que permitan la internacionalización de la empresa Dimcofe en el mercado colombiano. Para alcanzar este objetivo, se abordaron cuatro ejes principales: la investigación de la teoría de la internacionalización y sus estrategias, el análisis de las necesidades específicas de la empresa ecuatoriana, conocer a Colombia en su política comercial, sus importaciones entre otros factores importantes, adicionalmente se elaboró un estudio comparativo de tres empresas que ha ingresado con éxito al mercado para finalmente, determinar las estrategias adecuadas para su inserción exitosa en el mercado. La metodología aplicada en fue de tipo cualitativo, basada en el análisis de investigación en revistas, casos de investigación y páginas web, lo cual permitió una comprensión profunda de los factores que afectan a los procesos de internacionalización. Como resultado, tuvimos un análisis de la empresa Dimcofe, del mercado colombiano de manera más profunda para su comercio, además de lograr un análisis comparativo entre tres empresas que ya han entrado a este mercado de manera exitosa con el fin de proponer y establecer una propuesta con ocho factores importantes de internacionalización para finalmente elaborar una propuesta para la empresa ecuatoriana para su entrada en un mercado internacional.

Palabras clave: Comercio, crecimiento, estrategias, importaciones, internacionalización, política internacional

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GROWTH STRATEGY THROUGH THE INTERNATIONALIZATION OF THE COMPANY DIMCOFE INTO THE CONSTRUCTION SECTOR OF THE COLOMBIAN MARKET

Introduction

Internationalization has become a fundamental pillar for the growth and sustainability of companies in a globalized market. In this context, Dimcofe, a company based in Ecuador, has projected the expansion of its operations into the Colombian market, recognizing in this country a favorable environment due to its development in the construction sector, its economic dynamism, and the trade agreements that promote international exchange.

This work aims to develop growth strategies oriented toward the internationalization of Dimcofe, enabling its effective and sustainable entry into the Colombian market. To achieve this, an in-depth investigation was conducted based on internationalization theory, an analysis of the company's specific needs, a study of the characteristics of the Colombian market, and the identification of successful strategies applied by other companies during their internationalization processes.

Using a qualitative methodology, this study incorporates a comparative and competitive analysis of companies that have successfully entered the Colombian market, as well as a documentary analysis of studies, academic articles, and success cases to establish a theoretical and practical framework that supports the proposed strategies. Based on this research, the goal is not only to facilitate Dimcofe's entry into Colombia but also to lay the groundwork for sustained growth and risk diversification, thereby strengthening its competitiveness at the international level.

CHAPTER 1

1.1 Theoretical Framework

1.1.1 International Concept

The internationalization of a company refers to the process through which activities such as the sale of its products, the purchase of supplies, and production in a country different from the company's country of origin are carried out (Fanjul, 2021).

To understand and engage with a new market, there are various approaches, but the most common is through import activities. Many companies begin their journey into international markets by importing products from abroad due to various circumstances, such as the purchase of machinery not available in their home country, technological advancements absent in the local market, or the pursuit of better prices and quality. (Fanjul, 2021).

Arnoldo Araya (2009) said the purpose of the expansion process is to increase sales, as the company takes its products or resources to another country. However, it also involves transferring resources such as raw materials, intermediate products, labor, or knowledge. To do this, personnel, technology, or capital must be assigned to operations in the country offering these benefits, which implies financial support with the ultimate goal of recovering that capital through sales and the success of the process. It should be noted that these resources can generate three types of challenges in internationalization: the difficulty of transferring resources, the difficulty of assigning advantages, and the possibility of creating disadvantages.

This involves conducting a staged analysis, beginning with the company's internal processes and the time required for implementation, as well as highlighting the evolution through each stage and the company's adaptation. Next, the focus shifts to shaping the company's activities, including its mode of operation and recording any changes in its functions. Finally, the analysis determines the development of activities outside the company's home country. (Fanjul, 2021).

1.1.2. Concept of competition

The concept of competence involves the integration and coordination of knowledge, skills, and attitudes, which are demonstrated in a person's actual performance rather than

merely their potential to act in the future. Therefore, competences can be identified through observable behaviors in the workplace environment (Sandoval et al., 2010).

A competence encompasses knowing (theoretical knowledge), knowing how to do (practical skills), and knowing how to be (attitudes), all applied within the work context. People use these elements in an integrated manner, always depending on the specific environment in which they perform. Thus, occupational competence represents the ability to adapt and respond effectively to the changes and demands of the professional environment (Sandoval et al., 2010).

In summary, a competence is a personal quality that has been shown to be associated with outstanding job performance in a specific role, position, or profile within an organization. It is what differentiates those who achieve exceptional performance from those who reach merely an acceptable level. Competences are more consistently demonstrated across various situations and produce significant results when applied by high-performing individuals (Sandoval et al., 2010).

1.1.3 Substitute Products

Substitute products represent a sustainable competitive advantage that requires the application of various innovation approaches in highly competitive global markets with a strong technological component. Competitive advantages are not achieved solely through the creation of substitute products. Rather, they are built through a strategic combination of radical and structural innovations, as well as continuous and incremental improvements. The ability to consistently generate different forms of innovation is what enables organizations to maintain competitive advantages over time (Monterroso, 2016).

1.1.4. Internationalization Models

Several models explain the internationalization of companies. One of the most recognized is the Uppsala model, which suggests that companies begin by internationalizing in nearby markets and, over time, venture into more distant markets as they gain experience (Rave-Gómez et al., 2023).

It is important to acquire strategies, among which the most prominent are exports, contractual agreements, and wholly owned subsidiaries (Sarmiento Del Valle, 1970). However, it is necessary to keep in mind that each strategy carries risks that the company must assume. Therefore, there are other types of strategies that can be used with either

high or low risk, depending on the level of risk the company is willing to take (Sarmiento Del Valle, 1970).

In contrast, activities that require a higher level of knowledge, greater labor participation, and in which small and medium-sized enterprises have a significant contribution, have been losing relative relevance. Macroeconomic instability and high uncertainty encouraged defensive strategies, leading many companies to focus on new opportunities by using strategies that help anticipate risks (Kosacoff & Ramos, 2009).

An alternative that companies from developing and emerging economies can use to take advantage of opportunities in countries facing severe economic crises is through investment in those countries. This strategy can take various forms, such as investment in subsidiaries or joint investment, also known as a joint venture.(Sarmiento Del Valle, 1970).

1.1.5. Internationalization Strategies

Joint ventures allow international companies to better understand the local market, reduce risks, and share resources and operating costs, thereby facilitating expansion into new territories. However, differing interests between partners can lead to disputes, and unequal contributions or expectations and long-term agreements may reduce flexibility and complicate the separation of parties if the collaboration ceases to be beneficial. (Johanson, s. f.).

The Uppsala model proposes that a company internationalizes gradually, going through different sequential stages. This process depends on two key factors: information and resources. The first factor refers to the lack of information that companies face when entering international markets, which generates uncertainty due to limited knowledge about expected outcomes. A lack of understanding regarding aspects of the target market—such as culture, language, politics, education level, industry behavior, and legislation, among others constitutes the informational factor (Rave-Gómez et al., 2023).

According to the Uppsala model, companies tend to begin their internationalization process in markets they perceive as closer those with a lower level of “psychic distance.” These markets generate less uncertainty due to the company’s greater familiarity with them. As firms gain experience in these initial markets and increase the resources allocated to internationalization, they feel more capable of entering markets with greater

psychic distance. This gradual expansion process is facilitated by accumulated knowledge and increased confidence gained in previously explored markets (Rave-Gómez et al., 2023).

Internationalization also involves significant challenges and risks. The risks associated with entering a new market may include entry barriers, regulatory differences, and currency fluctuations, all of which can affect profitability. Therefore, it is important to analyze competitiveness through existing agreements as part of the internationalization process (Baquero Zúñiga & Baquero Zúñiga, 2022)

1.1.6. Market Concept

The market is a key concept in the history of the social sciences, whose evolution has significantly influenced the structure of these disciplines. This is because the market serves as the foundation for the autonomy of economic theory. By considering the market as a self-regulating social system, it is suggested that the economic sphere can operate without the intervention of other areas of social life. This perspective has profoundly shaped the content and boundaries of other social sciences. The notion that "the economic" is independent of other social dimensions—especially politics and ethics—is embodied in the idea of the market as a self-regulating mechanism that maintains a kind of social equilibrium (Nadal, 2010).

The concept of the market is a theoretical construct that does not arise spontaneously. One cannot claim that the concept exists immediately simply because so-called "market economies" exist. In fact, it is not possible to understand what a market economy is without first having a conceptual framework. There is no direct access to the "reality of the data" without a conceptual framework that enables its interpretation (Nadal, 2010).

It is important to highlight that the origin of the market stems from economic theory, which develops through a mathematical model in which an economy—composed of numerous selfish individual agents without prior coordination—can achieve the compatibility of their personal plans through the market. The outcome is neither intentional nor planned by these agents, and the entire process is known as the phenomenon of the “invisible hand.” From Adam Smith to modern general equilibrium theory, efforts to explain the functioning of this “invisible hand” have been the central focus of economic theory (Nadal, 2010).

La idea de mercado y las relaciones que en él se desarrollan fueron analizadas en profundidad mucho antes de que se consolidara la noción de que "lo económico" constituye una esfera autónoma dentro de la vida social. Un ejemplo particularmente destacado es el análisis de Aristóteles en *Ética a Nicómaco*, donde examina cómo se forman los precios y señala que asignar un valor numérico a una transacción es un acto intrínsecamente vinculado a la ética (Nadal, 2010).

The idea of the market and the relationships that develop within it were analyzed in depth long before the notion that "the economic" constitutes an autonomous sphere within social life became established. A particularly notable example is Aristotle's analysis in *Nicomachean Ethics*, where he examines how prices are formed and emphasizes that assigning a numerical value to a transaction is an act intrinsically linked to ethics (Nadal, 2010).

A market-oriented organization is one that adopts a proactive approach toward the external environment, focusing not merely on the application of marketing techniques or activities but on understanding and anticipating the needs and preferences of the market. Despite general consensus on the value and benefits of market orientation, considerable confusion remains regarding the terminology used to define this concept and the analytical perspective from which it is approached (González et al., 2001).

Regarding the perspectives from which the concept of market orientation is analyzed, recent research typically groups them into up to four main approaches. Market orientation is understood as a point of convergence between the concept of marketing and the discipline of strategic management. In this sense, a market-oriented company is one that: (1) adopts the marketing concept as its comprehensive management philosophy, (2) transforms this philosophy into a business- or market-centered organizational culture, and (3) operationalizes this approach in its daily activities (González et al., 2001).

1.1.7 Strategy concept

The problem arises from the analogical transfer of military strategy to the business realm, an approach that prevailed for a long time. Although this perspective provided valuable insights, the change in context allowed for the development of new forms of conceptualization. From an economic standpoint, in an environment characterized by constant change, focusing on fixed objectives rather than establishing decision-making rules represents a limitation. Furthermore, the rigidity and precision with which

economics defines strategy not only distort reality and restrict its applications but also diminish the importance of human interaction and dialogue (Maldonado-Mera et al., 2018).

It is essential to incorporate, alongside the indispensable economic factors in the business environment, other more relational and often intangible aspects. The dynamics and complexities of the current context demand that strategy formulation be based on a multidimensional approach aligned with these characteristics and capable of going beyond the purely economic. Within this framework, there is a need to identify the various dimensions present in the different concepts of strategy formulated by various authors throughout their historical evolution, which is the main objective of the present study (Maldonado-Mera et al., 2018).

In the business environment, economic factors are fundamental, but they need to be complemented by other aspects that may be intangible. Given the dynamism and complexity of the current context, strategy formulation must be based on a multidimensional approach that goes beyond the purely economic (Maldonado-Mera et al., 2018).

1.1.8 Growth Concept

The selection of variables aims to explicitly identify the circumstances in which a country's level of economic growth does not align with its level of economic or social development. The objective is to analyze why an increase in national wealth does not always translate into greater social development, which generates asymmetries related to the social limits to growth mentioned earlier (Maldonado-Mera et al., 2018).

To this end, key aspects are considered to help explain this mismatch between growth and development, using exclusively data from the UNDP. This ensures that the variables are based on empirical, annual, up-to-date, and globally consistent information derived from various HDI estimates. The growth variable is measured by the level of production per capita (income or wealth) of a country, using Gross National Income (GNI) adjusted for purchasing power parity. This variable allows for establishing an initial ranking of countries based solely on their achievements in terms of economic growth (Maldonado-Mera et al., 2018).

While some countries show greater consistency between their position in the income ranking (strict economic growth) and their placement in the development ranking measured by the HDI, the six mentioned cases indicate that there is not always a direct correlation between economic growth and social development for the set of countries analyzed by the UNDP. They confirm that the relationship between the HDI and the direct income level is weaker compared to the other components of the index (Maldonado-Mera et al., 2018).

In this context, countries such as Luxembourg, the United Kingdom, and Austria lose positions in the ranking, while Ireland, Slovenia, and Spain improve their standings. Since the HDI includes average income as one of its three components, it is relevant to analyze the ranking when calculating an HDI without income (IHDI), an indicator also estimated by the UNDP (Maldonado-Mera et al., 2018).

1.1.9 Company Concept

The word "enterprise," of Italian origin, has always been associated with the notion of undertaking an action with specific objectives. Often, its use carries an implicit nuance of admiration toward those who start an enterprise, as it implies striving to achieve something through effort. This connotation, which emerged during the European industrial revolutions, accompanied the attempts of capital to develop innovative production processes and new forms of labor organization. Over time, the enterprise has retained this component of admiration, reflecting the challenges and efforts necessary to achieve the proposed goals (Reynoso Castillo, 2014).

Law, for its part, has incorporated the concept of the enterprise in various ways, focusing primarily on how this entity participates and acts in the social, political, and economic life of nations. Over time, an increasingly broad and complex legal framework for the enterprise has developed, encompassing everything from its creation and legal existence within private law to more extensive regulation in the realm of public law (Reynoso Castillo, 2014).

However, this natural evolution of the corporate legal framework has recently faced significant challenges, particularly due to the inherent limitations of national legal jurisdictions. Enterprises, immersed in a global dynamic where national borders have never been an obstacle to their growth, transcend local legal systems and operate within supranational structures. In this context, the law shows notable difficulties in effectively

regulating these entities beyond the legal boundaries where they originated (Reynoso Castillo, 2014).

In response to this reality, labor law gradually developed to establish a set of regulations aimed at limiting the absolute nature of the enterprise by introducing protective mechanisms for workers. From this perspective, and according to a conception deeply rooted in laborism, labor law is considered “the primary transformative force of the enterprise.” This is due to its ability to humanize the work environment and improve production relations, promoting a fairer balance between business needs and workers’ rights (Reynoso Castillo, 2014).

The concept of the enterprise also has a significant impact on other areas of labor law, especially collective labor law. This field seeks to establish a legal framework for the collective action of workers. It is important to highlight that the legal regime governing labor unions, which covers both their creation and activity, was originally designed in the context of essentially autarkic enterprises. However, in light of today’s new structures and types of enterprises, the existing legal framework reveals its limitations, making it difficult for union action to adapt and remain effective in this new business environment (Reynoso Castillo, 2014).

1.2 State of the art

1.2.1 Background of Internationalization

Globalization involves both the rapid growth of international trade and concerns about its social effects. The development of this global structure in markets progresses without apparent limits, and countries that try to close themselves off from trade risk becoming isolated, facing adverse social and economic consequences (Puerta, 2010).

The process of achieving internationalization begins with trade and its theories of mercantilism, absolute advantage, comparative advantage, and competitive advantage to develop a current understanding of global trade and its evolution, both positively and negatively, in order to adopt new concepts related to trade and globalization, which go hand in hand (Pinzón, 2013).

It refers to the process by which a company integrates into globalization, establishing connections with international markets through transactions, exchanges, and

flows of goods, services, capital, and information, adapting to the demands of an interconnected global economy (Rave-Gómez et al., 2023)

Integration and internationalization are two concepts that have gone hand in hand for a long time, as 'Latin American integration will be the ideal framework for our national life,' and in this way, Ecuador will have the opportunity to overcome the commercial framework (Penagos Forero & Niño Amézquita, 2021).

Internationalization has different theories and models that help us understand the best strategies for expanding companies into foreign markets to increase economic, social, and political opportunities. Understanding the opportunities that break borders within new expansion opportunities to generate new opportunities for the company (Penagos Forero & Niño Amézquita, 2021)

1.2.2 Background of the Colombian Market

Colombia is considered an emerging economy that has experienced sustained growth, especially in areas such as technology, energy, and manufacturing. According to the World Bank (2021) 'The Colombian economy has shown remarkable resilience in the face of various political and social challenges.' However, the political situation and insecurity in some regions may pose certain risks. The economic opening policies implemented since the 1990s, along with recent trade agreements such as the Free Trade Agreement (FTA) with the United States and the European Union, have created new opportunities for foreign companies (World Bank, 2021).

Although Colombia presents a growing market, the Global Competitiveness Report indicates that the country faces challenges in terms of infrastructure and labor market efficiency. However, measures have been implemented to improve competitiveness, such as tax reforms and the enhancement of logistics infrastructure. Foreign companies must understand the complexities of regulation, especially regarding tariff barriers and local regulations (Schwab et al., 2016).

Considering that the construction sector has experienced a significant slowdown, especially in building construction, it remains a key activity for the Colombian economy. While road and railway infrastructure construction has gained prominence, residential and non-residential construction has declined, and companies must adapt to these changes

by seeking new opportunities within the civil construction subsector, which is showing signs of recovery (Sarmiento-Rojas et al., 2020).

Colombia is a country that offers advantages and benefits due to its active membership in the Andean Community (CAN), which is a crucial aspect for internationalization. The Free Trade Agreement (FTA) that Colombia has signed with several countries facilitates the entry of foreign companies into the market (Ministry of Commerce, Industry, and Tourism, 2024).

The theory of internationalization helps us understand a theory of entering international markets. One of the best options is a neighboring country with cultural similarities, to more easily overcome challenges such as market introduction, consumer behavior, regulations, and competition. As a member of the Andean Community (CAN), Ecuador has certain benefits when it comes to Colombia (Ecuador Customs, 2017)), which provides greater ease due to similar characteristics such as language, proximity, and customs. Expanding into a country through alliances is a way to overcome these challenges (Figueira & Ferreira, 2024)

Analyzing Colombia, as a developing country with an emerging market, presents significant opportunities for internationalization (World Bank, 2021). The country has shown consistent growth in recent years, making Colombia an attractive destination for foreign companies. However, it also faces challenges, such as political and economic volatility, which must be considered by Dimcofe when developing its strategy.

For Dimcofe to succeed in its internationalization process, it must consider factors such as cultural adaptation and market knowledge. According to (Kotler, P., & Keller, K. L., 2016) 'The adaptation of the marketing strategy to the cultural characteristics of the local market is crucial for success' (p. 92), always without losing sight of the main objective of internationalization, which is to acquire sales, resources, and minimize risks. This means not losing sight of the company's objectives in this process, which combines its advantages, such as recognition and new opportunities (Botero et al., 2012)

However, Dimcofe needs to be informed about the specific regulations governing the construction sector, as Law 99 and the transformation of the Ministry of Environment in 1993 were fundamental for the restructuring of natural resource management in Colombia, particularly water. The decentralization of water resource management,

through the CARs (Regional Autonomous Corporations), allowed for greater autonomy and efficiency in local and regional management (Ministry of Environment, 1993).

However, it also poses challenges in terms of coordination between national and regional entities, as well as the financial sustainability of the CARs (Padilla et al., 2013). Therefore, it is a clear example for Dimcofe economic activity, since being a competitor in the sale and installation of drinking water products is a sales opportunity in the Colombian market

CHAPTER 2

Context Of The Company Dimcofe Cía. Ltda.

2.1. History and Evolution

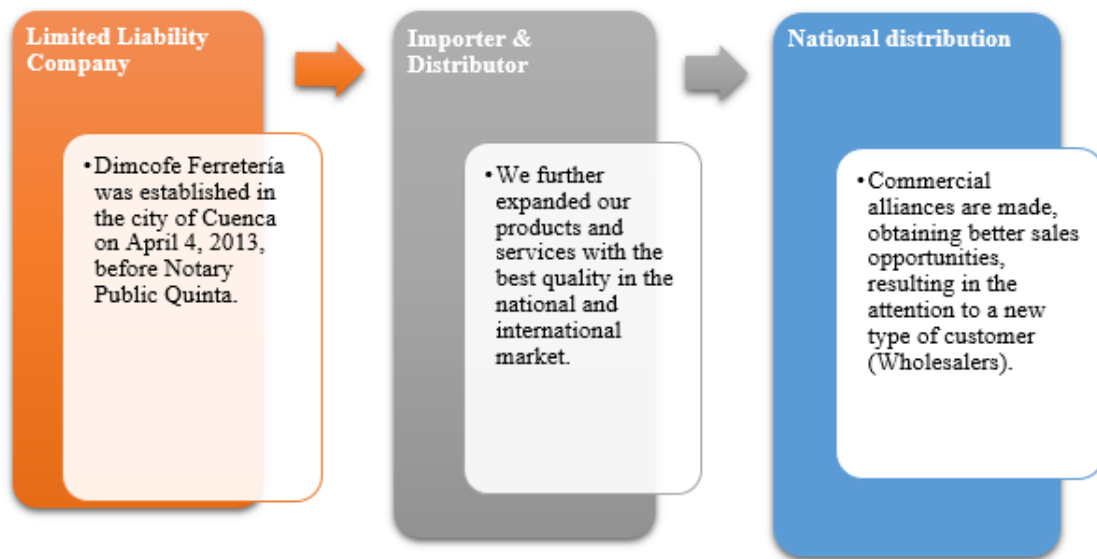
Dimcofe began its operations on July 5, 2013, as a fully family-owned company, with shareholders including Economist Gabriela Zhagñay, Mr. Manuel Narciso Zhagñay, along with his wife, Mrs. Inés Lucia Palaguachi Guartan, and Engineer Bayron Zhagñay. In its early years, the company was primarily focused on the wholesale sale of construction materials, including stone, sand, gravel, cement, and others. Its initial focus was on the commercialization of these products, which led the company to explore new business opportunities, entering public contracting and selling to projects through contractors.

Over time, this type of commercialization became more complex as customers demanded better prices, greater stock availability, and a wider variety of products. This pushed the company to establish strategic alliances with suppliers, allowing it to improve its competitiveness, which marked the beginning of its foray into imports.

While the initial objective was to serve projects and sales to the public sector, the efficient management of the purchasing department allowed the company to secure favorable commercial agreements, creating new opportunities. As a result, a department focused on wholesale sales was created, thus expanding its market.

Thanks to this development, the company adopted a business model with two distinct approaches: on one hand, serving wholesalers and projects, and on the other, selling to traditional customers or end consumers.

Figure1
Dimcofe History Summary



Note: Own elaboration

2.2. Mission, Vision, and Values

2.2.1. Mission

To be a wholesale Company distinguished by its integrity, commitment, and excellence in service, of high-quality, affordable, and functional products to consumers. To have a qualified, motivated, and efficient team committed to the company customers, suppliers, and the community.

2.2.2. Visión

To firmly position ourselves in the national market, constantly innovating to offer a value proposition that meets the needs and expectations of customers, always ensuring a wide variety of quality products and a reliable and efficient supply.

2.2.3. Values

- Seriousness

To fully comply with our legal and financial responsibilities, as well as with internal regulations and policies, we always acting with transparency and integrity in all our economic operations.

- Continuos Improvement and Consistency

To pursue excellence and quality in our products and services, staying attentive to market demands and driving initiatives to meet them, always ensuring a reliable and high-quality supply.

- Customer Listening

To be receptive to the customer's needs, valuing their requirements, fostering effective communication, and cultivating empathy and genuine trust.

- Teamwork

To take responsibility and commitment for both personal tasks and those of the work team in each area, recognizing the value each member brings to achieve the company's strategic objectives.

- Respect for Customers, Employees, and Suppliers

To foster open, receptive, and cordial communication with our customers, team members, and suppliers, always promoting an environment of harmonious and respectful coexistence.

2.3. Products

2.3.1. Helman Y Fe Conti

- Copper Ball Float Valve
- Swing Check Valve
- Portable Manual Hydrostatic Test Pump
- Manual Hydrostatic Test Pump
- Female-Female Shut-Off Valve
- Female-Male Shut-Off Valve
- ASTM B62 Bronze Saddle
- Foot Valve with Stainless Steel Strainer
- Relief Valve
- Bronze Gate Valve PN20

2.3.2. Double Lin

- Floating Ball Valve Copper
- Swing Check Valve
- Portable Manual Hydrostatic Test Pump
- Manual Hydrostatic Test Pump
- Female-Female Shut-Off Valve
- Female-Male Shut-Off Valve
- Bronze Saddle ASTM B62

- Foot Valve with Steel Strainer
- Relief Valve
- Bronze Gate Valve PN20
- Spherical Valves
- Female-Female Ball Valve
- Butterfly Handle Ball Valve F-F
- Male-Male Ball Valve
- Anti-Tamper Shut-Off Valve with Coupling 20mm
- Anti-Tamper Shut-Off Valves and Check Valve
- Check Valve
- Nickel-Plated Anti-Tamper Shut-Off Valve
- Gold-Plated Anti-Tamper Shut-Off Valve
- Anti-Tamper Shut-Off Valve with Butterfly Handle
- Anti-Tamper Valve with Union
- Female-Female Anti-Tamper Valve
- Bottom Valves
- Bottom Valve DN ½ X 4
- Bottom Valve with Steel Strainer DN ½ X 4
- Filters
- T Filter
- Y Filter
- Brass Anti-Tamper Seal
- Gate Valves
- Gate Valve DN ½ X 4
- Straight Valve DN ½ X 4
- Jet Valve
- Lightweight Jet Valve
- Deluxe Jet Valve
- Heavy Jet Valve
- Jet/Ball Valve
- 2-Way Jet/Ball Valve
- Float Valves
- Steel Ball Float Valve
- Plastic Ball Float Valve
- Yellow Plastic Ball Float Valve
- Gas Connection Valves
- Elbow Gas Ball Valve with Female Connector
- Elbow Gas Ball Valve with Male Connector
- Male Connector Adapter for Gas
- Female Connector Adapter for Gas
- Valve with Copper Outlet
- Ball Valve for Gas
- Butterfly-Type Gas Ball Valve

- Gas Ball Valve with Female Connector
- Gas Ball Valve with Male Connector
- 2-Way Ball Valve for Gas M-2 Connector
- Pe-Al-Pe Hose and Accessories
- Tee with Female Thread
- Tee
- Union
- Male Adapter
- Female Thread Elbow
- Elbow
- Female Adapter
- Cross
- Plug
- Pe-Al-Pe Hose
- Brass Accessories
- Tee with Female Thread
- Female Thread Elbow
- Cachimba Elbow
- Female Thread Union
- Nipple (Neplo)
- Universal Joint
- Male-Female Reducer
- Bushing Reducer
- Eccentric Reducer
- Meter Coupling
- Jet Valve Coupling
- Angle Valve
- Square Angle Valve
- Round Angle Valve
- Semi-Round Angle Valve
- Angle Valve with Lever Handle
- Stainless Steel Supply Tube
- Teflon
- Deck-Mounted Basin Faucet
- Wall-Mounted Basin Faucet
- Deck-Mounted Kitchen Mixer Faucet
- Drain Valve
- Mini Pressure Reducer
- Mini Pressure Reducer with Regulator
- Ball Valve with Electric Actuator
- Pressure Reducer with/without Regulator

2.3.3. Era

- 90° Threaded Elbow Ac
- 45° Threaded Elbow Ac
- Threaded Tee Ac
- Universal Threaded Joint Ac
- Threaded Tee Ac
- Universal Threaded Joint Ac
- Threaded Union Ac
- Eccentric Reducer Ac
- Short Reducer Ac
- Straight Nipple Ac
- Four-Way Threaded Pipe
- Male Plug Ac
- Female Plug Ac
- Tank Coupling Ac
- Long Nipple Ac
- IPS Elbow Ac
- IPS Nipple Ac
- IPS Tee Ac
- IPS Joint Ac
- 90° Threaded Elbow Af
- Threaded Tee Af
- Threaded Union Af
- Universal Threaded Joint Af
- Short Reducer Af
- Threaded Nipple Af
- Female Plug Af
- Male Plug Af
- 6m PN20 Thermofusion Pipe
- 45° Thermofusion Elbow
- 90° Thermofusion Elbow
- Thermofusion Tee with Metal Insert
- Thermofusion Union
- Thermofusion Tee
- Female Adapter with Metal Insert Thermofusion
- Male Adapter with Metal Insert Thermofusion
- Female Elbow with Metal Insert Thermofusion
- Male Elbow with Metal Insert Thermofusion
- Thermofusion Joint
- Thermofusion Bridge
- Thermofusion Clamp
- Thermofusion Reducer
- Thermofusion Plug
- Thermofusion Cross

- Scissors
- Thermofusion Valve
- Thermofusion Stop Valve
- Thermofusion Bell Valve
- Thermofusion Ball Valve
- Decorative Stop Valve
- Metal Casing Fusion Tool
- 90° Elbow
- Tee
- Union
- Universal Joint
- Plug
- Male Adapter
- Female Thread 90° Elbow
- Male Thread Elbow
- Cross
- Wye
- Reducing Elbow
- Long Reducer
- Male Thread – Compression Elbow
- Female Thread – Compression Elbow
- Compression Plug
- Compression Reducer
- Reducing Compression Tee
- Male Thread – Compression Tee
- Female Thread Tee
- Compression Tee
- Master Valve Compression Fitting
- Male Compression Adapter
- Compression Elbow
- Compression Valve
- Female Compression Adapter
- Union
- Flange
- Plug
- Tee
- Joint
- Cross
- Gibault
- Eccentric Reducer
- Wye
- 90° Elbow
- 45° Elbow

- Short Reducer
- Threaded Pressure Elbow
- Tee
- Female Adapter
- Male Adapter
- Elastomeric Union Fittings
- Reducing Tee Elastomeric Union
- Repair Union
- Injected Tee Uz ANSI Flange
- Purge Valves
- Pool Valve with Joint Sch40
- Blue Lever Valve
- Check Valve
- Backflow Valve for Drains
- Compact Plastic Valve
- Plastic Valve with Joint
- Plastic Valve with Steel Handle
- Foot Valve
- Butterfly Valve with Trigger and Handwheel
- Butterfly Valve with Handwheel
- Octagonal White Valve with Red Lever
- Double Threaded Joint Valve
- Straight Threaded Check Valve
- Foldable Straight Check Valve
- Industrial Clamp with Stainless Steel Bolt
- Strap Clamp with Zinc-Coated Steel
- Industrial Clamp with Zinc-Coated Steel Bolt
- Saddle with Metal Band

2.3.4. Sprinkler

- Sprinkler Spr 12
- Sprinkler Spr 40
- Sprinkler Spr 41
- Sprinkler Spr 45
- Sprinkler Spr 5032
- Sprinkler Spr 3012
- Sprinkler Spr 65
- Sprinkler Spr 60
- Sprinkler Spr 7010
- Accessories for Model Spr 12
- Sectorial Sprinkler Spr 5
- Sectorial Sprinkler Spr 62
- Sectorial Sprinkler Spr 65

- Sectorial Sprinkler Spr 133
- Sectorial Sprinkler Spr 130
- Cannons Spr 201
- Cannon Spr 411
- Cannon Spr 410
- Sectorial Sprinkler Spr 90
- Circular Sprinkler Minigr10
- Circular Sprinkler Gir
- Circular Sprinkler X Gir
- Venturi Fertilizer Injector
- Disc Filter 120 Mesh
- Screen Filter 120 Mesh
- Quick Coupling
- Disc Filter 120 Mesh
- Thermoplastic Pressure Reducer
- Single Air Valve
- Air Valve T. Light Duty
- Air Valve T. Heavy Duty
- Welding Rod
- Geomembrane Welding Machine
- Wedge Welder
- Manual Extruder
- Geomembrane Welder (With Digital Display)
- Male Adapter
- Geomembrane
- Hot Air Blower
- Female Adapter
- Flex Union
- Flex Tee
- Flex Elbow
- Initial Connector Type 1
- Initial Connector Type 2
- Initial Connector Type 3
- End
- Drip Line Accessories
- Camlock Coupling SS Type C
- Camlock Adapter SS Type E
- Camlock Adapter SS Type A
- Flex Hose Adapter - NPT
- Steel Flex Hose Union
- Dust Cap SS DP Camlock Type
- Dust Cap SS DC Camlock
- Female Coupler SS Type D Camlock

- Female Coupler x Hose SS Type C Camlock

2.3.5. Divalt Hierro Ductil

- Unions and Accessories
- Valves
- Hydraulic Control Valves

2.3.6. Kron

- Universal Couplings
- Special Universal Couplings
- Universal Coupling – Flange
- Nipples and Wall Bushings
- Accessories
- Smooth End Valve with Resilient Gate
- Smooth End Valve with Resilient Gate
- AWWA C504 Valve with Flanged Ends
- Butterfly Valve
- Lug-Type Valve with Threaded Ends
- Pressure Reducing Valve
- Pressure Reducing and Sustaining Valve
- Modulating Float Valve
- Non-Modulating Float Valve
- Flow Limiting Valve
- Diaphragm Pressure Reducing Valve
- Diaphragm Pressure Reducing and Sustaining Valve
- Modulating Floating Valve
- Non-Modulating Floating Valve
- Altitude Control Valve
- Y-Strainer with Flanged Ends
- Air Release/Vacuum Valve
- Triple-Action Valve
- Wafer-Type Check Valve
- Hydro Check Valve
- Accordion Couplings
- Dismantling Joint
- Coupling Joint with Rubber
- Repair Clamp
- Ductile Iron Clamp + Stainless Steel Strap

2.3.7. Bmeter

- Single-Jet Water Meter Model GSD8
- Single-Jet Water Meter Model GSD8-45
- Single-Jet Water Meter Model CPR-RP

- Multi-Jet Water Meter Model GMDM
- Bulk Water Meter Model K40
- Bulk Water Meter Model K50
- Bulk Water Meter Model KDE
- Base with Extenders + Couplings
- HDPE Tamper-Proof Seals
- Electromagnetic Bulk Water Meter

2.3.8. Divalt

- Tapping Saddle
- Sidewalk Valve
- 3-Part Union
- 2Part Union
- Bronze Saddle Clamp

2.3.9. Jtcooper

- Cooper M
- Cooper L
- Cooper K

2.4. SWOT ANALYSIS

The SWOT analysis is an evaluation technique that allows for analyzing the situation of an organization within its environment, considering both its internal characteristics (internal situation) and external factors. Its purpose is to identify the Strengths, Weaknesses, Opportunities, and Threats of the company. The internal situation consists of two controllable elements: strengths and weaknesses, while the external situation includes uncontrollable factors: opportunities and threats. This tool is used to gain a clear and precise understanding of the current state of the organization (Ballesteros et al., 2010).

Table 1
DIMCOFE SWOT

| Strengths | Oportunities |
|---|---|
| <ul style="list-style-type: none"> • Knowledge of products, suppliers, regulations, technical aspects, and market needs. • Ability to adapt to new markets. • Contacts and business relationships with foreign suppliers. • Corporate identity. • Debt capacity. | <ul style="list-style-type: none"> • Credit lines from financial institutions. • Intent of external individuals to invest. • Government interest in launching new real estate projects |
| Weaknesses | Threats |

- Lack of planning for infrastructure development.
- Absence of a recruitment, training, and feedback program for staff.
- Lack of implementation of technological resources for administration and control
- Local manufacturing
- Positioning of competing brands
- Economic crisis
- Political instability
- Country risk
- Insecurity

Note: Own elaboration

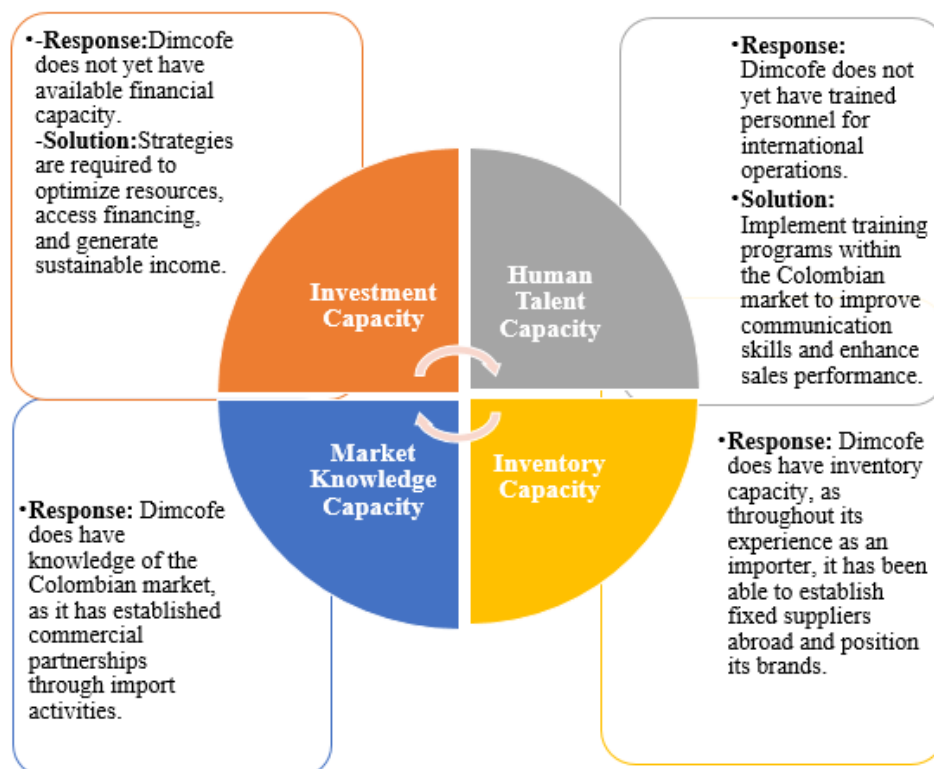
Below is a SWOT analysis of Dimcofe Cía. Ltda., a company that imports and markets construction products, to identify its strengths, weaknesses, opportunities, and threats, and provide recommendations that facilitate the development of appropriate strategies to improve its market positioning.

2.5. Evolution of Internationalization Capacity

For the internationalization of Dimcofe, it is necessary to analyze its capabilities in the areas of finance, human resources, the international market, and its inventory. This aspect is important as it will help us identify the company's strengths at the organizational level in order to address and identify its weaknesses and continue expanding into other markets.

Figure 2

Analysis of Key Factors for Internationalization



Note: Own elaboration

CHAPTER 3

Analysis of the Colombian Market

3.1. Current Economic Landscape of Colombia

Economic development refers to all production aimed at increasing the quantity of goods and services. This production includes so-called infrastructure works, such as roads, highways, airports, hydroelectric plants, sewage systems, water supply systems, bridges, among others (Bank of the Republic, 2015).

Colombia is a country that experiences constant growth in the trade of goods and services. Moreover, it has invested significantly in infrastructure, which has generated confidence among the population regarding the country's progress. These infrastructure investments have favored foreign investment and, at the same time, have facilitated access to international markets.

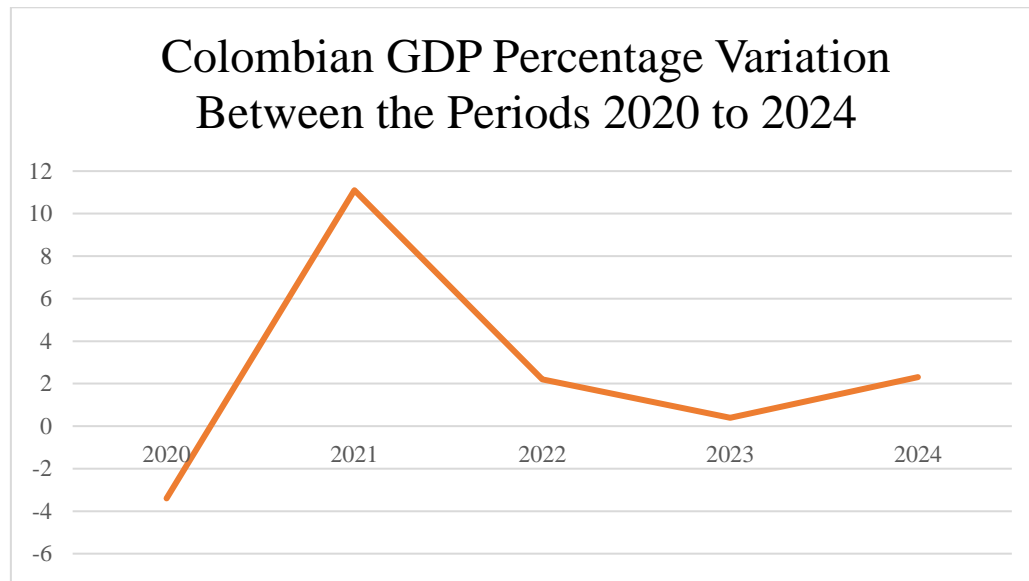
There are various schools of economic thought, and in the field of economic development, there is also a variety of approaches, with different labels that group development theories according to various authors. In summary, in the modernization theory, underdevelopment is seen as an economic lag problem, and it is suggested that the most effective way to overcome it is by breaking the vicious circle of poverty through savings and investment or, if that is not possible, through borrowing and foreign investment.

3.1.1.GDP of Colombia

The macroeconomic institutional environment of Colombia, characterized by a rules-based fiscal framework, a flexible exchange rate, and a modern inflation targeting regime, has been essential in ensuring its macroeconomic stability. However, the pace of economic growth has slowed down, which means the country holds considerable potential to increase its contribution to Gross Domestic Product (GDP) growth through increased productivity, which has remained stagnant for several decades, and the diversification and expansion of its exports. To continue advancing in its economic development, it is crucial to address infrastructure gaps, improve educational outcomes, and strengthen institutions (DAE, 2024).

Figure 3

Colombia's GDP for the Periods 2020 to 2024



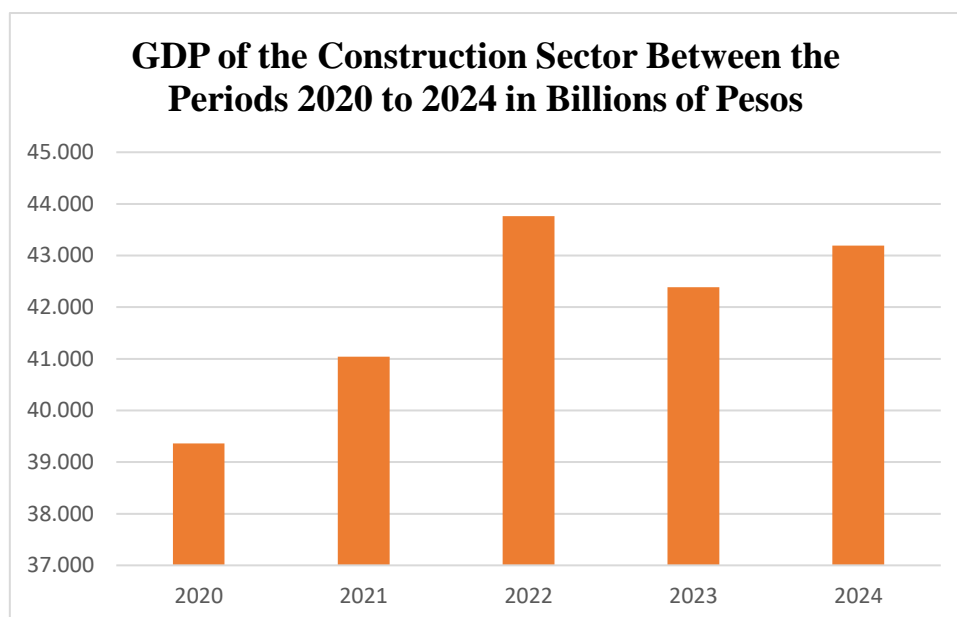
Note: The graph represents the percentage of GDP of all sectors contributing to Colombia between 2020 and 2024. Adapted from Gross Domestic Product (GDP) National Quarterly, by DANE (2025), <http://dane.gov.co/index.php/estadisticas-por-tema/cuentas-nacionales/cuentas-nacionales-trimestrales/pib-informacion-tecnica>.

The macroeconomic imbalances generated during the strong post-pandemic economic recovery are being corrected quickly, with a decrease in inflation and fiscal and external deficits. In 2023, the economy contracted by 1.6% due to the need to eliminate stimulus measures and growing uncertainty about the direction of economic policy, which affected fixed investment. Despite this, monetary and extreme poverty rates decreased in 2023, mainly due to higher incomes in the labor market. However, in 2024, there was a growth of 1.1%, and it is expected to continue growing in 2025 to stay within the average growth rate (DAE, 2024) .

One of the sectors that was influential in this recovery and has remained stable in recent periods with minimal variation has been the construction sector. Analyzing its contribution to the Gross Domestic Product resulted in the following values.

Figure 4

GDP of the Construction Sector Between the Periods 2020 to 2024 in Billions of Pesos



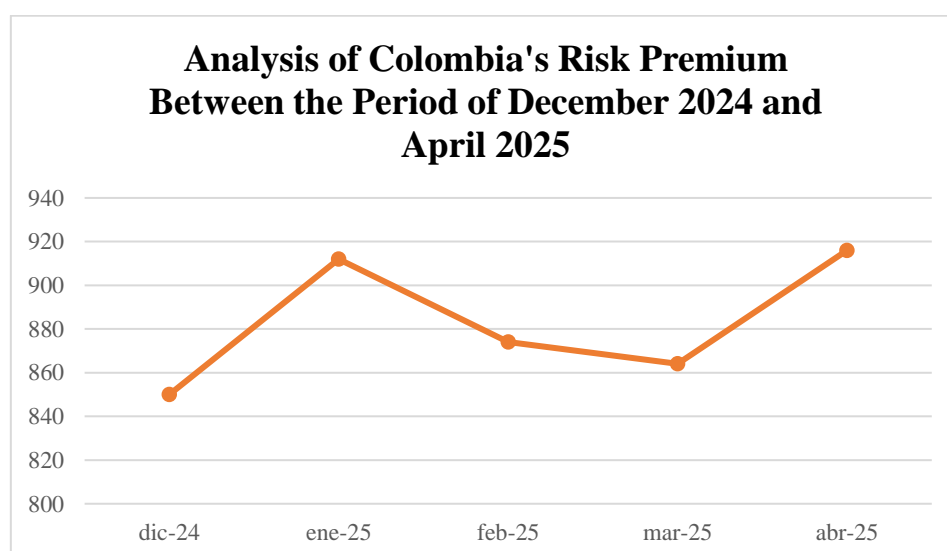
Note: Adapted from Gross Domestic Product (GDP) National Quarterly, by DANE (2025), <http://dane.gov.co/index.php/estadisticas-por-tema/cuentas-nacionales/cuentas-nacionales-trimestrales/pib-informacion-tecnica>.

3.1.2. Country Risk

Country risk in Colombia is a concerning factor for the country, given that in the past year (2025), there has been a month-to-month increase throughout the referenced year. It is important to highlight the factors that have contributed to the rise in the country risk index.

Figure 5

Country Risk of Colombia Between the Period of December 2024 and April 2025



Note: Adapted from Colombia Risk Premium – Macro Data (2025). <https://datosmacro.expansion.com/primariesgo/colombia?dr=2025-04>

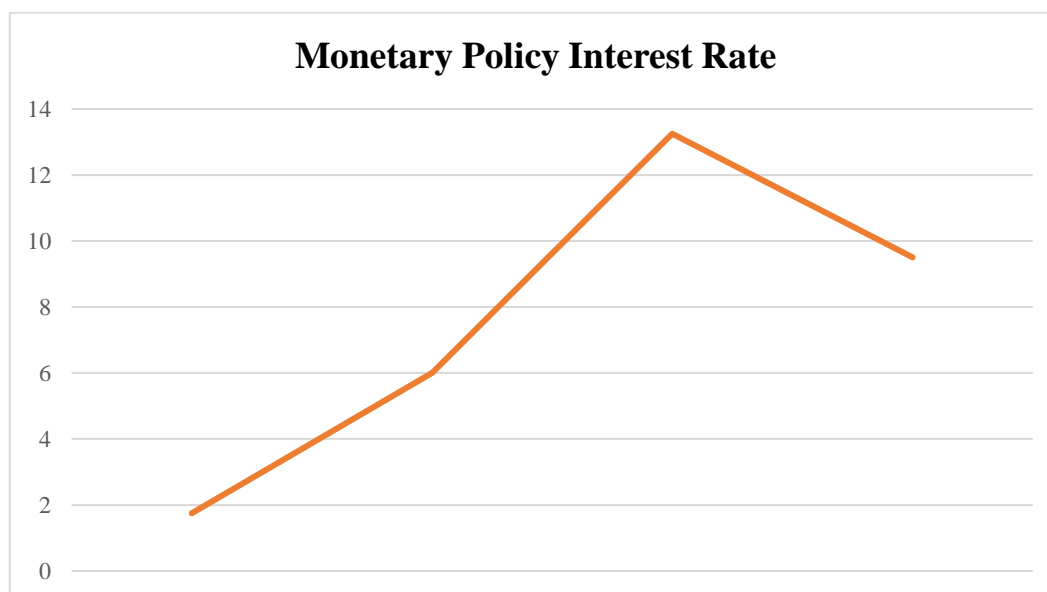
This increase is attributed to several factors, such as the persistent fiscal deficit, which implies significant uncertainty about the sustainability of public finances. Another important factor is the low credit rating pressure, as Colombia's rating remains at BB+/B with a negative outlook, warning of potential breaches of the fiscal rule in the coming years. Finally, political instability plays a key role, due to the recent resignation of Finance Minister Diego Guevara and tensions within the presidential cabinet, all of which contribute to growing economic uncertainty.

3.1.3. Tasa de Interés

The policy interest rate is the minimum interest rate that the Bank of the Republic sets for loans it grants to financial institutions through open market operations (OMO), which are carried out in monetary expansion auctions with a one-business-day term. This is an instrument used by the Bank of the Republic to influence the amount of money circulating in the economy (*INTEREST RATE COLOMBIA*, s. f.).

Figure 6

Interest Rate Between the Periods 2021 to 2024



Note: Adapted from Monetary Policy Interest Rate, by the Bank of the Republic of Colombia <https://suameca.banrep.gov.co/estadisticaseconomicas/#/informacionSerie/59/Tasas%20de%20inter%C3%A9s%20de%20pol%C3%ADtica%20monetaria>.

The graph represents the evolution of the Monetary Policy Interest Rate (MPIR) from January 2021 to January 2024. The following trends can be identified:

- **Sustained Growth (January 2021 to January 2023):** The MPIR starts at a low level in January 2021 and experiences a gradual increase, reaching its highest point in

January 2023. This behavior suggests that the central bank raised interest rates, possibly to contain inflation or prevent an overheating of the economy.

- **Subsequent Decline (January 2023 to January 2024):** From its peak in January 2023, the MPIR begins a downward trajectory, which may reflect a loosening of monetary policy in response to an economic slowdown or more effective inflation control.

As a result, the graph shows a cycle of monetary adjustment, followed by a phase of rate reduction, a common pattern during periods of high inflation and subsequent economic stabilization

3.2. Key Sectors for Internationalization

3.2.1. Construction Sector

The construction sector plays a crucial role in internationalization, particularly in the Colombian market, as it contributes to economic growth through job creation, investment, and demand for inputs, thereby strengthening the competitiveness of a country in the global arena. Modern and efficient infrastructure is key to attracting foreign investment, facilitating the establishment of international companies, and providing access to financing for strategic projects.

Therefore, it is important to analyze the level of imports in the construction sector over recent years to conduct a sectoral analysis for internationalization within Colombia.

3.2.2. Economic Sector

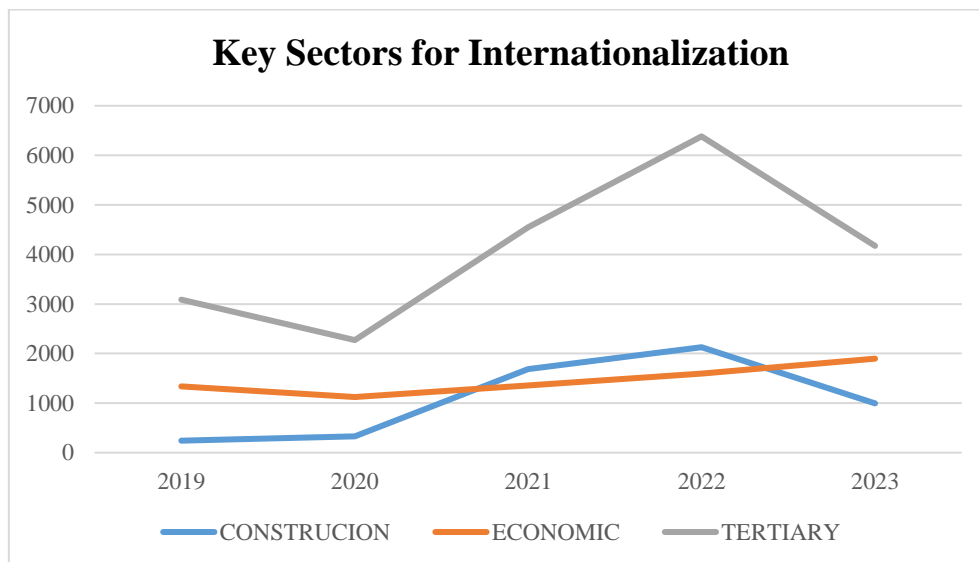
The economic sector in Colombia plays a vital role in the country's development, as it contributes to growth, job creation, and financial stability. The Colombian economy is supported by various sectors, such as agriculture, industry, mining, trade, and services, which significantly contribute to the Gross Domestic Product (GDP). On the other hand, infrastructure and construction are essential for improving connectivity and promoting regional development. Moreover, the financial and technology sectors have gained greater importance, driving the modernization and digitalization of the economy. Together, Colombia's economic sector is crucial for strengthening the country's global competitiveness and improving the well-being of its population.

3.2.3. Tertiary Sector

The transportation sector in Colombia is an essential component of the tertiary sector, as it facilitates trade, the mobility of people and goods, and significantly contributes to the country's economic development. This sector encompasses various modes of transportation, such as road, air, maritime, and rail, all of which play a key role in connecting regions and international markets.

In general, the transportation sector in Colombia is vital for the country's competitiveness, but it requires investments in infrastructure and modernization to improve its efficiency, reduce logistics costs, and strengthen its role in both the national and international economy. However, it is worth noting that it is one of the sectors with the highest importation of resources.

Figure 7
Comparison of Key Sectors Between 2019 and 2023



Note: This is a comparative diagram between the construction sector and two other sectors with the highest import levels in the Colombian market, aimed at analyzing the opportunity to enter the market. Adapted from the list of services imported by Colombia – Service: 5 – Construction. for Trade Map (2023) <https://surl.li/nogkqs>.

When analyzing the three key sectors for internationalization within the Colombian market between 2019 and 2023—construction, economy, and the tertiary sector—it is observed that the tertiary sector (represented by the gray line) has the highest values, experiencing significant growth until 2022, followed by a decline in 2023. The economic sector shows a more stable trend, with a slight increase over the years. On the other hand, the construction sector presents sustained growth until 2022, but suffers a drop in 2023.

This behavior suggests that internationalization has particularly benefited the tertiary sector, although there has been a slowdown in the last year. Meanwhile,

construction, which also experienced significant growth, is facing a decline that could be due to factors such as reduced investment or changes in demand. In general, the graph reflects the importance of these sectors in the internationalization process, with variations depending on the economic context.

3.3. Trends and Behaviors of Colombian Consumers

The consumer has been defined in various ways. From a traditional perspective, the consumer has been characterized by economic goods and services, being considered a potential buyer of products and services available in the market. It is important to consider key aspects in detail, especially their purchasing trends and behaviors.

- Purchase behavior: This point analyzes the type of construction, purchase motivation, and the channels used for information and purchasing products.
- Consumption trends: This section examines sustainability, digitalization, design, and materials.
- Economic factors: Includes access to credit, participation in programs that support construction, and payment channels.
- Geographic preferences: For the Colombian consumer, it is important to grow in intermediate cities due to lower costs and better quality of life.
- Consumer behavior in materials and remodeling: At this point, quality vs. price is important to the consumer, along with interest in trustworthy brands and planned purchases based on comparisons between multiple hardware stores and digital platforms.

Over time, this view has expanded, and some experts argue that monetary exchange is not an essential requirement for defining a consumer. As a result, the evolution of the concept now includes not only those who purchase goods and services, but also those who adopt free products, ideas, or philosophies (Perez et al., 2015).

3.4. Competition in the Colombian Market

The construction sector in Colombia is an essential component of the national economy, contributing approximately 4.3% to the Gross Domestic Product (GDP) and generating employment for nearly 1.6 million people. This sector is divided into several key areas:

- **Building Construction:** Includes both residential and non-residential buildings, representing more than half of the sector's GDP, with 2.4%.

- **Civil Works:** Covers infrastructure projects such as roads and rail systems, contributing around 1% to the GDP.

- **Specialized Services:** Encompasses activities such as electrical installations, plumbing, and other related services, contributing 0.9% to the GDP.

Regarding competition in the Colombian market, there are approximately 7,388 companies dedicated to construction. Of these, 38.8% focus on the residential sector, while the rest operate in areas such as civil works and specialized services. The most profitable companies tend to belong to the residential, demolition, electrical installations, and plumbing subsectors. The market is highly competitive, with a significant presence of foreign companies that, thanks to globalization and open markets, compete directly with local firms. These international companies often have more advanced technologies and greater resources, adding pressure on domestic companies to remain competitive (BBVA, 2024).

In Colombia, there are various companies dedicated to the import and commercialization of products for potable water and irrigation systems. Below are some of the main ones:

Table 2
Competition in the Colombian market

| Companies | Location | Experience |
|---|---------------------------|------------|
| Acuatello S.A. | Bogotá | 35 Años |
| Innovagric S.A.S. | La Unión, Valle del Cauca | |
| Ingepeg S.A.S. | Bogotá | |
| EF-Riego (Ecolgy Farm Cía. Ltda.) | Bogotá | |
| Aspercol Ltda. | Bogotá | |
| Maquiver S.A. | Bogotá | |
| Edarvico S.A. | Suroccidente colombiano | 50 Años |
| Distraigo del Oriente S.A.S | Bucaramanga, Santander | 25 Años |
| Acuametal | Bogotá | |
| Royco | Bogotá | |
| Comercializadora y Distribuidora Márquez y Pardo S.AS | Bogotá | 8 Años |
| Tecniagua S.A. | Bogotá | 30 Años |
| Válvula y Accesorios S.A. | Bogotá | 20 Años |
| Sodimac Colombia | Bogotá | 20 Años |
| Grupo Argos | Medellín | 85 Años |

Note: Own Elaboration

3.5. Regulatory Framework and Policies for Foreign Companies

The construction sector in Colombia is regulated by a set of laws, decrees, and resolutions that establish the guidelines for its development and operation. Below are the key regulations and public policies that make up this regulatory framework:

Decree 1077 of 2015: Known as the Single Regulatory Decree of the Housing, City, and Territory Sector, it compiles and unifies the regulatory provisions related to the sector. This decree has been modified several times to adapt to the changing needs of the sector. (Public Function)

Law 400 of 1997: Establishes the criteria and minimum requirements for the design, construction, and technical supervision of new buildings, particularly regarding seismic resistance, with the aim of protecting human lives and property. (Civil Works Regulation)

Law 2079 of 2021: Recognizes public housing and habitat policy as a state policy, aimed at ensuring the right to decent housing and habitat for all Colombians. (Public Function)

Resolution 0549 of 2015: Regulates the parameters and guidelines for sustainable construction and adopts the "Guide for Water and Energy Savings in Buildings." (Real Estate Lawyer Colombia)

Colombian Technical Standards (NTC): These standards regulate various aspects of construction, from design to execution, promoting sustainable practices and high-quality standards to ensure the safety and quality of works. (ultracem.co)

In addition to these regulations, the Colombian government has implemented public policies to encourage sustainable construction and access to housing. One example is the "National Plan for the Construction and Improvement of Rural Social Housing," which seeks to implement the public housing policy for rural areas through specific strategies and programs. (Ministry of Housing)

It is essential for companies and professionals in the sector to stay updated on these regulations and policies to ensure compliance and contribute to the country's sustainable development.

3.6. Entrance barriers and construction risks

3.6.1. Entry Barriers

Entry barriers for products from Ecuador to Colombia can take various forms and affect Ecuadorian companies seeking to enter the Colombian market. These barriers may be commercial, technical, logistical, or regulatory.

3.6.1.1. Tariff Barriers

It is important to highlight that Ecuador and Colombia are members of the Andean Community (CAN), which facilitates trade for certain products without tariffs. However, some products must comply with CAN certificates of origin and trade agreements, especially when dealing with goods that could affect the competitiveness of Ecuadorian products in the Colombian market. Additionally, tariff barriers may apply when the products entering the Colombian market originate from countries that are not members of the Andean Community.

3.6.1.2. Logistical Barriers

In this area, transportation costs must be considered, as unfortunately factors such as poor road conditions and traffic congestion affect the efficiency of transit between the two countries. Additionally, the distance, volume, and weight of the products impact the price competitiveness in the Colombian market for both countries. These challenges often lead to increased shipping times and higher transportation costs, making cross-border trade more complex and expensive.

3.6.1.3. Comercial and Market Barriers

The Colombian market for potable water and irrigation systems is dominated by well-established local companies, which poses a significant barrier for new entrants lacking a differentiated value proposition. Additionally, Colombian consumers may have strong preferences for national or local brands, requiring additional marketing efforts and product adaptation to gain acceptance and compete effectively in the market.

3.6.2. Associated Risks

3.6.2.1. Economic Environment Risks

Inflation and Interest Rates: Rising inflation and interest rates increase operational costs for companies in the sector while simultaneously reducing the purchasing power of

both consumers and businesses involved in construction. (BANK OF THE REPUBLIC, 2025).

3.6.2.2. Regulatory and Normative Risks

Update of Technical Standards (NTC/ICONTEC): Changes in regulations can render imported products obsolete if they do not comply with local requirements.

Sanitary and Agricultural Procedures (INVIMA / ICA): Requirements to register products with entities such as INVIMA (for potable water) or ICA (for irrigation systems) can represent significant bureaucratic hurdles.

CAN Origin Certificates: If products contain components not originating from member countries of the Andean Community, they may lose tariff benefits. Actualización de normas técnicas (NTC/ICONTEC).

3.6.2.3. Logistical and Operational Risks

Delays in Customs Processes: Strict controls, changes in documentation, or technological failures can slow down the clearance of imported products.

Limited Road Infrastructure: Especially in rural areas, poor infrastructure hinders the distribution and maintenance of equipment.

High Dependence on Land Transport: This mode of transport is vulnerable to events such as social blockades, extreme weather conditions, or transportation sector strikes.

3.6.2.4. Technical and Adaptation Risks

Product Compatibility with Local Conditions: Some irrigation systems or hydraulic components may not perform properly in environments with high humidity, salinity, or altitude.

Lack of Specialized Technical Support: Certain equipment requires specialized maintenance that may not be available in all regions of the country.

3.6.2.5. Commercial and Competition Risks

Established Competition: Brands such as Postobón, Agua Brisa, and Homecenter dominate the market, making it difficult for new competitors to establish themselves.

Colombian Consumer Preferences: The market shows a preference for well-known brands and those that offer local and prompt technical support.

3.6.2.6. Environmental and Sustainability Risks

Stricter Environmental Regulations: Regulations may restrict the use of non-recyclable plastics in packaging and irrigation products.

Water Efficiency Demands: In regions facing water stress, there is a requirement to use technologies that optimize water usage, such as smart irrigation systems.

CHAPTER 4

COMPARATIVE AND COMPETITIVE ANALYSIS OF COMPANIES THAT SUCCESSFULLY ENTERED THE COLOMBIAN MARKET.

4.1. Critical Factors for Analysis

At this point, there are 10 important factors that we will analyze in the companies under study, for which the importance of each factor will be detailed below, supported by their concepts.

Importance of Risk Factor Analysis: Analyzing risk factors allows for the anticipation of potential obstacles that may affect the operation, profitability, and sustainability of a company. Understanding the economic, regulatory, technical, logistical, commercial, and environmental environment is essential for making informed strategic decisions, adapting to market conditions, and mitigating negative impacts on the value chain.

Company and Sector Identification: This is a company dedicated to the import and commercialization of products related to drinking water and irrigation systems. The company operates within the goods and services sector for human, agricultural, and industrial consumption, with a focus on the distribution of technologies and solutions for the efficient management of water resources.

Market Entry Strategy for the Colombian Market: The market entry strategy outlines the approach through which the company enters the local market. This may involve gradual processes of commercial recognition, the establishment of strategic alliances, analysis of the legal framework, and adaptation of the product portfolio to the country's technical, regulatory, and cultural conditions.

Investment Across Different Areas: Investment is distributed across various strategic areas such as operational infrastructure, regulatory compliance, development of technical capabilities, distribution and commercialization processes, technological innovation, and initiatives focused on sustainability and environmental impact.

Geographical Location and Coverage: The geographical location of the company determines its logistical capacity, access to key markets, and distribution efficiency. Geographic coverage reflects the territorial reach of operations, both in urban and rural

areas, and the company's ability to serve different regions of the country in a timely and effective manner.

Positioning and Differentiation: Positioning defines the perception the company aims to create in the market compared to its competitors. Differentiation refers to the unique attributes that set the products or services apart, such as quality, innovation, regulatory compliance, sustainability, or specialized technical support.

Business Model: The business model represents how the organization creates, delivers, and captures value. It includes its operational structure, customer relationship approach, marketing processes, resource management, and revenue generation mechanisms—whether through direct, indirect, or hybrid channels.

Advertising and Promotion Strategy: The advertising strategy outlines the media, messaging, and channels through which the company communicates its value proposition to the market. It includes promotional actions aimed at brand awareness, commercial positioning, customer acquisition, and retention, aligned with the defined business objectives.

4.2. Ausa

4.2.1 Company

Ausa is a company that, since 1961, has specialized in the manufacture of light vehicles designed for construction, cargo transport, and warehouse management, engineered to operate on all types of terrain. Initially, it started as a manufacturer of utility vehicles, but over time, it has expanded its offering to include leisure vehicles and a construction services division, Ausa EcoSite, focused on waste management.

This company was key in the introduction and expansion of the use of the "dumper" in the country. During the 1960s and 1970s, dumpers underwent significant improvements: in 1962, diesel engines were incorporated; in 1967, a rotating hopper was added; and in 1971, a hydraulic dumping system was introduced.

Moreover, a strong export-oriented mindset has been a defining trait of Ausa's corporate culture. The company was a pioneer in its internationalization process during a period marked by protectionism, when most Spanish metalworking industries focused

exclusively on the domestic market. In this context, AUSA implemented a commercial strategy aimed at seizing business opportunities in foreign markets.

4.2.2. Market Entry Strategy

AUSA entered the Colombian market by adopting an internationalization strategy based on flexibility and adaptation to local markets. From the early stages of its expansion, AUSA chose to rely primarily on distributor networks rather than establishing its subsidiaries in each country, Colombia being no exception. This approach allowed the company to minimize economic risks, optimize resource allocation, and leverage the local market knowledge provided by its commercial partners.

It focuses on targeting specialized market sectors, prioritizing those where its products, such as dumpers, all-terrain forklifts, and sweepers, can stand out against the offerings of major heavy machinery manufacturers. In this way, the company has successfully positioned itself in areas such as urban infrastructure construction, medium-scale projects, and municipal services.

A key element of its strategy is the strong commitment to technological innovation, aimed at enhancing the performance of its equipment in terms of traction, payload capacity, and operational efficiency. Additionally, the company is developing electric alternatives to meet the growing demand for sustainable solutions in urban environments.

In Latin America, and particularly in Colombia, AUSA maintains its presence through authorized distributors, leveraging the growth of the infrastructure sector and the demand for compact and durable equipment that characterizes these markets.

To conclude, the internationalization strategy that worked best for AUSA in the Colombian market was a combination of indirect expansion through distributors in Colombia, specialization in local market segments, and continuous innovation.

4.2.3. Investment

The entry of Automóviles Utilitarios S.A. (AUSA) into the Colombian market was characterized by a low-risk internationalization strategy, based on indirect investment through the creation of strategic alliances with authorized local distributors. Instead of establishing its own subsidiaries, production centers, or logistical infrastructure in the country, AUSA prioritized a model that minimized initial financial commitment while allowing the company to gradually assess market behavior.

The investment made by AUSA in Colombia was primarily focused on strengthening its distribution channels through technical and commercial training for its local partners. It also included the development of promotional and sector-specific marketing initiatives, such as participation in nationally significant construction and machinery trade fairs. Additionally, the company invested in optimized logistical services, ensuring the availability of spare parts and competitive delivery times, without the need to establish its infrastructure within Colombian territory.

This approach allowed AUSA to reduce its exposure to regulatory, economic, and cultural risks, which are inherent characteristics of emerging markets like Colombia. Furthermore, the company leveraged its regional distribution network in Latin America to facilitate the entry of its products into the country, sharing logistical and commercial resources allocated to markets such as Chile, Peru, and Colombia.

Resulting in the company's entry into the Colombian market being defined as an indirect, low-cost investment focused on strengthening distribution channels. This approach allowed for a gradual and controlled market insertion, aiming to optimize resources and minimize risks.

4.2.4. Positioning

AUSA has successfully established a significant presence in Colombia through an expansion model based on strategic alliances with local distributors. The brand has positioned itself as a reliable provider in the compact construction machinery segment, thanks to the robustness, technological innovation, and adaptability of its products

It has successfully established a significant presence in Colombia through an expansion model based on strategic partnerships with local distributors. The brand has positioned itself as a reliable supplier in the compact construction machinery segment, thanks to the robustness, technological innovation, and adaptability of its products.

Their entry into the Colombian market has been strengthened through the commercialization of equipment such as dumpers, 4x4 wheelbarrows, and sweepers, aimed at meeting the demand for urban infrastructure, public works, and industrial projects.

The strengthening of their brand in Colombia has been made possible thanks to cooperation with prominent distributors, including.

4.2.4.1. Imcolpartes S.A.S.

Leader in the distribution of construction machinery, also offering maintenance services and spare parts supply for AUSA equipment.

4.2.4.2. Motorex

It is a company that has promoted the use of AUSA machinery in urban projects, contributing its experience in the industrial and civil works sectors.

4.2.4.3. EQMCA

It is a company that has promoted the use of AUSA machinery in urban projects, contributing its experience in industrial and civil works.

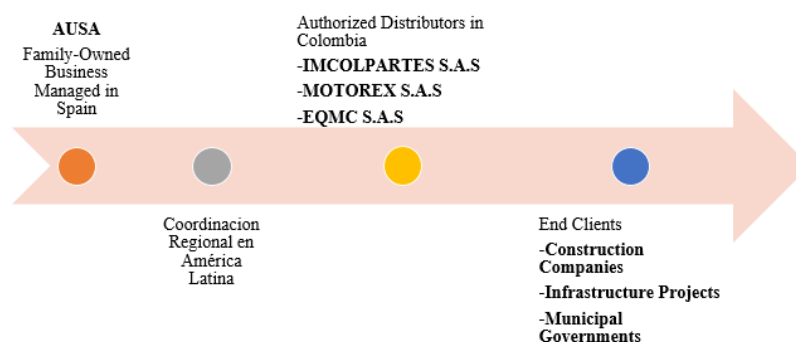
The success of AUSA's positioning in Colombia is due to its ability to offer high-quality products along with efficient after-sales service—factors that, combined with its indirect distribution strategy, have ensured sustained growth in the market.

4.2.5. Differentiation

AUSA's differentiation in the Colombian market focused on specializing in compact machinery designed for sectors requiring high maneuverability and durability, such as urban construction and municipal services. Additionally, it stands out for its technological innovation, incorporating efficient engines and 4x4 traction, aligning with local sustainability and productivity trends. Its strong after-sales service and adaptation to Colombian operational conditions have further solidified its positioning against competitors, offering flexible and high-quality solutions.

4.2.6. Modelo de empresa

Figure 8
AUSA Company Model



Note: Own Elaboration

4.2.7. Geographic Coverage

The distribution model implemented by Automóviles Utilitarios S.A. (Ausa) in Colombia is based on a diversified geographic coverage strategy through strategic alliances with authorized distributors located in the main urban and economic centers of Colombia. This distribution structure allows Ausa to ensure the availability of its products and services nationwide, optimizing customer service in strategic sectors such as construction, infrastructure, and municipal services.

The coverage network is composed of companies such as IMCOLPARTES S.A.S., which has branches in Bogotá, Medellín, Cali, Barranquilla, and Bucaramanga, allowing it to directly cover the main regions of the country. Similarly, MOTOREX S.A.S., based in Bogotá, extends its presence to Medellín and other cities through commercial alliances, thus ensuring efficient distribution in the Andean region. On the other hand, EQUIPOS Y MAQUINARIA DEL CARIBE S.A.S. (EQMCA) concentrates its operations in Barranquilla, from where it serves the Caribbean region market, including the departments of Atlántico, Bolívar, Magdalena, Cesar, and Córdoba.

This geographic coverage strategy has allowed Ausa to establish a solid presence in Colombia without requiring direct investment in its own infrastructure, while simultaneously ensuring a swift response to local market demands and efficient after-sales service through its commercial partners.

4.2.8. Advertising

The advertising strategy is focused on a business communication model, characterized by industrial marketing actions aimed exclusively at companies and professionals in specific sectors such as construction, mining, and public services.

Focus on the use of specialized channels and direct communication

- Participation in sector-specific trade fairs such as Expo Construcción and Expocamacol constitutes one of the main promotion methods, allowing direct exposure of their equipment to potential clients, as well as generating networking opportunities and institutional positioning.
- Specialized platforms for heavy machinery and professional networks like LinkedIn. The dissemination of technical content, virtual product demonstrations,

and email marketing campaigns reinforce their presence in industrial markets, increasing the visibility of their portfolio among decision-makers.

- Direct advertising through sending physical and digital catalogs, personalized visits to potential clients, and on-site machinery demonstrations. These actions strengthen trust and allow for more effective communication based on the technical characteristics of their products.

- Construction, infrastructure, and mining magazines complement their strategy, generating brand recognition in strategic segments of the Colombian market.

The advertising strategy employed in Colombia is grounded in a highly segmented business-to-business (B2B) approach. This strategy prioritizes technical communication and the development of robust commercial relationships, aligning with the specific characteristics of the utility and construction machinery market.

4.3. Pintuco

4.3.1. Company and Sector

Pintuco is a Colombian company that is part of the Grupo Inversiones Mundial (GIM). Its main activity is within the chemical sector, specifically focused on the manufacturing and marketing of paints and coatings. Throughout its history, Pintuco has positioned itself as one of the leading companies in the Andean paint market and among the twenty most important brands in the sector both globally and locally. This has enabled the company to strengthen its presence not only in Colombia but also in several countries across Latin America and the Caribbean.

4.3.2. Entry Strategies for Internationalization

The internationalization model adopted by Pintuco is based on three main pillars. First, it emphasizes expansion through strategic acquisitions, through which the company has integrated local firms in target markets within Colombia. This approach has facilitated the use of established distribution networks and strengthened its product portfolio in new commercial environments.

Second, it has developed strategic alliances and commercial cooperation agreements with local players, which has enabled more efficient penetration into highly competitive markets with significant entry barriers. These alliances have been essential for accelerating market positioning and minimizing the inherent risks of internationalization.

Finally, the company has implemented a strategy of product and commercial policy adaptation to address the specific characteristics of each market. The adjustment of paint formulas to local climate conditions, technical regulations, and consumer preferences has been a key factor in its success throughout the international expansion process.

From its headquarters in Medellín, Colombia, Pintuco directs the regional strategy for innovation, production, and marketing, which has allowed the company to maintain a competitive advantage in terms of quality, sustainability, and customer proximity.

4.3.3. Investment

Pintuco's investment strategy has been characterized by a continuous process aimed at strengthening its production infrastructure, expanding its product portfolio, and consolidating its leadership in the Colombian paints and coatings market. Since its founding in 1945, the company has focused its investment efforts on various strategic areas that have enabled it to evolve and expand sustainably.

One of the main lines of investment has been the modernization of its production plants, particularly its industrial complex located in Bello, Antioquia, which has undergone successive expansions and technological upgrades. In addition, the company has allocated substantial resources to research and development (R&D), to innovate in the creation of new product lines such as specialized coatings, eco-friendly paints, and high-performance architectural solutions.

In the commercial sphere, the company has invested in expanding its distribution network and points of sale, including partnerships with large retail chains, the opening of its stores under the "Pintuco Color Centers" format, and the strengthening of its distribution channel, thus achieving robust coverage throughout Colombian territory.

4.3.4. Positioning

Pintuco has established itself as a leader in the Colombian paints and coatings market thanks to a strategy based on quality, innovation, and broad market coverage. The company has diversified its portfolio to serve sectors such as construction, industry, and home improvement, which has enabled it to reach various market segments.

Its strong distribution network spans the entire country through large retail chains, specialized stores, and authorized distributors.

4.3.4.1. Large Retail Chains

Homecenter (Sodimac Colombia), Éxito, y Alkosto, where it offers lines of decorative paints that are easily accessible to the end consumer.

4.3.4.2. Specialized Stores

The company operates its own store format under the name Pintuco Color Centers, which serve as exclusive points of sale. Additionally, it maintains partnerships

with specialized hardware stores and construction supply outlets that provide technical advice and a full range of its products.

4.3.4.3. Authorized Distributors

- **Distribuidora Soluciones en Pinturas S.A.S.:** Con presencia en varias ciudades colombianas, esta distribuidora ofrece una amplia gama de productos Pintuco, especialmente en el sector industrial y de construcción.
- **Distribuidora Soluciones en Pinturas S.A.S.:** With a presence in several Colombian cities, this distributor offers a wide range of Pintuco products, particularly in the industrial and construction sectors.
- **Comercializadora La Casa del Pintor:** Located in different regions across the country, this distributor specializes in the sale of decorative paints and home improvement products, serving as an important channel in the consumer market.
- **Pinturas y Soluciones S.A.S.:** This distributor offers both standard and specialized products for the industry, with a focus on technical advice and high-quality solutions.
- **Grupo Alkiladores S.A.S.:** With a strong presence in the industrial products market, this distributor focuses on delivering solutions for large-scale projects such as infrastructure works and industrial maintenance.
- **Distribuciones Sancol S.A.:** Specializing in the commercialization of construction products, this distributor plays a key role in the market for paints and coatings for large-scale and residential projects.

This network ensures the accessibility of Pintuco's products. In terms of communication, Pintuco has built an emotional connection with consumers, reinforced through campaigns that highlight its ties to Colombia's cultural identity.

Furthermore, the company has incorporated sustainability and innovation into its product offering, enhancing its corporate reputation in an increasingly demanding market.

In summary, its positioning in Colombia is supported by a combination of product excellence, consumer closeness, and a clear commitment to sustainability.

4.3.5. Differentiation

Pintuco has successfully differentiated itself in the Colombian market through a strategic combination of innovation, quality, and closeness to the consumer. Its focus on

the development of specialized products tailored to the country’s climatic, technical, and aesthetic needs has been fundamental to its market leadership.

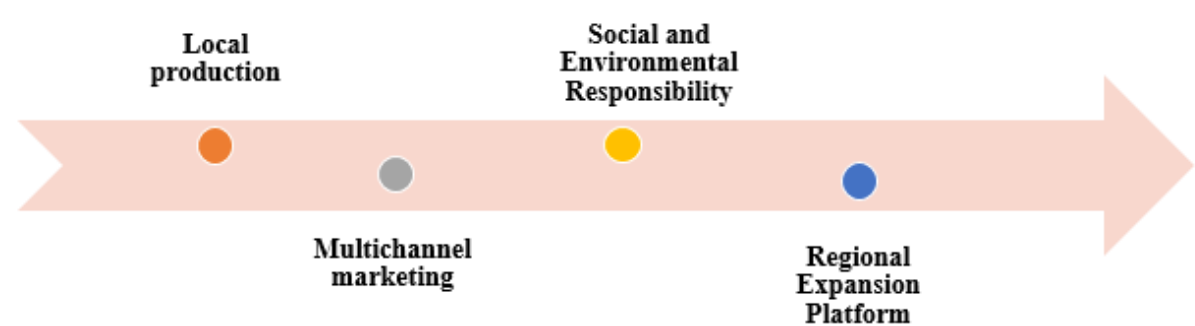
One of Pintuco's main differentiating factors is its wide range of solutions. The company offers decorative paints for homes and industrial coatings, anti-corrosion solutions, road infrastructure paints, and marine protection products, allowing it to serve various market segments.

In addition, the company has driven continuous innovation through the development of high-performance technologies, such as eco-friendly paints with low levels of volatile organic compounds (VOCs), long-lasting formulas, and coatings that contribute to energy efficiency. The brand’s presence throughout Colombia—via major retail chains, specialized hardware stores, authorized distributors, and its outlets—reinforces its proximity strategy and facilitates access to its products across all market segments.

Finally, the company has built an emotional connection with Colombian consumers by associating its brand with concepts such as protection, space transformation, and personal expression through color, all reinforced by advertising campaigns with a strong cultural impact.

4.3.6. Company Model

Figure 9
Pintuco Company Model



Note: Own Elaboration

4.3.7. Geographic Coverage

Pintuco has built a solid and strategic geographic coverage that enables the company to maintain a presence in all regions of the country. Its distribution model combines various commercial channels to ensure that its products are available not only in major urban centers but also in intermediate and rural areas.

The company has a strong presence in major cities such as Bogotá, Medellín, Cali, Barranquilla, Bucaramanga, and Cartagena, where it operates its stores, sales points in large retail chains, specialized hardware stores, and authorized distributors. Additionally, it extends its coverage to intermediate cities like Manizales, Pereira, Armenia, Ibagué, Cúcuta, and Santa Marta, strengthening its distribution network to meet the demand from construction and infrastructure projects as well as individual customers.

4.3.8. Advertising

The advertising strategy in Colombia has focused on building an emotional connection with consumers, combined with a strong technical positioning centered on high quality. Its advertising is characterized by messages that highlight space transformation, cultural identity, and a commitment to sustainability.

Pintuco employs a multichannel strategy, combining traditional media such as television, radio, and print with digital platforms like social media, websites, and content marketing campaigns. The brand has been recognized for its television campaigns that highlight the symbolic value of color as a tool to beautify homes, transform cities, and strengthen the sense of belonging. In the digital space, it runs targeted campaigns through platforms like Instagram, Facebook, YouTube, and LinkedIn, where it promotes product application tutorials, decoration tips, and success stories from infrastructure projects.

4.4. Changan, JAC, Great Wall, Foton y BYD

4.4.1. Company and Industry

This analysis covers several Chinese automotive companies—specifically Changan, JAC, Great Wall, Foton, and BYD—all of which operate within the automotive sector. These companies manufacture passenger cars, light and heavy commercial vehicles, buses, and electric vehicles.

4.4.2. Entry Strategies for Internationalization

The entry of Chinese brands such as Changan, JAC, Great Wall, Foton, and BYD into the Colombian market has been based on common strategies focused on price competitiveness, high levels of equipment, and strengthening of after-sales service. These companies have capitalized on the demand for utility vehicles, SUVs, and electric vehicles by offering products adapted to local needs.

In the case of Changan and Great Wall, the focus was on SUVs and pickups, combining affordable prices with modern designs and extended warranties. JAC and Foton initially concentrated on the light commercial and cargo vehicle segment, consolidating their presence through strategic alliances and participation in public tenders. BYD, meanwhile, led the entry of electric vehicles into Colombia, targeting both public transportation and private fleets, supported by public–private partnerships and consumer education strategies.

These brands entered the Colombian market primarily through strategic alliances with local distributors, allowing them to establish sales and after-sales networks without bearing the high costs of direct operations. Changan and Great Wall relied on established distributors to introduce SUVs and pickups, while JAC and Foton leveraged commercial partnerships and public contracts to position utility and cargo vehicles. BYD adopted a mixed entry model: direct sales of private vehicles and the awarding of large electric bus contracts through public–private partnerships. Overall, their market entry approach combined indirect distribution, public tenders, and gradual expansion through investment in technical support infrastructure.

Across the board, all brands invested in distribution networks, authorized service centers, financing options, and communication strategies focused on the durability, efficiency, and technology of their products, leading to growing acceptance in the Colombian market.

4.4.3. Investment

The entry of Chinese brands into the Colombian market involved investments primarily in four areas: distribution networks, service centers, marketing, and consumer financing.

Changan, JAC, and Great Wall invested in partnerships with major local automotive groups, the establishment of exclusive showrooms, and the expansion of their network of authorized service centers.

Foton allocated significant resources to building infrastructure for commercial fleet support and technical training, particularly to comply with environmental regulations.

BYD made larger-scale investments, focusing on electric mobility experience centers, training of specialized technical personnel, and participation in major public tenders, such as those for electric buses in Bogotá and Medellín.

All brands, in general, also invested in communication strategies and educational campaigns to reduce consumer risk perception toward Chinese products, as well as in strengthening after-sales service to build trust and customer loyalty.

4.4.4. Positioning

The positioning of these companies and their Chinese brands has successfully established them as key players in the Colombian automotive market, particularly in segments such as SUVs, pickups, commercial vehicles, and electric vehicles. Changan and JAC have positioned themselves among the leading options for entry-level SUVs and light utility vehicles, directly competing with traditional Japanese and Korean brands. Great Wall has strengthened its presence in the mid-range pickup and SUV market, standing out for its value-for-money offering.

Foton maintains a strong leadership position in the light and medium-duty truck segment, while BYD has become the leading brand in electric mobility, serving as the main provider of electric buses in Bogotá and an increasingly prominent reference in private-use electric vehicles. Overall, these brands have managed to overcome quality perception barriers by expanding their market share through more technologically advanced products, extended warranties, and a robust after-sales support network.

The positioning of these brands has relied on direct distributors and authorized service centers that have played a key role in establishing their presence in the Colombian market. Below is a table highlighting the distributors and service centers for these brands.

Table 3*List of Authorised Dealers and Workshops in Colombia*

| BRAND | MAIN DISTRIBUTOR IN COLOMBIA | AUTHORISED WORKSHOPS |
|------------|--------------------------------|---|
| Changan | Inchcape Motors Colombia | Inchcape's national network of dealerships and certified partner service centers. |
| JAC | Autocom (Grupo Autonal) | Network of authorized JAC Service workshops in major cities. |
| Great Wall | Astara Colombia | Authorized workshops at Astara dealerships and partner locations in major cities. |
| Foton | Grupo Coberta | Authorized AKT-Foton workshops specialized in trucks and buses. |
| BYD | Motorysa y BYD Motors Colombia | Own workshops and certified partner workshops, especially for electric vehicle service. |

Note: Own Elaboration

4.4.5. Differentiation

Differentiation has been achieved through:

- Competitive pricing compared to established brands.
- Increasing technological innovation with a wide variety of electric vehicles, hybrids, and connectivity options in their catalog.
- Attractive warranties (for example, 4 años o 100,000 km for Changan).
- Strategic alliances with local stakeholders for assembly and distribution in the Colombian market.

4.4.6. Business Model

The business model will largely depend on each brand's strategy for entering the Colombian market.

Figure 10*Company model of Chinese vehicle brands*

Note: Own Elaboration

4.4.7. Geographic Coverage

The territorial expansion of the Chinese brands Changan, JAC, Great Wall, Foton, and BYD in Colombia has followed a progressive strategy, initially focusing on the country's major cities and later expanding to intermediate urban centers with growth potential.

The five brands established their presence in Bogotá, Medellín, Cali, and Barranquilla—cities that concentrate a large part of the national automotive demand. Subsequently, the brands extended their coverage to intermediate cities such as Bucaramanga, Pereira, Manizales, Ibagué, Cartagena, and Villavicencio. This second phase of expansion aimed to bring products closer to emerging markets, improve after-sales service availability, and strengthen consumer trust in areas outside the major urban centers.

In the case of Foton, its focus on cargo transportation has allowed it to establish a significant presence in key logistical corridors, including routes to the Atlantic Coast and the Coffee Axis. BYD, specializing in electric mobility, has strengthened its presence in cities with sustainable transportation initiatives such as Bogotá and Medellín, and has begun expansion processes toward Cartagena and Manizales.

4.4.8. Advertising

The advertising strategy of these brands has been more discreet compared to traditional competitors.

It has been mainly based on:

- Partnerships with local dealerships that promote the products highlighting competitive prices, warranties, and high cost-benefit ratios using print, visual, and audio media.
- Some brands have promoted their products by emphasizing technological innovation in their vehicles, offering better durability and efficiency in the market.
- Promotions disseminated through social media, digital campaigns, mobile showrooms, sports sponsorships, and experiences at fairs and trade events.

CHAPTER 5

INTERNATIONALIZATION STRATEGY FOR DIMCOFE (PROPOSAL)

5.1. Objectives of Internationalization

Dimcofe is a company that already has prior experience in internationalization, specifically in the field of exports. However, the company's objectives are based on aspects such as:

- **Market Expansion Strategy in Colombia's Capital, Bogotá** Ampliar mercados dentro del mercado colombiano en su capital Bogotá
- **Diversify risks:** Reduce dependence on the local market and balance economic, political, or social risks in light of the political instability in Ecuador, with the goal of generating new income and increasing sales in the Colombian market.
- **Improve competitiveness:** Strengthen the company's position in another international market.
- **Learning and innovation:** Incorporate new ideas, processes, and knowledge from other markets.
- **Global image and reputation:** Position the brand as a company with international reach, which can enhance its prestige and appeal.
- **Leverage international treaties and agreements:** Take advantage of free trade agreements or incentives available to Colombian companies.

5.2. Strategies

Dimcofe is an Ecuadorian company originally from the canton of Biblián, in the province of Cañar. It is dedicated to the commercialization of products for the construction sector and the importation of solutions for potable water and irrigation systems. After consolidating its presence in the national market, the company aims to expand its operations internationally, with the objective of diversifying risks, taking advantage of commercial opportunities derived from international trade agreements, and strengthening its brand positioning at the regional level.

5.2.1 Dimcofe's Market Entry Strategy for Colombia

To enter the Colombian market, Dimcofe will implement an indirect marketing strategy through strategic regional distributors. This approach will allow for a swift and efficient entry by leveraging already established distribution networks and minimizing the need for initial investments in proprietary infrastructure.

The entry process will be structured in two phases:

- **Phase 1:** Identification, negotiation, and signing of collaboration agreements with local strategic distributors.
- **Phase 2:** Consolidation of relationships through technical support, specialized training, and brand positioning campaigns.

5.2.2. Investment

Internationalization requires strategic investments to ensure a successful entry into the Colombian market. The main areas of investment will include:

- Trademark registration and compliance with legal and regulatory requirements in Colombia.
- Marketing and promotional campaigns aimed at brand positioning.
- Commercial management costs associated with identifying and negotiating with distributors.
- Investment in initial inventory to ensure product availability in the market.
- Participation in industry fairs and exhibitions increases brand visibility.
- Training programs and technical support for distributors and end customers.
- "Dimcofe: Safe water for growing cities"

These investments will strengthen Dimcofe's initial presence in Colombia and facilitate sustainable growth.

5.2.3. Brand Positioning

Dimcofe aims to position itself in the Colombian market as a reliable, efficient brand that is well-adapted to local needs, supported by the slogan:

- "Dimcofe: Safe water for growing cities."

The brand positioning will emphasize:

- The certified quality of its products.
- Specialized technical support.

The adaptability of its solutions to the specific characteristics of each region.

5.2.4. Differentiation Strategy

Dimcofe's differentiation from competitors will be based on the following pillars:

- High quality across all its products
- Continuous technical support and training programs for distributors and end users.
- Flexibility in offerings through products and projects tailored to diverse needs.
- Competitive pricing achieved through direct importation and logistics optimization.

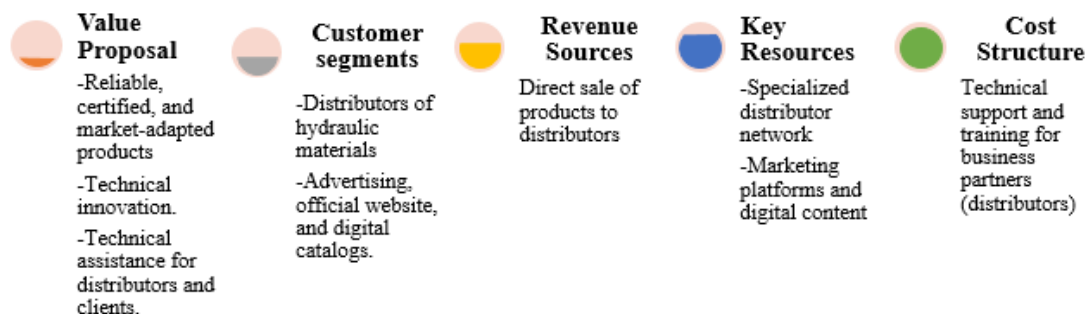
This value proposition will enable Dimcofe to stand out in a market characterized by standardized offerings and limited after-sales support.

5.2.5. Bussiness Model

The business model will be summarized in a framework that reflects and enhances the strategy applied for its internationalization.

Figure 11

Dimcofe's business model adapted to the Colombian market



Note: Own Elaboration

5.2.6 Geographic Coverage

Dimcofe's geographic expansion strategy in Colombia will be progressive and prioritize strategic regions:

- **Bogotá:** Due to its high urban and agricultural demand and its importance as the country's economic and political center.
- **Antioquia:** An area known for extensive agriculture and infrastructure projects.
- **Atlantic Coast:** A key region for agricultural development and irrigation projects.
- **Santander and Boyacá:** Regions characterized by advanced agriculture and growth in infrastructure works.

This coverage will enable efficient service to different segments of the Colombian market.

5.3.7. Advertising and Promotion Strategy

Dimcofe will combine traditional and digital marketing actions to maximize its reach:

- Participation in sector-specific fairs and exhibitions such as AgroExpo Bogotá, ExpoAgrofuturo Medellín, and Expocamacol.
- Digital campaigns on Google Ads and social media platforms (Facebook, Instagram, LinkedIn), targeting audiences such as civil engineers, farmers, and municipal authorities.
- Content marketing: development of technical webinars, installation videos, and local success stories to strengthen brand credibility.

These strategies will help increase visibility, credibility, and attract potential customers in the Colombian market.

Conclusions

This research has successfully fulfilled the objectives set at the beginning of the study.

The main theories and strategies of internationalization were investigated, providing Dimcofe with a solid conceptual framework to understand the different mechanisms for entering new markets. Additionally, the company's specific needs were analyzed, considering its organizational structure, production capacity, and potential for adaptation to international contexts.

The study also successfully identified and analyzed in detail the economic, commercial, logistical, and competitive characteristics of the Colombian market, evaluating key factors such as trade agreements, opportunity sectors, and associated risks. Finally, internationalization strategies tailored to Dimcofe's conditions were developed, proposing an indirect marketing model through strategic regional distributors, supported by marketing actions, brand strengthening, and technical support.

Regarding the contributions made, this work provides Dimcofe with a structured roadmap for its internationalization, offering specific recommendations on initial investment, positioning strategies, selection of business partners, and phases of geographic expansion. It also provides a comparative analysis of real cases of companies that successfully entered the Colombian market, enriching strategic decision-making.

In conclusion, this study not only provides Dimcofe with a strategic plan for its international expansion but also contributes to applied knowledge about the internationalization processes of small and medium-sized enterprises in the construction sector in Ecuador, paving the way for future research and regional expansion projects.

RECOMMENDATIONS

Based on the results obtained in this study, and with the objective of ensuring a successful internationalization of Dimcofe in the Colombian market, the following recommendations are proposed:

First, it is suggested that Dimcofe prioritize the implementation of an indirect marketing model through strategic distributors in Colombia. For this, it is essential to develop a rigorous process for selecting business partners based on criteria such as proven experience in the construction sector, regional distribution capacity, and reputation in the local market. Additionally, it is recommended to establish formal collaboration agreements that clearly define contractual obligations, profit margins, territorial exclusivities, and joint growth strategies.

Additionally, it is considered essential to proceed with the formal registration of the Dimcofe brand in Colombia before the start of commercial activities. This registration will legally protect the company's intangible assets and strengthen its brand positioning against competitors and local consumers.

Furthermore, it is recommended to adapt Dimcofe's product portfolio to the technical and legal regulations in force in Colombia, especially regarding the quality standards applicable to potable water and irrigation systems. This adaptation will ensure product acceptance in the market, minimize legal risks, and facilitate public and private bidding processes.

In the field of marketing, it is suggested to design and implement segmented communication campaigns, using both digital and traditional media, specifically targeting civil engineers, construction companies, agricultural producers, and government institutions. The promotional strategy should highlight Dimcofe's main differentiators: the certified quality of its products, specialized technical support, and flexibility in the solutions offered.

Additionally, it is recommended that the company actively participate as an exhibitor in relevant sector trade fairs such as AgroExpo, ExpoAgrofuturo, and Expocamacol. Presence at these events will allow Dimcofe to increase its visibility, establish contact networks with potential clients and distributors, and effectively position its brand within the target segment.

Moreover, the implementation of a permanent training and technical support program aimed at both distributors and end users is considered essential. This program should include product installation and operation manuals, webinars, in-person workshops, and personalized after-sales assistance to strengthen customer loyalty and ensure optimal use of the solutions offered.

Finally, it is recommended to establish a continuous evaluation and monitoring system for the company's performance in the Colombian market, through the definition of key indicators such as sales volume, market share, customer satisfaction, and profitability by region. This monitoring will make it possible to identify areas for improvement, timely adapt strategies, and ensure Dimcofe's sustained growth in the new market.

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