


# Chapter 5

## Navigating Global Markets Through Digital Internationalization Strategies: Catalysing Portuguese Firms' Global Expansion

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### ABSTRACT

*This chapter examines the strategic role of digital platforms in the internationalisation of Portuguese firms. Drawing on an integrated literature review and multiple case studies, the analysis demonstrates how SMEs leverage digital platforms to overcome traditional barriers to international expansion, such as limited resources, market entry costs, and geographic constraints. The study proposes the Digital Internationalisation Canvas as a conceptual framework to map firms' strategic positioning, highlighting key dimensions such as platform utilisation intensity, infrastructure development, and platform dependency risk. Empirical evidence suggests that hybrid digital strategies, combining owned digital assets with selective platform engagement, enable firms to balance scalability with operational control. The findings offer valuable insights for managers, researchers, and policymakers*

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*seeking to understand the dynamics of platform-based internationalisation, while also addressing the challenges of governance, regulatory adaptation, and digital sovereignty in global markets.*

## **1. INTRODUCTION**

Small and medium-sized enterprises (SMEs) are widely acknowledged as crucial drivers of economic growth, employment, and innovation across global economies. However, their capacity to internationalize, defined as engaging in business activities across national borders, has historically been constrained by limited financial, human, and technological resources (Jin & Hurd, 2018; Rocha et al., 2024). Traditional barriers to SME internationalization include high market entry costs, lack of foreign market knowledge, limited brand visibility, and logistical complexities (Cassia & Magno, 2021; Westerlund, 2020). These challenges have led to a persistent gap between SMEs' domestic competitiveness and their international market performance.

In recent years, the proliferation of digital platforms has begun to transform this landscape. Digital platforms, including e-commerce marketplaces (e.g., Amazon, Alibaba), social media networks (e.g., Instagram, LinkedIn), SaaS-based infrastructure (e.g., Shopify), and integrated payment and logistics solutions, are now playing a decisive role in lowering the thresholds for international entry (Anwar et al., 2024; Dallochio et al., 2024; Etemad, 2022). Functions such as global customer acquisition, cross-border transaction processing, trust signalling (e.g., reviews, certifications), and digital marketing are now embedded within accessible online ecosystems that favour scalability for resource-constrained firms (Fonseca et al., 2023; Rocha et al., 2024).

Recent scholarships have begun to systematically examine the enabler function of these platforms in SME internationalization strategies. Emerging evidence suggests that digital platforms alleviate structural disadvantages by facilitating rapid access to foreign markets, enabling networked knowledge sharing, and reducing liabilities of foreignness (Hu et al., 2024; Jin & Hurd, 2018; Lee et al., 2022; Lee et al., 2023). Research also identifies significant risks associated with digital dependency, such as platform lock-in, compliance challenges across jurisdictions, and the volatility of platform algorithms (Dallochio et al., 2024; Rocha et al., 2024).

Despite this growing body of research, several important gaps remain. While prior studies have offered valuable insights into platform use in selected markets or specific case studies, fewer contributions have holistically examined the strategic mechanisms, such as platform interoperability, knowledge flows, risk mitigation, and capability development, through which digital platforms shape SME global expansion (Bargoni et al., 2024; Troise et al., 2022). Furthermore, calls have been

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