

# **NETWORK AND INTERNATIONALISATION**

## **A Review of more than 20 Years of Research**

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### **Competitive paper**

#### **ABSTRACT**

In last 20 years, the network approach to internationalisation has emerged as a leading framework to describe and explain internationalisation. This paper proposes to understand the development of network theory from an analysis of published empirical articles, and aims to identify how network theory is employed, how network concepts are applied, and whether there is coherency and consistency within these studies. Forty-two articles are included in this review. A distinction is first made between network as theory or as variable, and whether it was described in general or in specific. We also identify three types of relationships: business, social and institutional, and three types of networks: integrated, foreign and home. We discover that a dominant structure view of network and position-related concepts are developed. We suggest there is not enough coherency and weak consistency in the current network studies, partially due to the lack of theoretical and empirical specificity in how networks and relationships are theorised, studied, and reported. We finish this review with suggestions for future studies into the impact of institutional relationships, and encourage network researchers to take on bigger challenges to bring in time and change dimensions that address the process view.

**KEYWORDS Network, Relationship, Internationalisation**

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## INTRODUCTION

The study of internationalisation of the firm and the gradual process of foreign direct investment (FDI) underscore a fundamental interest in the international business discipline (Buckley, 2002). In contrast to the economic-advantage oriented FDI theories, the behaviour-approach based internationalisation theories, e.g. Internationalisation Process (IP) Model (Johanson & Wiedersheim-Paul, 1975; Johanson & Vahlne, 1977), propose a process view to looking at the expansion of firms to foreign markets. Initiated by the publication of two book chapters over the last 20 years (Johanson & Mattson, 1988; Johanson & Vahlne 1990; 2003; 2006; 2009), the original IP model has undergone a significant extension to include the networks of the firm in internationalisation. The Network approach has been applied in analysing various types of firms (Meyer & Gelbuda, 2006), and has become a dominant framework in explaining why and how firms become international (Foresgren, 2008; Johanson & Kao, 2010).

The Network approach to internationalisation theory (hereafter Network theory) comprises several theoretical roots. The first stems from research made within the Industrial Marketing and Purchasing (IMP) Group from the late 1970s until the early 90s. Through the collaborations of a group of European researchers, IMP-Group studies were focused on cross-border, business-to-business marketing activities. However, most of this research was conducted without explicit attention to the internationalisation process. Later, two members of the IMP-Group applied the concepts of inter-firm business relationships and networks to the international context and wrote an article that is often considered to be the ground breaking work introducing network theory (Johanson & Mattsson, 1988). Built on social exchange theory (Cook & Emerson, 1978) and resource dependence theory (Pfeffer & Salancik, 1977), the authors argued the internationalisation of the firm is a network phenomenon as firms are embedded in a web of connected relationships with customers and suppliers. Power and resource dependence are features in these inter-connected relationships. During the internationalisation process, firms need to obtain external resources through exchange with other actors in the network.

However, over the next few years, a relatively limited number of articles applying network theory were published. Only a few studies, mainly from Nordic countries, attempted to investigate relationships and networks in the context of firm internationalisation (Björkman & Kock, 1995; Blankenburg Holm, Eriksson, & Johanson, 1999; Blankenburg Holm & Eriksson, 2000; Chetty & Blankenburg Holm, 2000; Coviello & Munro, 1995; 1997). It was not until Oviatt and McDougall's (1994) seminal work on international new ventures (INV), that attention appeared to be aroused to the idea of applying network theory in the study of small, young, entrepreneurial firms making fast, international expansions. Ironically, network theory and its origin, i.e. the IP model, were heavily criticised by Oviatt and McDougall (1994) over their "staged development" characteristics. They suggested the presence of INV posed a significant challenge towards staged theories, which require "more than a minor adjustment" (ibid: 51). The abundance of INV and international entrepreneurial research adopting network theory generally assumes that young, entrepreneurial firms undergoing the process of internationalisation suffer from resource constraints due to their small scale and inexperience. They can compensate for these disadvantages by leveraging support and resources from other firms and organisations in their network. However, unlike the original network theory, which is theoretically anchored on networks of business firms,

the actors present in the entrepreneur's network appear to include both individuals and organisations that come from various backgrounds and are not necessary restricted to only customers or suppliers. Furthermore, the relationships established between actors may be social or business, or both.

Over the last 20 years, network theory has gained acceptance and recognition in the IB-field and many articles have investigated the role of relationships and networks in the internationalisation of the firm. However it is unclear whether the relationships and networks present in these studies display the same characteristics. Moreover, we miss a systematic review and analysis of the existing knowledge about network and internationalisation, and, maybe, most important for the future, where do we have the white spots and intellectual voids.

We propose to investigate the relationships and networks described in past research through a review of published studies on internationalisation and foreign market entry in leading IB, management and marketing journals. This review study is based on empirical studies, published in journal and has three objectives.

The first is to organize the literature into various research streams. The second is to categorize the empirical findings. When we accomplish the first two objectives we also aim to fulfil the third objective, which is to identify issues and topics not covered in the literature. These intellectual voids can help us to suggest interesting research questions for the future. From this follows that we have an explorative and interpretive approach in order to review the articles and the taxonomy appear while we analyse rather making up the starting point. Instead we are searching for differences and similarities among the articles.

This article is structured in the following way. We begin by presenting the method employed in the literature search, and how we made the selection that produced the list of articles included in this review. Next we commence the discussion from an overview on the theoretical framework applied in the articles, the purpose of these studies and the method used. Subsequently, we discuss the nature of relationships and networks in the studies. The following section analyses the type of the relationship and network presented in these articles. Then, we examine the structure view of network and related concepts, and discuss how the structure of network has an implication to dynamics, process, and tool. At last, this review is wrapped up with an overall discussion on the coherent and consistent of the network theory found in these studies, and some suggestions on future research are made.

## **METHOD**

As the aim of this review is to build an understanding of how past studies have adopted network theory and concepts in relation to the internationalisation of the firm, we decided to focus on academic articles that have explicitly employed relationships and networks as constructs in studying firms' expansion abroad. In particular, our interest is to investigate how past studies have defined and measured relationships and networks in their empirical data and what they found. The empirics and method of enquiry adopted in these studies may be both qualitative and quantitative.

Table 1 goes about here

We divided the article search process into electronic search and manual selection, as suggested by Coviello & Jones (2004), and Rialp, Rialp, & Knight(2005). We employed bibliographic databases such as Web of Science, EBSCO, ProQuest, Emerald, JSTOR and Google scholar to facilitate the scanning process. Only articles published in peer-reviewed journals were included. We used a combination of search words capturing internationalisation, like foreign market entry, international expansion and internationalisation, and networks and relationships, like relations, alliances, ties and partnerships, besides network and relationships. In other words, articles, which solely discuss relationships and networks outside the context of internationalisation, or internationalisation studies that do not specifically employ relationships and networks as constructs were not included.

We conducted a manual search process using the articles identified through the electronic search. We were looking for cross-references and articles often appearing in the articles, indicating that they could be of interest for our purpose. Since our aim is to build an understanding of how past studies have adopted network theory, through an investigation of variables developed in examining networks in the firms internationalisation process, we established three requirements for selecting articles to facilitate the analysis.

First, as we were looking at how network theory has been employed in studying internationalisation, these articles and the corresponding research design should be based on network theories. Second, we viewed the internationalisation of the firm as a process and as such, it is composed of various stages and activities. These studies may choose to focus on a particular stage of the process, be it market entry or market development; however a one-off, investment decision does not meet our definition. Thus, articles only concerning macro FDI decisions were excluded. Third, and furthermore, to facilitate investigation of how network concepts were adopted and measured, the articles needed to include empirics, whether they involve quantitative or qualitative data.

When confusion arose over a certain article, it was re-read and discussed until both researchers reached a consensus. During this process, articles was not published in peer-review journals (e.g., Axelsson & Johansson, 1992; Johanson & Mattsson, 1988), did not have empirical data (e.g., Johanson & Vahlne 1990; 2003; 2006; 2009), did not theorize based on network theories or use network as a construct (e.g., Scott-kennel & Enderwick, 2004), or did not investigate the internationalisation of the firm as a process were eliminated (e.g., Gilmore, Carson & Rocks, 2006).

As a result, 42 articles were selected and included in this review and can be seen from the reference list. Among these studies, 13 were found in International Business Review, and the remaining were published in Journal of International Business Studies (6), International Marketing Review (5), Journal of International Marketing (4), Industrial Marketing Management (3), Journal of World Business (2), Scandinavian Journal of Management (2), Entrepreneurship & Regional Development (2), Journal of International Management (1), Journal of Management Studies (1), European Journal of Marketing (1), Strategic Management Journal (1) and Thunderbird International Business Review (1).

All articles were read and coded independently by both researchers according to Table 1, where we step-by step analysed the articles along six main categories. These categories are theoretical framework applied, purpose of the study, method used,

definitions of relationships and networks, other concepts analysed and, finally key research findings. This categorisation gave us a platform to develop taxonomy, where we see similarities and differences.

Table 1 about here

## **THEORETICAL FRAMEWORK, PURPOSE AND METHOD**

### **Theoretical standpoint**

The theories used can be divided in to several categories. First there are internationalisation theories, where the incremental or Uppsala school is highly prevalent and makes up the theoretical foundation for many studies, especially the studies which discuss internationalisation as a process or that sees learning as critical mechanism. Besides the Uppsala school, theories on international entrepreneurship, especially born global or international new venture, are frequently applied, but there are extremely few representatives of other established internationalisation theories (an exception is Yiu et al, 2007). Second, since all the articles explicitly build on either relationship or network ideas they do, of course, build on some theories capturing these concepts. Most common are the network theories on internationalisation (Johanson & Vahlne 1977), but since this theory is closely linked to IMP or business network theory they do often appear in combination. The studies which build on some kind of business network theory do sometimes conceptualise network based on social exchange theory (Cook & Emerson, 1978), but they are not very common. Instead, social network theory is the most well-used network theory and there are mainly two areas where it is adopted. The first are studies on born globals and their focus on the entrepreneur and his social network as driving internationalisation force and second are the articles which analyse internationalisation into market in East-Asia and especially China, where the social network of guanxi are claimed to have such a strong influence.

### **Purpose and method**

The purpose of the studies is rather often quite general, like “to illustrate FDI as management of network relationships” (Chen 2003), and in most cases relationships and networks are viewed as independent or mediating variable, which is assumed to influence speed (Musteen et al. 2010; Lee et al., 2011), foreign market entry and entry mode (Coviello and Munro, 1997), decision on export (Ellis, 2000) and learning (Loane & Bell, 2006). Among the studies analysed it is evident that most of them build have a small sample of case firms and the analysis consist of categorising qualitative data. The studies based on statistical analysis of quantitative data are either made of network scholars closely related to Uppsala University and business network theory or study SME’s and born globals. Altogether 12 studies can be categorised as quantitative. Moreover, with very few exceptions (Blankenburg Holm et al., 1999), it is a specific firm in relation to its relationships or network which makes up the unit of analysis. There are no studies trying to understand the nature and mechanism of the network. How they emerge and change and subsequently die are questions that so far have not been raised.

### **Firms and products**

The fact that the lion part of the reviewed articles departs from two specific theoretical

internationalisation schools means that they also tend to limit their analysis to the types of firms comprised by these theories. Many of the reviewed articles either explicitly or implicitly delimit their studies to firms operating in B2B-markets. Thereby their customers and suppliers are exclusively other firms and organisations. The articles that have their roots in the born global paradigm have a less explicit focus on B2B-markets, but nevertheless it is obvious that the majority are of the same type, and of the reasons for this is that they began to internationalize at an early age as their domestic markets, which is seldom the case for firms operating in consumer markets. These studies, which are well-represented in the sample of articles, are restricted both concerning type of firms and the age of the firm, while the studies building on the IMP-tradition and business network studies do not pay any attention to the age of the firm. The conclusion is that there is not a single article studying firms operating in consumer markets, irrespectively if they are young or old. The situation is less clear concerning service firms as many of these have firms and organisations as their main customers. There are also common that IT-firms producing, for instance, software and biotech firms, that is they can be defined as service firms internationalise. Altogether, this means that there is still much room for empirical network studies on especially consumer firms, but also service firms.

Figure 1 goes about here

### **Network and country market**

In our review, we can also observe and make distinction between networks based on where they are located. In other words, there is a difference concerning the geographic coverage of the network; it can be everywhere, it can be based in the host market, and it can originate from the home market. Johanson & Mattsson (1988) argued that the development of the network never stops; one could even claim that the whole world is covered by one single network. According to the ideas of these authors, networks and relationships span over country borders and link one market with other markets. They could be stronger or weaker, many or few, but they do never stop at the border of a country. With this approach, relationships are used and reused in order to expand over country borders. Establishing new relationships or terminating existing relationships are the key network activities, and the network positions of the firms and their counterparts are of crucial importance.

The integrated network view is mainly represented by studies conducted within the IMP 2-project (Blankenburg Holm et al. 1999; Blankenburg Holm & Eriksson, 2000). They found that the performance of internationalising firms is contingent on their ability to build and sustain commitment in inter-firm relationships. However, this ability is not a result of internal strategies of the firms. Rather, it is dependent on the connectedness of the integrated business network in which the firm has a position. Networks not only limit the space in which a firm can manoeuvre and strategize, they also have an impact on the strength of the commitment between firms and commercial dependence, which in turn will affect the relationships that function as a bridgehead to foreign networks (Blankenburg Holm & Eriksson, 2000). The assumption of the integrated network is rather implicit in Fletcher's (2011) study, which focuses on internationalisation of the firm in terms of the cooperation and coordination between networks.

Network abroad, or network located in the host market is a popular approach and has been adopted by the majority of the studies in this review. A number of research papers address the network entry to emerging markets including China (Björkman & Kock, 1995; Guercini & Runfola, 2010; Lee, Abosag, & Kwak, 2011), Hungary (Sydow et al. 2010), and Ukraine (Bridgewater, 1999). Furthermore some studies have covered more than one country, such as Ghauri and colleagues' (2008) studies in Poland and Russia, Elg and colleagues' (2008) work on China and Russia, Chen & Chen's (1998) research on China, Thailand, Malaysia and USA, and finally Hilmersson & Jansson's (2011) presentation of eight cases of entry to Latvia, Poland, Estonia, Sweden, Finland and Germany. Entry to mature markets can be found in Kontinen & Ojala's article (2011) about Finnish firms' entry into the French market and Ojala's article (2009) on entry into Japan, and Evers and Knight's (2008) study on Irish Shellfish export to Brussels. There are also studies that do not report on the markets entered, even though a foreign market entry was raised in their theoretical arguments.

A few characteristics can be observed from the focus these articles have on foreign market entry. They aim to explain the beginning stage of the internationalisation process, and some have suggested that the foreign market entry process is initiated in a serendipitous and unplanned fashion (Harris & Wheeler, 2005; Vasilchenko & Morrish, 2011). Rather than relying on strategic planning, relationships, e.g., social relationships, help firms to identify exchange opportunities in the foreign markets even when they do not have the aim to internationalise. The internationalisation of the firms is based on ad hoc strategies (Coviello & Munro, 1995; Ellis, 2000; Harris & Wheeler, 2005). Many of these studies are investigations of small firms and INVs, providing evidence of network in the foreign market, and the fact that a firm's networking capability has a positive effect on early and high-speed internationalisation (Belso-Martinez, 2006; Freeman et al. 2006; Sullivan Mort & Weerawardena 2006). Network is therefore a facilitating factor to the internationalisation process. The relationships with foreign customers are especially important (Coviello & Munro, 1995), but firms must actively engage in building these networks (Loane & Bell, 2006). Networks in the host market are particularly crucial for these small firms and INVs as the knowledge learned through these foreign counterparts can help firms to overcome their resource limitations (Zain & Ng, 2006).

At last, we can also identify studies that have emphasized firm's networks in the home market, and neglected the foreign market. Elango & Pattnaik (2007) argue that the internationalisation of the firm's network from its home market has a positive impact on the process of internationalisation. Besides, firms having a large social network in the home network do tend to be more internationalized, while the importance of business networks for internationalization decreases over time (Manolova, Manev & Gyoshev, 2010). Social networks in the home market will mediate the export and profitability performance resulting from internationalization (Zhou et al. 2007). Thus, network relationships in the home market have a positive effect on internationalization as they mediate opportunities and knowledge about foreign markets (Yiu et al. 2007). These observations confirm the concept of integrated networks, and that knowledge and information can be obtained through the network; either through business, social, or institutional relationships, all of which are likely to come from foreign markets. Opportunities may also originate from foreign markets, but they are mediated by the network in the home market. However, this does not mean that networks spanning

between different markets have the same characteristics. Instead, it is more than likely that they differ on trade flows, cultures, institutions, etc. Structural holes and network gaps in the integrated networks are likely to offer opportunities and cause problems for the internationalizing firm (Chen & Chen, 1998; Chen, 2003).

## **THE NATURE OF RELATIONSHIPS AND NETWORKS**

### **Definition of relationships and networks**

Relationships and network are since 25 years ago established concepts in the internationalisation research and it therefore striking that there are so few studies that explicitly define these two concepts. The only persistent definition of the network refers to them as a set of two or more connected relationships, which has its origin in social exchange theory and which has also been adopted by several of the researchers working in the IMP-tradition. Other studies prefer to make distinction between social and business relationships (Evers & Knight, 2008), discussing if they are with customers, suppliers (Chen & Chen, 1998; Zain & Ng, 2006) or seeing them as either horizontal or vertical (Evers & O’Gorman, 2011), or suggesting that they can be formal or informal (Kontinen & Ojala, 2011). Another type of definition is the studies, which put forward the network consists of actors, activities and resources (Lee et al., 2011, Ghauri et al, 2008)

### **Network – theory or variable**

From reviewing these studies, we can see researchers have used network in various fashions, with both unifying and dividing aspects identifiable. Nonetheless, one of our most striking observations was the difference in how these authors treated the term network. It is only natural that these studies all attempt to answer more or less the same question, namely how and why firm internationalise, with claims that networks can provide assistance to the firm. Nevertheless, differences arise with some articles arguing either implicitly or explicitly, that network can be seen as a theory. All factors, events, phases, etc. take place within a context labelled as networks. It is literally transcribed as “Everything that happens, happens in the network”. Network as theory can be seen in articles that hold a strong IMP tradition or have been influenced thereby, such as Blankenburg Holm et al. (1999), Blankenburg Holm & Eriksson (2000), Chetty & Blankenburg Holm (2000), and to some extent in Coviello & Munro (1995; 1997), and Ghauri, Tarnovskaya, & Elg (2008). At the same time, other articles, treat network or relationships as simply part of the set of variables used to explain how firm internationalise, with internationalisation itself being the focus of these studies. Network as a variable can be found in articles that aim to understand the dimension of performance in a firm’s internationalisation process such as, Yiu, Lau, & Bruton (2007), and Zhou, Wu & Luo (2007). Articles that employ network as a variable also tend to see networks as an enabling or constraining factor in a firm’s internationalisation process.

### **Network – specific or general**

In reviewing these studies, we also observed that they could be classified in a wide range according to another dimension, that being the specificity of the network. By this, we refer to how the authors have specified the type of network present in their studies, which includes the actors involved and the relationships that connect them and form the network. This raises both a theoretical and empirical issue. When Johanson and Mattsson

(1988) published their seminal work, they established a clear definition of firms and markets, making a distinction from other internationalisation and FDI theories. Actors, as they argued, are heterogeneous and every actor is unique. Discrete market transactions under perfect competition may take place, however, this type of exchange is not critical for the internationalization process and hence they have limited explaining value. Nevertheless, the original article gave very little guidance for researchers looking for the definitions of networks and relationships.

Surprisingly, few articles offer explicit definitions of what type of network has been studied, and not a single article has revealed any key assumptions. Instead, most of these authors have sought refuge in other scholars' works for definitions in an attempt to gain legitimacy for the studies conducted. Furthermore, even articles that have made explicitly definition of the network concept do no necessary capture it in the measurement. The lack of theoretical discussion of specificity of network is also reflected in the studies' empirics, and this is the case for both qualitative and quantitative studies. Without a specific definition of the network in the presentation of theoretical concepts, the variables and indicators in quantitative studies in particular, can cause confusion or become mismatched due to the choice of proxy measured. For instance, the measurement of the 'Guanxi network' in Zhou et al. (2007) contains a mixture of social networks and personal ties with local governments and communities. However, there is little discussion on network theorizing that would explain how these measurements have been developed and it is therefore difficult to understand what exactly has been studied. A case of mismatch can also be found in the studies by Hardly and Wilson (2003), where network was introduced as an independent variable that will have an impact on the internationalization process, and the level of foreign institutional and foreign business knowledge acquired. However, the proxy data used to assess the influence of network in internationalization is actually secondary industry-based data showing the percentage of goods exported by this industry, which hardly captures the concept of network or the specificity of the actors and relationships within.

Consequently, one of the notable issues dividing studies presented in this review is whether the network is specific or general. Many studies refer to Forsgren and Johanson's (1992) definition of networks as a set of connected exchange business relationships between actors controlling business activities. This definition has its roots in resource exchange theory (Cook & Emerson, 1978) in which frequent exchange and a power-dependence between specific actors is an underlying assumption. Studies following this definition specify and identify actors that have an impact on firms undergoing the process of internationalisation (Blankenburg Holm et al. 1999; Blankenburg Holm & Eriksson, 2000). However, for these studies, the environment beyond these specific relationships is uninteresting to the researchers as it is assumed to be less important to the process of internationalisation. The external environment does exist, but it does not have any explaining value toward our understanding of internationalisation.

For other researchers, the importance of the network is recognised, but is treated in a rather general manner. Actors are not seen as unique and relationships in the networks are considered homogeneous. Likewise there is no assumption regarding the counterparts in dyadic relationships, and they are mostly faceless. This treatment can be seen in both quantitative as well as qualitative studies. Relatively few qualitative studies

have revealed the specific relationships studied, or provided data regarding the counterparts that interacted with the focal firms (Chetty & Agndal, 2007). Even fewer studies have attempted to construct a network and tried to collect data from other actors in the network besides the focal firm (Elg, Ghauri, & Tarnovskaya, 2008).

Articles that took a general approach on network place a stronger focus on how networks influence the internationalisation of firms, whether it is on the process or the results. Learning, which is achieved through interactions with counterparts in the network, is identified by several articles as critical to the process. In addition, opportunities are also discovered through these interactions in the network. Internationalisation is a process by which firms expand their network by building new relationships with other actors in foreign market. The results of the process are both expressed with a network terminology (Blankenburg Holm et al. 1999; Blankenburg Holm & Eriksson, 2000) and with a more traditional internationalization terminology. For instance, several studies suggest networks and relationships can explain inward and outward internationalization (Zhou et al, 2007) or FDI (Chen & Chen, 1998). On the other hand, there are no studies an alternative way of conceptualising the outcome with a network terminology.

### **TYPES OF RELATIONSHIPS IN NETWORK**

Relationships, relations and ties are the terms often found and applied in these studies to describe the linkage between various actors. This type of linkage is assumed to be less short-term oriented and is characterised by frequent interaction between actors. Some stability is also assumed to exist in these relationships in the network. What makes relationships different from other types of exchanges and transactions is that these relationships are the linkages to important and significant counterparts, they bring mutual benefit to both sides in the interaction, and the aim is for them to be long-lasting.

Early network literature (e.g., Johanson & Mattsson, 1988; Johanson & Vahlne, 1990; Axelsson & Johanson, 1992) emphasised inter-firm business relationships in the network. The emphasis is business because the focus was placed on relationships between customers and suppliers, and there are resource exchanges between these two sides that tied them together. Relationships with actors other than customers and suppliers, for example, family member and friends, or governments and banks, are seldom addressed. The business relationship approach still plays a dominant role in studying the internationalisation of the firm, e.g., Blankenburg Holm et al. (1999), and Blankenburg Holm & Eriksson (2000). In these studies, firms are the centre of the research, and they develop relationships with other firms through sales and purchase activities. Although managers are considered to be the medium for these relationships and social relationships exist between managers in both firms, they are simply part of the firms and do not play any role in relationship building and maintenance.

The network as business relationships tradition takes a long-term view of relationships, and argues that the network can act as a specific governance mechanism that is distinct from market transactions and hierarchy. It is suggested that the average duration of this type of business relationship is an amazing 16 years (Blankenburg Holm & Eriksson, 2000). Furthermore, this type of relationship is composed only of buying and selling and activities, which further drive the internationalization of the firms. The sole focus on buying and selling activities might suggest that the business relationship

approach may inevitably encounter problems in explaining the internationalisation activity of firms operating in industries other than industrial, manufacturing, and service. Subsequently, certain internationalisation mechanisms, such as why and how firms utilise various types of entry modes that do not fit into the pattern of buying from key suppliers and selling to key customers, will be difficult to explain under the logic of business relationships.

Social relationships, which were largely ignored and neglected in the early stages of the network theory development, were given more attention during the mid of 90s. Many studies began to explicitly or implicitly incorporate social actors and their relationships among the units of analysis. Björkman & Kock (1995) identify social relationships as a prerequisite for business exchange, and for firms entering the Chinese market it is impossible not to deal with the social network. Several scholars also argue that there are sequences and stages in the internationalisation process, and findings suggest business relationships between suppliers and customers come after the social relationship established between individuals in firms from both sides (Harris & Wheeler, 2005; Vasilchenko & Morrish, 2011). Social relationships can also be a more reliable source of information for decision-making than formal plans and strategies (Ellis, 2000). Through social relationships, firms identify opportunities and gain knowledge (Sharma & Blomstermo, 2003), which in turn positively influence the speed of internationalisation (Freeman, Edwards & Schroder, 2006; Ghauri et al. (2008). Inclusion of social relationships in the network is often found in studies of the internationalisation of SMEs and the establishment of INVs. The role of entrepreneurs is much more significant in this type of internationalisation and the social relationships they foster provide much needed assistance for these resource-constrained firms (Chetty & Blankenburg Holm, 2000).

The focus on social relationships also suggests that weak ties between work colleagues and acquaintances are an important means for firms to seek knowledge and conduct market evaluation when entering foreign markets (Sharma & Blomstermo, 2003). Managers also use existing social and business contacts from previous positions when working abroad to help firm internationalise (Loane & Bell, 2006). However, contradicting evidence regarding the benefit of social relationships can also be found in the studies. Musteen, Francis & Datta (2010) found social relationships may negatively influence the performance of the first international ventures, while others argue that social relationships mediate both export and profitability performance, but not sales performance (Zhou et al., 2007). Nevertheless these studies provide valuable evidence of the fact that relationships other than inter-firm business relationships play an important role in facilitating a firm's entry into foreign markets. Clearly there are critical network actors beyond customers and suppliers that are important to the firm's internationalisation process.

A third type of relationship can be found involving linkages with non-commercial agencies, such as governmental agencies, banks, law firms, and other organisations. These institutional relationships also have an impact on focal firms and their networks. These actors can be divided into two main groups. The first group includes profit-driven actors other than traditional suppliers and customers, such as banks, consultancies, law firms, etc., while the second group involves actors belonging to authorities, trading agencies, unions and chambers of commerce. Institutional relationships are found in several articles in this review, such as Elg et al. (2008) who

demonstrate how firms in the first phase of entering emerging markets use their network to gain political acceptance and legitimacy by interacting with international institutional actors. In the latter phase, they suggest firms try to influence local political actors and gain support from the domestic institutional network.

The presence of institutional actors and the linkages with them is a persisting phenomenon in studies of the internationalisation of the firm, however these were rather neglected and lack clarity in early research. Although there are influences from these institutional actors on focal firms' business networks, institutional relationships are in general assumed to be a consequence derived from continued business exchanges. Chetty & Blankenburg Holm (2000) pointed out that the traditional business network approach has given little space to discussing actors outside the production network. The research from Welch et al. (1998) is a notable exception and these authors found the role of governmental trade promotion agencies can provide the legitimacy that a business network needs and have a positive impact on facilitating its growth. Furthermore, Evers and O'Gorman (2009) suggest public agencies can assist firms in their early stages of internationalisation in terms of knowledge building and identifying opportunities. The focal firm can become embedded in the extensive network established by the public agency and obtain resource support.

Institutional relationships are more common among firms from or entering emerging markets. Networks with institutional relationships indeed play a crucial role in eliminating uncertainties and information asymmetries, which stem from the lack of rules of the game (Jansson, 2007; North, 1990). Institutional relationships not only allow firms to gain contacts and connections during market entry process, but also provide legitimacy for establishing in the foreign market network.

### **NETWORK STRUCTURE – POSITION, ENTRY NODE, CENTRALITY AND OUTSIDERSHIP**

Networks and relationships will have little explaining value in themselves unless they can help to build our understanding of firms' foreign market entry and internationalisation. Since internationalisation theories aim to explain how firms internationalise, it is only natural that network studies have placed focus on the perspective and interests of market entry firms. The focal firm is then treated as an Ego and placed in the centre of the network, and analysed in relation to other actors in the surrounding environment. Many researchers have adopted this structural view in studying networks and the internationalisation of the firm. As a result, four concepts have been advanced: position, node, centrality, and outsidership, to capture the structural relationship between market entering firms and other actors in the network. This structural view of networks and the examination these four concepts are predominantly adopted by studies employing network as theory rather than variables. An early work by Johanson & Mattsson (1988) argues that internationalisation can be viewed as a process where the firms seek to establish a position in the foreign network. The network position, in turn, can be determined as the resources invested in the relationships with other actors in the network. The more resources invested in the network, the more established the firm will be in the foreign market. These two authors inherited this tradition and assumed resources are heterogeneous in network. Resources heterogeneity refers to resources are different in nature, and no two firms possess identical resources. Resources are heterogeneous not

only because they are different in their raw status, but also because the processing of these raw materials is not identical. Thus, resource cannot be perfectly transferred.

The discussion of entry node is paraphrased from the similar concept of entry mode in traditional IB literature. Using network terminology, Hilmersson and Jansson (2011) conceptualise each firm in the network as a node, and every node is connected with other nodes in the network. The concept of entry node provides a spatial view on network and emphasises where and to whom firms develop relationships in foreign market networks. Entry node activities influence the nature of the relationship developed, which to some extent resembles the notion of entry mode. What distinguishes node from mode is that there are more than just activities in the networks, as the relationships between nodes also hold an important role, particularly during the early phases of a firm's internationalisation. The concept of centrality has its root in social network theory, and it takes into consideration the position of a firm in relation to other actors in the network. Centrality is employed by Coviello (2006) in an attempt to capture the dynamics of the network and how positions of firms change during the internationalisation process. Proximity to centrality is measured by the time it takes for new information to arrive, while betweenness centrality, is represented by the number of linkages the firm has with other actors in the network. A higher level of centrality indicates a better chance for firms to learn about new opportunities and gain important information, decisions, and processes regarding other actors in the network. It also gives the firm a position to control the network.

Proposed by Johanson and Vahlne (2009), outsidership has become the latest network structure term to describe the position of firms in relating to other actors in the network. Although we have not observed any empirical studies based on this concept, it could provide a valuable measurement for future studies. These authors suggest that firms are somewhere between the positions of outsiders and insiders in the foreign market network during the internationalisation process. Outsidership represents a highly uncertain position; perceived opportunities of the network and how it is organised are opaque and less understandable. The concept of liability of outsidership is introduced as an echo to the classical term "liability of foreignness" (Hymer, 1976) and it is argued that the disadvantage of being a market-entering firm is not simply related to its nationality, but also where it is located in the network. The underlying assumption of the structural view of networks is that at any moment in time during the process of internationalisation, there will be a specific position in the network for the firm in relation to other actors, which reflects the quantity (numbers) and quality (strength) of the relationships. These studies have shown evidence that the structure of the network influences the process of internationalisation, but they offer limited guidance on how to empirically observe the concepts. Moreover, there is little knowledge about the role of these concepts during internationalisation in terms of how, why, and when the characteristic may change. Nevertheless, the structural view of networks is important as it can help to increase our understanding of the network perspective on internationalisation, in particular concerning firm strategy and decisions made during this process.

### **PROCESS, STRUCTURE OR TOOL**

From the previous section, we can observe that most of the articles in this review defined network from a structural view. Two types of definitions can be further identified and

they are network as a set of separated relationships, and network as a web of inter-connected relationships (Figure 1).

Figure 1 goes about here

Definitions of network as separated relationships can be mostly found in articles that do not clearly specify the concepts of relationship and network. Actors, relationships, and networks are present in the studies but there is no assumption made of how these concepts are linked with each other. There seems to be an unwritten yet well-established agreement among these IB scholars that network is simply out there and is composed of a few actors and some relationships (Hilmersson & Jansson, 2011; Manolova et al. 2010). The actors, rather than the relationships are the centre of the discussion. While the focal firms act like a hub, having connections with other actors and keeping the network together, there is no indication of whether these relationships have an impact on each other. On the other hand, the second definition of network emphasizes the inter-connections between relationships. Attention is mostly devoted to relationships, and it is these relationships, rather than the actors that keep the network together. Network as a web of inter-connected relationships is rooted in social exchange theory, and can be found in articles that follow this tradition (Blankenburg Holm et al. 1999; Blankenburg Holm & Eriksson, 2000). These two definitions of network have empirical implications. Researchers adopting the first definition tend to design their studies exclusively around the focal firms; they are the centre of the networks, and whatever happens, including relationships, happens in their surrounding spaces. On the other hand, researchers employing the second definition are likely to place their focus on the focal relationships; they are the backbone of the networks, and effort is put into understanding how and to what extent these relationships connect to other relationships. If these inter-connections between relationships can prevail, then there will be a network. These two definitions also raise three important issues, namely the network dynamic, the stability of the network, and network as a strategic tool.

### **Network dynamics**

How and why networks change during the internationalization process is surprisingly an overlooked topic in these studies. There are very few studies that have explicitly employed a temporal approach. Concepts like change, evolving events, and progress seems to gain little interest. A notable exception is Coviello (2006) who analyses the evolution of the networks by studying network structure in three different phases during the internationalisation of the focal firms. She found that during the internationalisation process, the range, the centrality and the size of the focal firms' networks increase, but the density of the networks decreases. Fletcher (2007) presents a longitudinal case study of the foreign expansion of an Australian manufacturer over 10 years. However, the author fails to discuss the findings in the context of the theory, and offers no conceptualisation based on the findings. A processual approach to internationalization in networks was also taken by Coviello & Munro (1997) and Elg et al. (2008). They divided the processes into different stages in order to identify the critical network issues in each specific phase. The first study connects these phases to the classical stage models, while the second focuses on how the internationalising firm interacts and develops relationships

with political actors and authorities. How the structure of these networks changes in each phase and where it comes from are also identified. Elg et al's (2008) study does also represent another type of minority in the sense that it does not only analyse export and sales as the sole business activity, performed by the internationalizing firm, which also coincide with the fact that most studies implicitly or explicitly only deal with the initial phase of the internationalization, where export often is the main activity and where entry into one or several markets is unit of analysis. Consequently, there is little knowledge about latter phase of internationalization, other activities than export and coordination and integration of entries into more than one market.

The observation we can make from this is that studies on internationalisation process and how networks have evolved are inadequate, and good processual studies are extremely rare. Similar observations have also been echoed by scholars in other disciplines (Hoang & Antoncic, 2003). As a result of the lack of study in this field, our knowledge about the processes is poor and insufficient. Nevertheless the few studies included in this review have demonstrated convincingly that the network does change during internationalisation and we believe it will be even more crucial for further studies to identify not only the changes but also the context in which they take place. Several articles have attempted to answer a rather classic question: can the network be managed? If so, how and to what extent? Welch et al. (1998) have provided insights from analysing the role of public export promotion agencies involved in the firm's internationalization process, and shed light on how these agencies can help to mediate information and find customers and export markets. These studies suggest that such organizations can play an important supporting role, however their function will be dependent on (1) the strength of their relationships with the internationalising firm, and (2) the strength of the relationships in their foreign market networks.

### **Network as a strategic tool**

Following previous discussions, it is evident that many articles possess a strategic perspective in examining the role of network in the firm's internationalisation. The strategy of the firms and the decision making process of managers and entrepreneurs represent an ongoing interest for many articles (Ellis, 2000). Much attention has been given to the early phase of the internationalisation process. Most of these studies found that successfully entering foreign markets by developing relationships in the foreign market networks is usually a result of serendipity (Harris & Wheeler, 2005; Vasilchenko, & Morrish, 2011). Even though there is a strategy and plan in place, social relationships seem to play a rather critical role in supporting the firm's internationalisation.

Other studies have approached strategic issues by analysing how the network, particularly the knowledge about the network, can be utilised for strategic purposes. For example, possessing experiential knowledge gathered while entering other foreign market networks will have a positive effect on the internationalisation performance of the firm (Blomstermo et al. 2004). Knowledge about customers' networks, which is beyond the firm's dyadic relationships, will be particularly crucial (Lindstrand et al., 2010). Their empirics show that knowledge from past network experience, and current knowledge about the structure of the network are necessary for firms to achieve successful internationalisation.

### **Network as a stable structure**

Many qualitative studies tend to investigate the network following the multiple case studies method suggested by Eisenhardt (1989) and base findings on the empirical studies in order to arrive at several propositions. On the other hand, the majority of studies that employed quantitative methods in this review see the network as a structure and try to test it with the development of hypotheses or propositions. Thus, the aim is causation. Surveys and questionnaires are employed in these quantitative studies, and the data collected mainly focuses on the focal firms. An exception can be seen in the study by Blankenburg Holm and colleagues (1999), which collected data from both the market entering firm (the seller), and their customers. Few qualitative studies describe and conceptualise the network structure, but again an exception can be found in Sydow et al. (2010). The majority of the studies that utilised the multiple case studies method tend to provide little information about the structure of the network, and instead focus on the internationalising firms. Furthermore, very few studies have attempted to conceptualize the structure of the networks. The most common focus of these studies involves understanding how the internationalisation process got started, and they claim that information regarding business contacts and market opportunities is mediated through the networks (Chetty & Blankenburg Holm, 2000; Coviello & Munro, 1995; Kontinen & Ojala, 2011; Ojala, 2009; Zain & Ng, 2006). This usually does not involve a deliberate search, but instead internationalisation starts as a reaction to the information mediated (Bridgewater, 1999). The establishment of new relationships in networks is therefore a serendipitous outcome, which is based on information that coincidentally travelled through the network or social relationships (Björkman & Kock, 1995; Harris & Wheeler, 2005). As such, weak ties are recognised to be important in the inception of internationalisation (Sharma & Blomstermo, 2003).

Besides mediating information, networks can also be an arena for learning and obtaining knowledge about foreign markets. Learning, in turn, is dependent on the degree of trust and mutuality in the network. Some actors may act as gatekeepers in the network and filter the knowledge and information acquired (Guercini & Runfola, 2010). Networks also provide resources and firms make investments in the network (Chen, 2003; Ghauri et al. 2008), however some control may be sacrificed by the entering of networks in foreign markets (Coviello & Munro, 1995). In addition, the network is not only important for the beginning stage of the internationalisation process. Both Freeman et al. (2006) and Sullivan, Mort & Weerawardena (2006) find that the network can play an enabling role in helping the firm achieve an early and rapid internationalisation. As the process progresses, the role of network may change, yet the functions of sharing information and acquiring knowledge remain. New and unexpected information and opportunities appear in networks or relationships characterized by low mutual commitment, and the trust between actors will influence how and when firms change entry mode (Chetty & Agndal, 2007). Furthermore, networks can also become an entry barrier and have a hindering effect on internationalisation. Existing firms can try to build new relationships, or strengthen existing relationships in order to create an entry barrier for other firms (Johansson & Elg, 2002). There are also some studies analysing the learning of firms in networks even after the first opportunity-recognition phase. This is somehow surprising as many internationalisation studies clearly argue the crucial role played by experiential or tacit knowledge.

Quantitative studies have also analysed the importance of social relationships and found that managers' social relationships have a positive impact on the process of opportunity identification, particularly when business is initiated by a third party in the network. Larger firms tend to have more opportunities to leverage social relationships than small firms (Ellis, 2000), and if managers do not have existing social relationships, they go back to business contacts from previous employment positions (Loane & Bell, 2006). These results confirm and verify findings from processual and qualitative structural studies. However, Musteen et al. (2010) have observed that there is a risk in relying too much on social relationships as they found that the proportion of social relationships in the international network could negatively influence the performance of the first international ventures. This suggests that firms cannot simply rely on relationships, as not every relationship is good for mediating opportunities. Only relationships characterised by commitment and mutual commercial dependence, such as those between strategic customers and suppliers, can be a good mediator for opportunities (Blankenburg Holm & Eriksson, 2000). Nevertheless, strong relationships and networks seem to lead to more rapid internationalisation, export, profitability and producing value for the firms involved (Belso-Martinez, 2006; Blankenburg Holm et al. 1999; Zhou et al. 2007). Social relationships in the home network possess a unique function and the size of the network including these relationships has a positive impact on the degree of internationalisation (Manolova et al., 2010). The more internationally experienced a firm's home network is, the more likely it is that the firm will be internationalised. The implication is that firms in a home network share knowledge about international markets (Elango & Pattnaik, 2007). Two studies are made on firms from emerging markets and they also demonstrate the importance of the home market network for internationalisation (Yiu et al., 2007; Zhu et al., 2007). Business networks provide learning and an opportunity to build capabilities, and firms can access scarce resources from parental networks. The conclusion drawn from these studies is that experiential knowledge is gained by operating in the network, which has a positive effect on a firm's performance in internationalisation (Blomstermo et al. 2004). Apart from directly learning in the dyadic relationships, a firm's performance is also positively affected by gaining knowledge about actors and relationships beyond the dyadic relationships (Lindstrand, et al. 2010).

### **SUGGESTIONS FOR FUTURE RESEARCH**

Over a period of more than twenty years, network theory has grown into a powerful framework for explaining the internationalisation of the firm. We have reviewed studies employing network theory in order to establish an understanding of how the concept and variables have developed. Among the 42 articles included, we observe a strong dynamic in how network theory is approached and employed.

*No coherent network theory on internationalisation.* We have also identified significant diversity in how network concepts are perceived and applied, and how they have been utilised to explain the process of internationalisation. The review also implies that there is no uniform view of the network. There seems to be a shared understanding of what they want to describe and explain, though this is not crystal clear.

*Weak conceptualisation of network and relationships.* The conceptualisation of relationships and networks is usually missing; the studies argue that they "exist" and "are

important”, but why they emerge is not theoretically clear. No mechanism or argumentation is provided. Furthermore, the consistency of the use of the concepts is also somewhat lacking. As a whole, the use of theoretical argument is rather weak and dispersed, and it is rather premature to suggest there is “A” coherent network theory on internationalization. Without a doubt this is partially due to the vagueness and implicit presentation of the theoretical constructs and measurements, which is an alarming signal for researchers aiming to take on further network studies. This analysis has, nevertheless, helped us identify several promising research areas concerns the role of institutions.

*Institutions and networks.* This is hot topic in international business, but among the studies reviewed there is not only single study trying to link the institutions in either the home market or the foreign market to network. In particular, following the World financial crisis that began in 2008, much of the *laissez-faire* attitude from governments has disappeared and cross-border activities are inevitably undergoing much stronger scrutinisation from various political actors. The establishment, development and termination of the role of political relationships in the process of internationalisation may present a fruitful area for researchers to tackle.

*Understanding the structure of the network.* Furthermore, we also observe that much attention has been placed on understanding the structure of the network and how network position has an impact on the process of internationalisation of the firm, but at the same time there are few studies really trying to understand the impact of the structure in line with Burt’s idea about structural holes (1995) or Granovetter’s weak ties (1973). Besides Coviello’ study (2006), there is no study on the structure of network of specific relationships. Networks and relationships are treated as homogeneous and general. All networks are not the same.

*Few pure process studies.* The emphasis on networks as structures of general relationships is surprising since so many of the studies are based on case firms. This leads to the fact that various process dimensions, such as time and changes, seem to be left unnoticed. These dimensions are important as they elicit the fact that networks are never stable, and this-ever-changing characteristic is best captured within a time dimension, or by the demonstration of how changes take place.

*Focus on entry phase.* Another consequence is that there often among the case studies is a focus on entry phase, whereas penetration and latter phases seldom are discussed. The lack of studies covering these dimensions might be due to the difficulties associated with conducting network studies, let alone those involving a longitudinal process. Nevertheless, we feel this is an important area that is worthy of more research attention, and it may both prove beneficial for network theory development, and raise strategic implications for the internationalisation of the firm.

*Focus on export.* One of the results of this is that export and sales are without competition viewed as the most important business activity during the internationalisation. For instance, sourcing and R&D and production are not analysed in any of the studies reviewed.

*Beyond the home market and the foreign market.* Another missing topic is that most studies mainly with entry into specific market and not with internationalisation (entries into several markets) and the problems and opportunities caused by the need to coordinate operations and network in different market.

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Figure 1 Type of firm and age of the firm

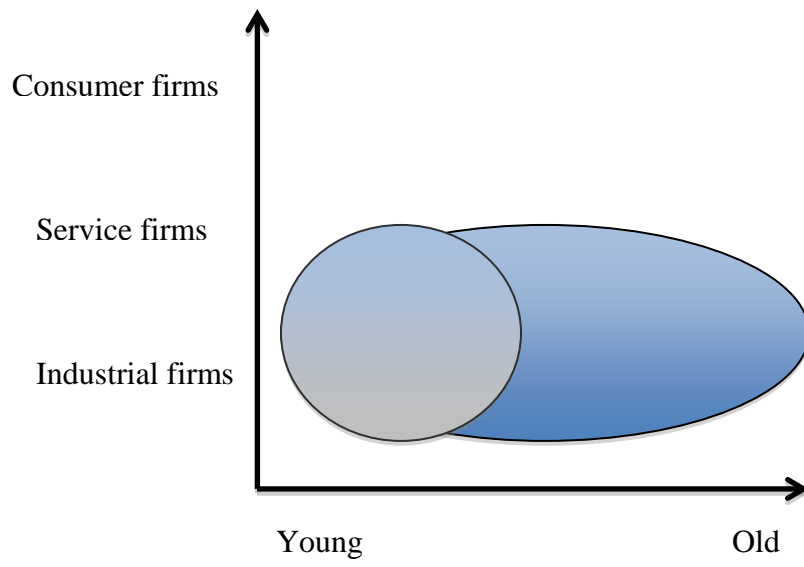


Figure 2 Type of definition of network

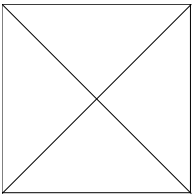


Table 1 Contents of the articles included in the review

<b>Authors</b>	<b>Theoretical framework</b>	<b>Purpose</b>	<b>Method</b>	<b>Definition of relationships &amp; networks</b>	<b>Concept, construct or variable used</b>	<b>Research findings</b>
Belso-Martinez (2006)	Uppsala school and born global theory.	In order to further the understanding of rapid internationalization process among small and medium-sized firms it develops and tests four hypotheses.	A sample of 285 firms from Spain (less than 250 employees and an export share of less than 15%). Data from the survey were analyzed with help of ANOVA.	No definitions of relationships or networks are given. The study analyses networks with clients, suppliers, competitors and institutions.	Accelerated, internationalization, networking, attitude and profile of firm managers, marketing and technological differentiation, and international orientation.	Firms, which show a higher level of networking with their clients, tend to follow a higher accelerated internationalization process. Hypotheses about networking with suppliers, competitors and institutions are not supported. Firms with an accelerated internationalization have a high international orientation.
Björkman & Kock (1995)	Social network theory and IMP literature	To analyze the role of social relations when firms penetrating new business networks in foreign markets.	More than 50 interviews with Chinese and foreign employees. A convenience sample of 24 Scandinavian companies in China. The informants involved in the firms' marketing and sales activities.	Business network is defined as a set of two or more connected business relationships (Anderson, Håkansson and Johanson, 1994). Individuals, such as family, friends, acquaintances, and employees, form a social network.	Social, communication and business exchange. Guanxi.	Developing personal relationships with central decision maker increases the chance to gain business. It is not firms that have guanxi, but the employees. Personal trust is important, especially in illegal transactions. Pre-existing relations reduce the perceived risk. Social relations are developed through increased social exchange or by use of an intermediary of higher social status. Foreign firms can get access to social networks by using an own China unit, through other actors or relying on middle men. Own unit and presence in the market is the most efficient way to get access to social networks.
Blankenburg Holm, Eriksson, & Johanson (1999)	Social exchange theory and social network theory	To analyze the interdependence in business relationships and if the business network and the relationship between the exchange partners affect the interdependence of the partners, and, if so, whether the interdependence influences the creation of value in the business relationship.	A sample of 115 supplier- and customer-relationships. Standardized in-depth interviews with marketing managers from supplier firms located in France, Germany, Italy, Japan, Sweden, U.K, and US. Analyzed with LISREL.	Business relationship is a dyadic relationship between two firms that both have dependency from it. Business networks composed two connected business relationship and this connection is defied through the influence that relationships with third parties have upon the focal relationship.	Business network connection, mutual commitment, mutual dependency, and value creation.	Mutual commitment leads to inter-firm value-creating workflow system. Although there is space for individual firms to strategize, its effect will be limited due to the network embeddedness.

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Blankenburg Holm & Eriksson (2000)	Internationalisation, business network and social exchange theories.	To analyse under what type of condition that foreign customers can become bridgehead for suppliers in the internationalisation process.	Standardized in-depth interviews with 142 key account managers in supplier firms in France, Germany and Sweden. Analyzed with LISREL.	Business relationship existed between customers and suppliers, and is based on the interaction between individual from either side. Business network is formed when two relationships are connected and have impact on each other.	Supplier-customer interface, bridgehead relationship, mutual commercial dependence, business network connection, and relationship commitments.	Supplier-customer interface and mutual dependence have direct impact on the formation of bridgehead relationships. Network connection, on the other hand, only indirectly influences the bridgehead relationship through the mutual dependence. The network connections alone have no significant impact on foreign market development. Network connections lead to relationship commitment, which is the outcome of the bridgehead relationship. Once a supplier perceives the customer as a bridgehead, both parties increase their mutual commitment.
Blomstermo, Eriksson, Lindstrand, & Sharma (2004)	Internationalization, business network theory, and behaviour theory of the firm.	To study the usefulness of the network experiential knowledge and its impact on the performance of firms in internationalisation.	256 closed-ended questionnaires answered by CEOs of SMEs in manufacturing and service industry in Sweden and New Zealand. Analyzed with LISREL.	Networks include several actors and the relationships that connected them. Actors can be either domestic or international.	Performance, perceived usefulness of network experiential knowledge, internationalization experiential knowledge, and variation.	Diverse market experience makes network experiential knowledge more useful. Both useful network experiential knowledge and internationalisation experiential knowledge have a positive effect on firms' internationalization performance, but the relationship between network experiential knowledge and firms' performance is not linear.
Bridgewater (1999)	Network literature on internationalization, incremental models and economics-based theories.	To increase the understanding on whether and in which way network theory has explanatory power for entry into transitional economies.	Four case firms entering the Ukrainian market. Interviews with key informants at both Headquarters and Subsidiary level. Archive sources also used.	Network and relationship are not defined.	Four types of relationships: Customer, competitor, other external and inter-firm stakeholders. The study makes a distinction between external and internal actions in the network.	The study observes that the firms react on actions taken in the firms' competitive relationships, but it also demonstrate that the relationships have greater impact if they are international rather than host market.
Chen & Chen (1998)	Strategic linkage theory and network approach.	To use strategic linkage theory and network approach to interpret Taiwan's outward FDI.	146 Taiwanese firms identified a single FDI location. Of these 146 firms 70 had invested in China, 53 in Southeast Asia (Thailand and Malaysia) and 23 in USA. Data were analyzed with MANOVA and MDA.	It implicitly defines network by saying that are embedded in one or more networks via linkages to designers, suppliers, subcontractors, customers, etc. Network-linkages, internal in the firm and external to resources.	Firms-specific assets (R&D intensity and sales growth) and locational factors (production costs, location familiarity, market potential, country risk and contractual risk).	Network linkages drive FDI, especially external network-linkages. Strategic external network-linkages are most common among large firms and in high-technology industries while relational external network linkages play a more important role in mature industries. Relational facilitates FDI in China and Southeast Asia, but strategic linkages are more important in USA. Relational linkages are especially influential for SMEs investing in China and Southeast Asia.

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Chen (2003)	Business network theory, social network theory.	To illustrate FDI as management of network relationships.	Case study based on 10 Taiwanese electronic with greenfield FDI in late 80s and early 90s. One is presented in detail.	Network is the linkage between home production and overseas subsidiaries, or between buyers, contractors, and suppliers (home or local).	Location choice, gradualism in internationalization, and strategies adopted in networks (governance of network, proximity to the home network, buyer relationships, linkage with local networks, network resource for globalization, and breaking away from family business).	For small and weak firms, external resource can be accessed through their network to facilitate their internationalization. A firm's choice of FDI location can reflect on the network it can draw, which is normally closer to the home base where support is easily to find.
Chetty & Agndal (2007)	Transaction cost approach, network perspective and social capital.	To study how social capital influences change of internationalization modes.	A sample of 20 SMEs (ten from New Zealand and ten from Sweden). No names of the firms are revealed. No counterparts are mentioned. The main form of collecting data was semi structured interviews with key informants in the firms. The interviews lasted between one and two hours. The authors wrote case histories and then identified 36 changes of entry modes.	Network and relationship are not defined or discussed in detail.	Direction of change in internationalization modes, change of direction of control (externalize and internalize). The efficacy role, the serendipity role and the liability role of social capital.	The paper advances three propositions based on the key concepts and how the firms' relationships are related to the three roles of social capital. In the empirical part the authors observe that a change of mode can involve single or multiple roles (19 and 17 respectively), where the liability role was the most frequent (20 changes involved this role) and the serendipity role the less frequent (17 changes). The efficacy role occurred in 18 of the 36 changes. Most changes were to high-control modes (23 of 36 changes) while the remaining 13 were to low-control modes. The study illustrates how information is shared and knowledge gained through the firm's relationships (efficacy role), new and unexpected information and opportunity appear in the network (serendipity role). The study gives evidence for the liability role, when the relationships are characterized by low mutual commitment and trust.
Chetty & Blankburg Holm (2000)	Business network, social exchange, and internationalisation theory.	To investigate how SMEs from a small open economy internationalize, and the role of governmental trade promotion agency.	Longitudinal case study based on 4 New Zealand manufacturing SMEs in the electrical industrial machinery and timber processing industries.	Business network is defined as a set of two or more connected business relationships, in which each exchange relation is between business firms that are conceptualized as collective actors. These actors include competitors, suppliers, customers, distributors and government. Business relationship is carried by social exchanged between individuals in the firms.	Early starter, the late starter, the lonely international, and the international among others, based on the degree of internationalization of the firm, and the degree of internationalization of the market.	A wider network of relationships to internationalise than literature has suggested is needed. Firms can use intermediaries in the internationalisation process. Firms' current business networks can form a bridge to enter new markets. Other actors' internationalisation may affect firms in the business network. The decision maker of the firms play an important role in pursuing opportunities arose in the network.

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Coviello (2006)	INV and network literature taken both from the international business and other fields	To assess the network dynamics of INVs. The research question is what are the structural and interactional patterns at various stages of network evolution?	Three case firms in New Zealand were theoretically selected (entry in their first foreign markets within three years of conception). Inductive interviews the main data source. No information of number or length of interviews.	The study does not define network but describes it as having structural and interactional dimensions.	Structural aspects of network: Range, density, centrality and size (the number of direct ties). Interactional aspects of the network: Content (family/friend or business), direction and duration.	The study results in three propositions on the INV's network development. The range, centrality and size of the network will increase while density will decrease. There are also propositions suggesting that the INV's reputation and economic ties dominate, while two other propositions suggest that the network is path-dependent, unstable and idiosyncratic.
Coviello & Munro (1997)	Literature viewing internationalization as an incremental process and theories on network and internationalization and small firms.	To increase our understanding of how network relationships impact internationalization patterns and processes, and how they influence foreign market and entry mode.	Four small software firms from New Zealand. Interviews (no information on number or length of the interviews) were made with Managing Directors and Chief Executives.	The study applies a definition from Axelsson and Easton (1992): "Sets of two or more connected exchange relationships."	Growth pattern, network and firm characteristics.	Internationalization process can be divided into three phases. The process is rapid and characterized by multiple and different modes of entry, which is driven by network relationships. The relationships are different and play different roles depending on where the firm is in process.
Elango & Pattnaik (2007)	The Uppsala school of internationalization and network theory.	To answer two questions: What is the relationship between underlying firm characteristics and internationalisation in the emerging market? How is this relationship facilitated by parental network capabilities?	The sample was derived from a PROWESS database and consisted of 794 manufacturing firms from India with sales of at least 50 million Indian rupees. Multiple regression analysis is used to analyse the data.	No definition of relationships and networks, but see domestic business groups with common ownerships and interdependences as paternal networks.	Extent of internationalization of the firm, differentiation advantage, market power and operational efficiency.	The international experience of the home network is positively related to the extent of internationalization of the firms, while home network scope is negatively related the extent of internationalization of the firm, though for there is a positive effect for mid-sized and smaller-sized of parental networks. Though, learning within networks is an option to build capabilities for internationalization. Emerging market firms can access scarce resources from home networks.
Elg, Ghauri, & Tarnovskaya (2008)	Business network theories and internationalisation theory.	To investigate how a retailer identifies actors in the network and how it establishes relationships with them in emerging markets.	Case study on Swedish furniture retailer IKEA's entry to China and Russia. 43 in-depth interviews were conducted in Sweden, Russia, and China. Interviewees include managers from various levels.	Relationships and networks are defined through actors, activities, and resources. Arm's length relation and person contact in various levels is the base of relationship	Analysis is made on three levels: global, macro and micro and within each level, there are relationships with political, business and other type of actors.	Internationalisation is divided into two phases. Networks are used for different purpose. In search and project phase, the aim for network is to achieve legitimacy, gain political support and obtain market access. In the establishment phase, network is used to influence politicians, allow cultural integration, establish market image and create competitive advantages. Political networks in the higher level are critical during the entry phases for gaining policy support, and as the entry process precede, micro level political network become rather important for accessing specific resources.

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Ellis (2000)	Theories on internationalization, export and network, partly from B2B-marketing.	To answer how firms make the decision to enter new export markets and in order to do this it presents six propositions on the social and foreign market entry.	Two empirical studies; one pilot study on 31 foreign market entries made by eight exporters from Australia, and the main study made in Hong Kong. The later consisted of 420 local manufacturers from the toy industry. 52 interviews and a sample of 133 direct market entries and 128 indirect entries.	No explicit definitions of network or social relationships are reported.	Information sources (personal or impersonal), customer and product type, firm size, international experience and market imperfections.	The decision-maker's social network influences identification of opportunities, especially for exchanges initiated by third parties. When exchange partner is chosen based on social ties an independent importer or merchant distributor is likely to be chosen. The larger the firms the more likely that it relies on social ties to find exchange partners. Manufacturer does not initiate around 90 % of the entries. Formal search activities are almost never used to identify exchange partners. When ad hoc strategies are used firms prefer to do business with trading companies.
Evers & O'Gorman (2011)	Entrepreneurship and effectuation, business network and social network theories.	To investigate the process that new international firms emerged	Based on 3 Irish Shellfish processors.	Relationships are distinguished between social and business tie and they can exist in either vertical or horizontal in relating to the firms.	Prior work experience, prior industry or product knowledge, assessment of market opportunities, and selection of foreign markets.	Entrepreneurs create firms without detail knowledge of knowledge and opportunities. The firm is created as a way to exploit entrepreneur's resource. Improvisation, effectuation and network bricolage can be used to explain new international new venture creation process.
Evers & Knight (2008)	Drawing literature on network and internationalization and applying on trade shows.	To investigate the role international trade shows play in the internationalization process of small exporting firms.	Two tier of data collection is employed in this study. First, 37 qualitative interviews conducted on Irish- and NZ-based export intensive seafood firms, follow by in-depth case of 3 Irish export starts-ups.	Relationships are both social and business aspect between customers, suppliers, competitors, and public and private agencies.	Relationship development, enhancing existing relationship, acquisition of knowledge about foreign market, and competitor, acquiring new foreign customer, and expanding into new markets.	Trade show can play a role beyond typical marketing and information platform and make an important contribution to establishment and enhancement of a network infrastructure for enabling firms to grow and expand internationally. Trade show can act as an infrastructure, a neutral territory, as well as a network space for industry people to meet. It can also play a role as an important knowledge hub. By participating trade show, it may accelerate firms' internationalization process.
Fletcher (2007)	IMP-Group's research.	To demonstrate that current approaches to internationalization do not fully explain life cycle of internationalization, which a network embeddedness approach can do better.	A longitudinal case study based on an Australian manufacturing firm.	A network consists of actors who are in focal relationships and/or subsidiary relationships. The relationships with actors in subsidiary relationships can impact on the focal relationship specifically and on the total network in general.	Network embeddedness is the key explaining factor. The networks are social network, regional network, technological network, institutional network, infrastructural network and market network.	The network approach provides a cogent explanation for all phases of the internationalization of James N. Kirby. Moreover, the case illustrates that internationalization is evolutionary and often has a life cycle. Finally, the study illustrates that a critical ingredient is the ability to develop and exploit relationships.

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Freeman, Edwards & Schroder (2006)	Internationalization theory, mainly on born globals, with various network theories.	To examine the internationalization strategies of born globals and how they overcome constraints. To focus on how managers develop partnerships and alliances and how networks are used.	Three case firms provided 20 interviewees, which resulted in 52 hours of in-depth interviews and focus group discussions.	No definitions of relationships or networks and there is no information on how these concepts was empirically observed. The study reports little concrete data on the case firms' networks and relationships.	Internationalization constraints (poor access to economics of scale, lack of financial and knowledge resources and aversion to risk taking), the network concepts (extensive personal network contacts, collaborative partnerships with large foreign customers and suppliers, client followerships), use of advanced technology and multiple entry modes.	Based on the constraints identified in the literature the paper advances five network strategies, which can help to overcome these constraints and result in early and rapid internationalization. Network strategies can thereby be seen as a mediating variable.
Ghuri, Tarnovskaya, & Elg (2008)	Literature from business network theories.	To investigate how the reconfiguration of relationships and roles in the supplier network supports the market driving strategy. It also aims to identify critical mechanism that stimulates the supplier development.	Case study on four of Swedish furniture retailer IKEA's customer and supplier relationships in Russia and Poland. 11 in-depth interviews were made in Sweden, Russia, and Poland with purchasing managers, new product development manager, trading managers, environmental managers and technicians.	Actor, activities, and resource elements compose relationships. Relationship is built on the personal level with representative from firms engaging in different issue on production, supply and human resource management.	Market driving supplier strategy is based on collaborative relationships with suppliers that include different mechanisms required to drive these relationships as well as different implications for the involved parties.	Personal bonding and suppliers' satisfaction play a crucial role in the speed of process and the technical level achieved by the suppliers. In a successful relationship, both parties share a desire to pursue mutual interests, which lead to trust and motivate suppliers to invest more internal resources into the cooperation. Resource exchanges taken place in product technologies, materials, knowledge of production process, quality issues, capital and lease of equipment, while training and global network of partner were most under-used resources due to local culture conditions.
Guercini & Runfola (2010)	Business network theory according to the IMP-Group and the Uppsala internationalization school.	To answer the following questions: (1) Does the vision of the market as a network in the presence of large psychic distance require further developments in theory?, (2) Can IMP theory be applied to new intercultural relationships without integrating some concepts developed in internationalization theory?, and (3) Is the gatekeeper a source of unlearning for the actors involved in the international business networks?	A case study on the Italian clothing manufacturer, Tessilform Spa, and its entry into the Chinese market. Data were collected using several sources like websites, firm reports, fashion magazines and interviews with key representatives (no information on length and number of interviews).	The study does not present any definitions of relationships or networks.	Interaction, psychic distance, learning, gatekeeper.	Psychic distance changes the relational approach followed by firms, but it does not only regard establishment of new relationships, but implies new relational models that include intercultural intermediaries that act as bridges between culturally distinct contexts. Business relationships can help firms acquire knowledge promote the establishment and development of new relationships in foreign markets. Gatekeepers can reduce psychic distance, but can also foster unlearning as it filter the learning in the network. Thereby, the gatekeeper is both a consequence and a source of path dependencies in the network.

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Hadley & Wilson (2003)	Combines network theories on internationalization with the Uppsala school	The paper develops and tests six hypotheses on the relationship between the firm's experiential knowledge and the degree of internationalization of the firm and its market.	A sample of 32 firms from Australia and 47 from New Zealand. Data were collected through a postal and fax survey and analyzed with ANOVA.	No definitions of relationship or network are presented.	Three types of experiential knowledge: Internationalization knowledge, foreign institutional knowledge and foreign business knowledge, and degree of internationalization of the firm.	Internationalization knowledge is related to the foreign market's diversity and foreign institutional knowledge is related to the level of firm's and market's internationalization
Harris & Wheeler (2005)	The IMP-Groups and internationalization literature on relationships and export.	To study how inter-personal relationships influence internationalization. The origins, specific functions of the relationships and strategies leading to international relationships are in focus.	Three Scottish entrepreneurs' most important personal relationships. Altogether eleven relationships were analyzed. Each interviewee was interviewed twice and the interviews took between 90 and 150 minutes.	No definitions of relationships or networks.	Personal relationships, function of relationships, origin of relationships and planned networking or relationships evolution strategy.	The study reveals that the social relationships provide contacts in new markets, but that the new relationships were developed by the counterparts, and thereby driving the internationalization. Planned networking strategies were rare, instead, but the relationships had their origins in social activities related to business. The process is serendipitous and does not begin with as business intent or plan.
Hilmersson & Jansson (2011)	The Uppsala school and theories on SME internationalization.	The study aims to examine the business network entry process in order to answer how SMEs establish insidership position in institutionally different foreign business networks.	Eight case firms were selected; two from Denmark, two from Sweden, two from Estonia and two from Lithuania. 30 interviews both with the entering firm and representatives from customers or intermediaries.	Networks are defined as an organization set; the business network being centred on a particular node: the entering firm.	Network structure and network position, entry node and entry process.	The cases the studies results in 18 propositions. Four of them concern entry node and entry process, while the remaining advance that insidership, character of ties, type of exchange and closeness of the network differ between three types of network structure: Exposure network, formation network and sustenance network.
Ibeh & Kasem (2011)	Literature on network and internationalization on combined with international entrepreneurship.	To narrow the research gap on the internationalization of knowledge-based SMEs and to investigate the relevance of the network perspective on internationalization.	Semi-structure interviews with 6 software SMEs from Syria.	The paper uses several terms related to networks, like ties, relationships, social and business ties and relational factors, but none of them is clearly defined.	Initiation, market selection and speed are analysed.	The paper makes five network-related propositions (eight in total). Three of them propose that relational factors influence internationalization, which are partially or completely supported.

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Johansson & Elg (2002)	Literature from B2B marketing and the IMP-Group combined with strategy from industrial economics	To increase our understanding of entry barriers by developing a framework for analyzing relationships in their role as entry barriers and to hinder domestic or foreign firms to establish a position in the network.	Based on study on Swedish food industry internationalization. Interviews with top managers in companies, trade association. 2 waves of surveys targeting food processors and retailers.	Two types of relations: Horizontally and vertically directed relations, which can be developed in the foreign market or in the home market.	The paper defines inter-organizational network as a pattern of relations that connects and influence a set of interdependent organizations.	The paper concludes by presenting four types of relational activities (network strategy) to create entry barriers in the home market. They are a combination of horizontally and vertically directed relations, be built or developed in the foreign market or in the home market.
Kontinen & Ojala (2011)	Network literature on internationalization.	To understand how the network ties of family SME function in recognizing opportunities to enter foreign markets.	Case studies on 8 Finnish family firms operating in France. Interviews were conducted in both Finland and France.	There are three types of networks tie: Formal, which is between business partners, informal, which are social relationships and intermediary ties that are no existing business transactions between buyer and seller. A strong tie is characterised by closeness, trust, mutual respect and commitment.	Activeness and opportunity recognition.	The paper results in five propositions on how type, strength of network tie, and activeness influence opportunity recognition, thus network ties are treated as the independent variable.
Lee, Abosag, & Kwak, (2011)	Network theories on internationalization.	To address the fundamental question in the area of IB research: why are there variations in the speed of MNCs' market entry into emerging markets and whether it is influenced by networking activities/capabilities of multinationals or not?	Three automobile manufacturers' entry into the Chinese market was studied: PSA-Citroen-Peugeot, Hyundai Motors and General Motors. General managers and R&D managers were interviewed for 120-180 minutes. Number of interviews unknown. E-mail and phone calls and secondary data also used.	No explicit definition of network and relationships are reported, but the study use three type of network variables: actors establishment of relationships with different actors, activities performed, and resources invested to establish the relationships.	Commitment, learning, and speed.	The study demonstrates that networking affects commitment and learning, though it is unclear how and why.
Lindstrand, Eriksson & Sharma (2010)	Relationship and network theories together with learning theory.	To study the perceived usefulness of client networks for international expansion with a client. The paper develops a structural model based on five hypotheses.	A sample of 494 SMEs from Denmark (201 firms), New Zealand (117 firms) and Sweden (176 firms) answered a questionnaire based on an ongoing business relationship. Data were analysed with LISREL.	Firms are embedded in networks of inter-connected exchange relationships, some directly with a client, and others indirectly through the client.	Usefulness of client network, country market variation, involvement in relationship, standardization, need for knowledge of other clients and suppliers and perceived cost relationship.	Four of the hypotheses are supported; country market variation, involvement in relationship, need for knowledge of other clients and suppliers and perceived cost relationship tend to positively influence usefulness of knowledge supplied by client network.

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Loane & Bell (2006)	Network approach, resource-based view and knowledge-based view.	To investigate the role of networks in the acquisition of knowledge and resources and to discuss the impact of enhanced resource and knowledge stocks on the rapid internationalization of a cross-national sample of entrepreneurial firms.	Online sources were used to collect data on 218 firms from Australia, Canada, Irelands and New Zealand. E-mail was then used to verify and to add new resulting 143 responses. Finally, in-depth face-to-face interviews were made with representatives from 53 firms. A thematic context analysis was applied on the data.	Networks and relationships are not defined.	Existing and new networks. Knowledge and resources.	Managers use social or business contacts from previous employments or when working abroad in order to gain knowledge or access to international markets. More common than using already existing networks, is to build new networks. Often because the firms do not have any relevant network or that the existing networks do not suit the firm as it was working with new business ideas and in narrow niches, which continued also after entering the first export market. Acquiring competence and hiring people who have network contacts is also an important components in the network operations.
Manolova, Manev & Gyoshev (2010)	Network literature on internationalization and to some extent from industrial organization.	To address two research gaps; the effect of domestic personal networking and the role of domestic inter-organizational networking on internationalization of small firms from transition economies. The study develops four hypotheses.	A quota sample of 623 new-and-small ventures from Bulgaria were analysed through OLS regressions. Graduate students conducted a survey.	Egocentric network consists of a set of direct, dyadic ties, with entrepreneur in the center.	The network concept is divided into domestic personal networks and domestic inter-firm networks. They are independent variable. Moreover, new venture age is a moderating variable and degree of internationalization the dependent variable.	The size of the entrepreneur's domestic personal network has a positive on degree of internationalization. The importance of domestic inter-firm networks for internationalization decreases over time. The other two hypotheses (inter-firm networks effect on degree of internationalization and the moderating effect of new venture age on the personal network effect on degree of internationalization) were not supported.
Musteen, Francis & Datta (2010)	Born global theories and theories on social capital and social network.	The study develops six hypotheses to test whether Czech SME CEOs' international relationships influence the speed of internationalization and the success of such internationalization.	A survey resulted in a sample of 155 responding Czech SMEs. The firms were independently owned and formed after 1989.	Personal network ties are viewed as the independent variable, which has three attributes: Relational embeddedness, cognitive embeddedness and structural embeddedness.	Speed of internationalization and performance of the first international venture.	The analysis confirmed three hypotheses. Relational embeddedness, measured as the he proportion of personal ties in the international network, negatively influence the performance of the first international ventures, while cognitive embeddedness (measure as sharing a common language with the international ties) has a positive impact on speed of internationalization. Finally, the study finds that structural embeddedness (measured as CEOs' geographical diversity) positively affects performance of first international venture.

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Ojala (2009)	Literature on network and internationalization combined with international entrepreneurship.	The purpose is to answer three questions: (1) What are the network approaches used by knowledge-intensive SMEs entering distant markets?; (2) What are the different types of focal relationships used by the knowledge-intensive SMEs to enter distant markets?; and (3) How is the market entry of knowledge-intensive SMEs into a distant market affected by different types of focal network relationships?	Based on multiple case studies on 8 Finnish Software SMEs that operating in both Finland and Japan. Interviews were conducted in both Finland and Japan.	Three types of networks relationships: Formal relationships are related to business activities between two or more actors, informal relationships are related to personal relationships with family members and friends, and intermediary relationships, where there are not direct contacts between the seller and the buyer, but there are a third facilitating the establishment of relationships between the seller and the buyer.	Active and passive networking refers to if the initiative is taken by the seller (active networking) or comes from outside the firm (passive networking).	The paper results in four propositions, where knowledge-intensive SMEs entry is proposed to be facilitated by development of new or used of existing relationships. However, selections of target market and entry mode are more influenced by strategic reasons than initiated by network relationships.
Sharma & Blomstermo (2003)	Born global-, social network- and internationalization network theory.	To contribute to the development of theory by explaining the internationalization process (market selection and entry mode selection) of Born Globals.	Two Swedish born global firms, Helax and IAR Systems, are used as case illustrations. No method section and no information on methodology.	No definition of networks or network ties.	Knowledge, strong and weak ties.	Relationships supply knowledge, which affects the risk and provide business opportunities. Especially weak ties are important in the beginning of internationalization.
Sullivan Mort & Weerawardena 2006	Born global theory and network theory on internationalization.	Based on the research problem "What is the role of networking capability in the internationalisation process of the exemplar small entrepreneurial firm- the born global?" the paper aims to answer five research questions.	Six Australian born global firms from both high-tech and low-tech industries were selected through a theoretical sampling. In-depth interviews with key decision-makers in the firms. Also other sources were used. No information on number and length of the interviews.	No definitions of network or relationships are given.	Networking capability (owner/managers behavioural characteristics) and identification and exploitation of market opportunities, development of knowledge-intensive products, international market performance.	The paper advances a conceptual model where network capability is a mediating variable influenced by behavioural characteristics and influencing rapid internationalisation and knowledge intensive products.

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Authors	Theoretical framework	Purpose	Method	Definition of relationships & networks	Concept, construct or variable used	Research findings
Sydow, Windeler, Wirth & Staber (2010)	Network literature on internationalization and structuration theory.	No explicit purpose though the paper argues that it goes beyond a structuralist approach to explore how the context in which foreign market entry takes place is embedded in firm's ongoing practices	Multiple case studies on TV makers from U.S., and Germany entering Hungarian market.	No clear definition of network or relationships. Implicitly the paper views network as a structure of resource-dependence relationships.	Three types of entry strategies based on governance mode (market, network and organization). The foreign market can be dominated by one of the three governance modes: Market, network or organization	In the case the firm uses a collective network strategy, when it enters the Hungarian market. The data also give evidence that most firms apply a network strategy as it fit the dominant governance mode in the foreign market.
Vasilchenko & Morrish (2011)	Born global theory and network literature on internationalization.	To investigate four cases with focus on how high-technology firms use networking and then integrate these activities into their strategies to commercialize products globally.	Four new and small born global ICT firms from New Zealand were selected. Four semistructured interviews with one of the founder of the case firms. Data were analyzed in three steps: (1) Presentation of each case, (2) within-case analysis and (3) cross-case analysis.	The study networks consist of a set of actors linked by some set of relationships (Hoang and Antonic, 2003).	Exploration and exploitation of internationalization opportunities, deliberate market entry and serendipitous internationalization triggers.	The study results in eight propositions, where business and social networks are dependent variables. Serendipitous encounters, industry events and personal connections are proposed to lead to social networks, and exploration and exploitation of internationalization opportunities. Social networks lead to business networks, which, in turn, cause initial credibility, local market knowledge, overcoming resource limitations and gaining access to local customers.
Welch, Welch, Young & Wilkinson (1998)	Business network theory	To address the nature of the network connections that can arise within export grouping schemes, the effect they may have on export success, and the role government can play in encouraging and managing network development.	Qualitative longitudinal cases studies Data based on Australian Joint Action Group and their activities in China for Grain export, and in Japan for Hay export. Conducted via semi-structured interviews with both JAG group members and managers. 1994-1995	Personal networks can be built between individual and organization. Contacts made during works can be carried into personal network. Interconnected group of organizations can also form network.	Network, policy, agency withdraw and external relationships.	Export promotion is about networking; however, networking should not only be a vehicle for foreign market entry. Network outcome should be value in their own right, and participation is critical to network development and knowledge creation, as well as contribute to firm's strategic foundation for longer term foreign market growth.
Yiu, Lau, & Bruton (2007)	FDI theory and OLI (ownership, location, and internalisation) paradigm.	To understand the FDI undertaken by firms from emerging economies by incorporating institutional factors and firms' strategic actions.	A sample of 274 firms from the manufacturing industry from Beijing, Shanghai, and Guangdong. A questionnaire answered by the CEOs and/or their deputies. Data analyzed with OLS.	Relational tie can be built on people or entities. Network is considered as a verb, e.g., networking and its aim is to substitute for legal framework and political structure.	Firm-specific ownership advantages, corporate entrepreneurship, international venturing, and home industry competition and export intensity.	Home network relationships can facilitate firms in emerging economies to pursue international venturing. Business network has a weaker direct effect and can be used for sharing market information and securing control over a supply chain. Institutional networks help firms in emerging economies to better cope with transitioning institution environment. The institutional network is an essential asset to mitigate information asymmetry in emerging economies.

Table 1 Contents of the articles included in the review

<b>Authors</b>	<b>Theoretical framework</b>	<b>Purpose</b>	<b>Method</b>	<b>Definition of relationships &amp; networks</b>	<b>Concept, construct or variable used</b>	<b>Research findings</b>
Zain & Ng (2006)	Literature on internationalization and network and theoretical ideas taken from B2B marketing.	How is the internationalization process of SMEs manifested in their choices of foreign markets and modes of entry? How do network relationships of SME impact their international market development? How do network relationships of SMEs impact their marketing-related activities within the international markets? The paper advances nine propositions, where network relationships are the independent variable.	Qualitative: multiple cases studies. Data base on 3 Malaysian software SMEs + 1 automobile battery firm (as the control firm). Conducted via face to face interviews. 2001	The relationship between a firm's management team and employees with customers, suppliers, competitors, government, distributors, bankers, families, friends, or any other party that enables the firm to internationalize its business activities	Trigger and motivate internationalization, market-selection decision, entry-mode decision, access to additional relationships, access to local market knowledge, obtain initial credibility, lowering costs and minimizing risk, internationalization pace and pattern, and future scope and market opportunity are the nine dependent variables proposed to be influence by network relationships.	Seven of the propositions were partially or completely supported. Access to local market knowledge and future scope and market opportunity are not found to be influenced by network relationships.
Zhou, Wu & Luo (2007)	Born global literature and theories on social networks and guanxi.	To test a structural model of two hypotheses where social networks are viewed as a mediating variable between internationalization and performance.	The final sample consists of 129 Chinese born global SMEs. General managers, vice-general managers, marketing managers and business directors answered a questionnaire. The data were analyzed with AMOS.	Social networks are defined as a web of personal connections and relationships for the purpose of securing favors and/or organizational action.	Outward and inward internationalization and performance (sales, export and profitability).	Social networks mediate the performance impact on outward internationalization both export and profitability, but not on sales. Social networks mediate the performance impact on inward internationalization on only export.