

# Chapter 14

## Internationalization Strategies of FAANG

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### ABSTRACT

*Internationalization is the process of expanding an enterprise's presence in global marketplaces. This chapter talks about internationalization and some internationalization strategies, and then discusses some of the internationalization strategies used by FAANG, comprising Facebook, Apple, Amazon, Netflix, and Google, the five best-performing USA tech stocks. The strategies discussed can serve as lessons for entrepreneurs worldwide desirous of expanding their global footprints, especially in the technology sector. Some of the key internationalization strategies found in this work include localization, acquisitions, innovation, and customer-centricity. The strategies that FAANG companies adopt to expand internationally in this digital era can serve as a model for other businesses. Their outstanding capability to penetrate various marketplaces while maintaining their fundamental values and line of business is illustrative of their adaptability and their focus in the long term.*

### INTRODUCTION

Internationalization is the process of increasing engagement of firms in international markets. A business entity designs its product and services which caters to foreign audience and take it to international level. It is one of the deciding factors of the success of the organization. Internalization can be seen as a process as well as the firm's international operations (Mızrak & Akkartal, 2023). Many entrepreneurs now a days believe that taking company to the international level is a much better idea than just to stay local. The globalization of economy & markets enabled us to bring in technological change, eliminate custom barriers and liberalize the international trade. As foreign companies enter the markets with lower

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prices it has resulted into competition of domestic industries (Couto & Ferreira, 2017). Internationalization mainly focuses on analyzing, understanding & explain the process of how companies seek to expand their operation to international level (Couto & Ferreira, 2017).

In terms of economics, internationalization may refer to steps taken by company to increase its footprint internationally or acquire huge market share outside of the parent country by expanding to international markets. As a corporate strategy, it entails maximizing the adaptability of goods and services to enable easy entry into various national marketplaces. The drive for businesses to go global stems from the belief that they can take use of their advantages abroad (Mathews, 2006). As internationalization is increasing, it is helping the world to get in the state of globalization.

Today, digital economy is receiving a lot of attention for its potential to stimulate economic growth and social change (Wu & Gereffi, 2018). Digital technologies and platforms have been viewed as a significant force to foster internationalization (Feliciano-Cestero et al., 2023). For platform based digital companies, network externalities play a crucial role in market selection, entry mode and the efforts required to popularize the platform in the target market (Stallkamp & Schotter, 2021) Yet, coherent and easily accessible information is missing regarding the internationalization strategies of these digital platform firms In this context, it becomes important to understand the internationalization strategies adopted by topmost technology companies in this area, viz. FAANG.

The rest of the chapter is organized as follows: The authors discuss the background of this study through the path for internationalization, flowed by the methods used in this study. The subsequent section discusses the internationalization strategies adopted by FAANG, the coveted 5 global digital companies.

## **BACKGROUND**

In academic studies and business literature, internationalization—the practice of extending corporate operations across national borders—has received a lot of attention. The insights derived from previous research are compiled in this review to highlight the key aspects of business internationalization plans. Additionally, the globalization tactics employed by the major technology conglomerates, sometimes referred to as FAANG (Facebook, Amazon, Apple, Netflix, and Google), have garnered considerable attention from both academia and industry players. Hence, another section of the background study provides light on the diverse strategies used by digital enterprises like FAANG to increase their worldwide footprint.

### **Internationalization as a Path**

Internationalization marks a significant step that offers opportunities for growth and increased market reach. It starts with conducting thorough market research to identify potential international markets through evaluation of factors such as market size, growth potential, competition, and cultural compatibility. This is followed by the appropriate selection of the most suitable market entry strategy such as licensing, franchising, joint ventures, and establishing subsidiaries or branches. The initial internationalization strategy is usually exporting. Here standards are required to be followed, there needs to be evolved methods of production, management, and accounting in order to stay at par with partner agreements to ensure healthy competitive spirit in the market. After this companies often develop their own brands. They start developing foreign branches. It's often observed that companies often underperform at this stage.

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