CHAPTER 1

A NETWORK PERSPECTIVE ON THE INTERMITTENT INTERNATIONALISING EXPERIENCES OF EMERGING ECONOMY ENTREPRENEURIAL SMEs

Zubair Ali Shahid and Leonie Hallo

ABSTRACT

Current internationalisation and international business (IB) theories are silent on the intermittent internationalising experiences of small and medium size enterprises (SMEs) from emerging economies (EEs). The aim of this chapter is to examine the role that networks play in facilitating SMEs from EEs subsequent behaviour following intermittent (exit and subsequent re-entry) internationalising experiences, and to build the theory of this process. Internationalisation of SMEs is a complex phenomenon. Utilising qualitative interview-based data from 15 Pakistani and Chinese SME entrepreneurs, industry experts and government representatives, this study concludes the following: SMEs from EEs continuously reconfigure existing products, resources and markets through networks while reducing and reviving levels of commitment with partners in international markets. Additionally, entrepreneurs from these markets proactively choose to dissolve existing relationships, withdraw from foreign markets to seek new partnerships and diversify resources to reduce foreign market uncertainty. However, some SME entrepreneurs seek...
to re-enter into previous markets utilising prior relationships and networks. Hence, successful management of network relationships over time is a challenge for internationalising SMEs.

**Keywords:** Intermittent internationalisation; emerging economies; networks; exit; re-entry; small and medium-sized enterprises

**INTRODUCTION**

The internationalisation of small and medium size enterprises (SMEs) has been researched for almost three decades in the international business (IB) literature. However, internationalisation theories within the field of IB, namely the internationalisation process (IP) model and the Uppsala model and its revised versions (e.g. see Johanson & Vahlne, 1977, 1990, 2006, 2009, 2011; Vahlne, Ivarsson, & Johanson, 2011; Vahlne & Johanson, 2013; Johanson & Vahlne, 2015), have continued to explain internationalisation as a forward moving activity, referring to linear type internationalising activities. Alternative views on internationalisation phenomena, for example, the impact of an inability to develop holistic frameworks in international market exits and re-entries, have been ignored (Bernini, Du, & Love, 2016; Choquette, 2018; Surdu, Mellahi, & Glaister, 2019). Current IB literature argues the importance of exploring foreign market exits (Etemad, 2015; Surdu et al., 2019) and re-entries (Sui & Baum, 2014; Welch & Paavilainen-Mäntymäki, 2014), as well as exploring the phenomenon of exit and re-entry from the entrepreneurial perspective (Zander, McDougall-Covin, & Rose, 2015). Researchers have also drawn attention to the need to explore exits and re-entries of SMEs internationalising from EE (Vissak & Zhang, 2015). No single theoretical model fully explains the phenomenon of intermittent internationalisation (Bernini et al., 2016). Hence we draw upon Johanson and Vahlne’s study on the IP model which appeared in the *Journal of International Business Studies* in 1977 and has been revised a number of times by the IB community (e.g. see Johanson & Vahlne, 1977, 1990, 2006, 2009; Vahlne & Johanson, 2013; Vahlne et al., 2011). Supporters of the IP model (e.g. Zou & Ghauri, 2010) assume that internationalisation is incremental and a forward moving activity for SMEs, both in advanced economies (AEs) and in emerging economies (EEs). However, several studies on SMEs (including born-global and international new venture) criticise some of the assumptions of the IP model (e.g. Vissak & Francioni, 2013).

While scholars argue that the model should continue to dominate the IB field and continue to be used to explain internationalisation patterns in SMEs (Meyer & Thajjrongkak, 2013; Santangelo & Meyer, 2011), some researchers acknowledge the partiality of the IP model, in that while it can be applied in some situations, that does not mean that it is valid and applicable in other situations (Hadjikhani, 1997). Various issues have been raised. The model has been criticised for being deterministic (meaning that internationalisation outcomes are pre-determined). The model does not explain leapfrogging, sporadic, episodic, nonlinear and intermittent type internationalisation activities. Additionally, the model considers
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experiential learning, knowledge development, product development, involvement and organisational structure from the firm-level perspective, while ignoring the role of the individual level entrepreneur (Andersson, 2000). This study highlights the importance of the individual’s voice during the processes of intermittent internationalisation through the network perspective. Intermittent internationalisation is defined as ‘exit and (possible) re-entry conditional on exit’ (Bernini et al., 2016, p. 1060). Hence, we ask the following research question: How do networks facilitate EE entrepreneurial SMEs throughout their intermittent internationalising experiences? This is consistent with the argument of Bembom and Schwens (2018) that further research is needed on identifying positive and negative effects of network dynamics during the post-internationalisation phase of firms. The structure of this chapter is as follows: following the introduction, the literature review is presented along with a conceptual framework, followed by a discussion of the research methodology and presentation of the analysis and discussion. A conclusion and implications section provides directions for future research.

LITERATURE REVIEW

Network Perspective of the IP Model

From a network perspective, as firms internationalise the strength, commitment and the size of their business network increases (Bembom & Schwens, 2018; Blankenburg, 1995; Chetty & Stangl, 2010; Johanson & Mattsson, 1988; Johanson & Vahlne, 2009). Thus, Coviello and Munro (1997) advocate that firms, over time, increase their visibility and commitment in overseas markets through their experiences and learning from both formal (business) and informal (social) relationships (Coviello & Munro, 1997). The network perspective considers the examination of the IP through business networks (Söderqvist & Chetty, 2013). Business networks are defined as ‘a set of relationships linking one firm with another firm’ (Ellis, 2011, p. 102). They are also defined as ‘assets of connected business relationships’ (Johanson & Vahlne, 2011, p. 484). Informal networks are considered as a subset of formal business network theory (and are also known as social networks, e.g. see Ellis, 2011). Studies in IB have considered social networks as a part of broader level networks including business-to-business networks (e.g. see Björkman & Kock, 1995). Business networks are likely to have an influence on internationalisation activities such as innovation (Chetty & Stangl, 2010) and foreign market survival (Welch & Welch, 2009).

The original IP model also assumes that firms are continuously operating in a business environment that is changing, and this causes uncertainty, as the future is unknowable. The way to cope with high uncertainty is through managerial actions, either transforming or adjusting to the environment. Actions allow managers to use their learning from their environment to improve their management of complexity and ambiguity. Therefore, managerial actions lead to the development of market knowledge as a result of the interaction between the network partners (Johanson & Vahlne, 2009; Vahlne & Johanson, 2013). One important action concerns commitment which is considered to be an emotionally
grounded action that allows network partners to create a stock of knowledge, thus strengthening their network positions. This leads to interactive trust-building and commitment activities between network partners to create new knowledge. Over time, building network positions also involves learning from IB partners about internationalisation strategies, capabilities and plans (Vahlne & Johanson, 2013). It allows partners to adjust to each other’s plans and capabilities to improve efficiency and performance in a foreign market. However, unsatisfactory performance of a network partner is likely to lead to a decrease in commitment and the end of a relationship (Vahlne & Johanson, 2013). Trusting relationships between network partners are essential for firms (Johanson & Vahlne, 2009) operating in a climate of uncertainty, complexity and ambiguity (Vahlne & Johanson, 2013).

Role of Commitment in Internationalisation
The IP model has taken into account the role of commitment in the IB activities of firms (Johanson & Vahlne, 1977, 2015). The driving force of internationalisation is experiential knowledge, which generates IB opportunities; and this also reduces uncertainty. Therefore, firms are expected to accomplish ‘resource commitment’ incrementally as they gain knowledge from their current business activities (Johanson & Vahlne, 1990, p. 12). The model also highlights the role of market commitment and suggests that firms make ‘additional market commitment’ in ‘small steps’ (p. 12) except when they have large resources and the consequences of commitments are small. Thus, large firms with surplus resources can be expected to take larger internationalisation steps. When market conditions are stable and homogenous, relevant market knowledge can be gained in ways other than through experience. In this way, firms have considerable experience from markets with similar conditions and it may be possible to generalise this experience to the specific market targeted (Johanson & Vahlne, 1990). The early IP model limits the role of commitment to resource commitment in foreign markets (Johanson & Vahlne, 1977). However, when the model shifted towards accepting the role of networks in 2009, the relational side of resource commitment was added into the model. Therefore, affective commitment was considered as a part of the IP (Johanson & Vahlne, 2009). Additionally, the element of trust within commitment remains relevant; for example, through recognition of ‘decrease and increase [in the] level of trust’. However, the model still does not explain how changes in trust levels between network partners may influence networks and may result in changing commitments towards internationalisation.

Influence of Networks on Exit and Subsequent Re-entry Experiences
IB researchers have continued to highlight the importance of different types of networks (e.g. international entrepreneurial networks) in the internationalisation activities of SMEs (Hakansson, 1982; Halinen, Tornroos, & Elo, 2013; Ellis, 2011; Wong & Ellis, 2002; Zhou, Wu, & Luo, 2007). The current state of the literature on business and social networks addresses the paucity of network research in the fields
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of IB and International Entrepreneurship (e.g. see Halinen et al., 2013; Westerlund & Svahn, 2008). However, explanations of the evolution of networks over time still present a challenge for academic researchers due to the complexities and dynamic nature of these types of relationships (Bizzi & Langley, 2012). This study seeks to explore the role of networks in exit and re-entry experiences, particularly in the context of EEs (Dib, Da Rocha, & Da Silva, 2010). The majority of the explanations on relational and structural factors in business relationships are explored in the context of AEs (e.g. Finnish, Swedish, Australian and New Zealand SMEs). Since EEs are contextually unique from AEs, there is value in exploring the role of networks in EEs due to political, institutional (including network structures emerging through institutional transitions and voids) and cultural factors (Kiss & Danis, 2010; Kiss, Danis, & Cavusgil, 2012; Meschi & Wassmer, 2013). Moreover, institutional uncertainties and external environments in EEs push entrepreneurs to develop and maintain the ‘densely tied’ business networks that result in providing trusted information to foreign partners (Meschi & Wassmer, 2013, p. 713). These findings also need to be applied to SMEs from EEs when exploring the role of network relationships (Kiss et al., 2012). However, the relationship between social and business networks and performance outcomes remains underexplored in internationalising firms from EEs (Bembom & Schwens, 2018).

Relying on these types of networks is one of the characteristics of SMEs internationalising from EEs (Sasi & Arenius, 2008). Once these networks are established with strong ties, firms collude to increase ‘market power’ by disallowing competitors to enter into markets (Rauch, 2001). Hence, they create international trade barriers for other entrepreneurs and market players. However, despite extensive research on networks in the Industrial Marketing and Purchasing Group and other fields of management including IB, there is a lack of research on how SMEs sustain their international social and business networks over time to grow in international expansion and in post-entry situations. Other important reasons for entrepreneurs to rely on their network partners are to protect knowledge (Sasi & Arenius, 2008), to gain international opportunities (Ellis, 2011), to access international markets and technology information and to exchange core or complementary resources. For example, a number of Chinese firms are successfully utilising overseas Guanxi network relationships (Kim, Basu, Naidu, & Cavusgil, 2011) and social networks in identifying international opportunities (Ellis, 2011).

However, networks are not always a source of success. In some cases, networks become a liability, particularly for resource-limited and smaller entrepreneurs (Sasi & Arenius, 2008). For example, despite maintaining strong relationships with international distributors some New Zealand firms found it difficult to grow with their network partners in foreign markets, due to the lack of financial resources and control over their products (Coviello & Munro, 1997). The best possible way for internationalising SMEs to manage vulnerability is to engage in resource exchange with their network partners (Sasi & Arenius, 2008). Resource-scarce SMEs tend to rely on the founder’s interpersonal networks for a resource exchange and this highlights the importance of the social network approach, along with network theory in exploring internationalisation in SMEs. In the case
of SMEs from EEs, Dib et al. (2010) state that relationships have more significance in EEs such as Brazil because of the relational nature of that culture: hence SMEs (born-global firms) originating from Brazil tend to utilise relationships to operate in their socio-economic sphere. They further emphasise that ‘the study of how [SMEs] born-globals use networking – an important feature according to the literature – also needs to be further studied in the context of relational cultures’ (Dib et al., 2010, p. 249).

**Network Perspective on Exit**

Welch and Welch (2009) suggest that the ‘exit process’ involves disruption of international networks that were important for the foundation of firm international activity. It is important for firms to maintain network relationships, particularly those with government officials in an EE context (Javalgi, Deligonul, Dixit, & Cavusgil, 2011). When firms exit a market for political and government reasons, they need to be careful to maintain relationships at the time of exit because they might need to re-enter the same markets in the future (Benito & Welch, 1997; Javalgi et al., 2011). Entrepreneurial SMEs are likely to exit and subsequently re-enter markets based on proactively managing international relationships. Payan, Obadia, Reardon, and Vida’s (2010, p. 1198) study on exporters suggests that a number of factors can lead to dissolution in business partnerships, including conflict, changing priorities, environmental alterations, evolving partnership needs and strategic realignments. Foreign market re-entries can only be achieved if business relationships are built on trust, flexibility, and there is an opportunity to re-activate old ties (Javalgi et al., 2011). Therefore, it is important for managers to know more about which IB relationships are headed for dissolution and which ones have the potential to survive over the longer term (Payan et al., 2010).

**Relationships Dissolution and Re-engagement in Networks**

Managing and developing relationships takes times and effort: however, not all relationship development efforts are successful; and some relationships fail (Johanson & Vahlne, 2011). Managers should be aware of the fact that each business relationship holds a different value. Depending upon their experiences, managers can find some business relationships to be of lesser value when considering performance prospects (Mitrega & Zolkiewski, 2012). A business relationship may experience different levels of relationship strength during the course of its lifetime (Tähtinen & Vaaland, 2006). If a firm decides to leave a certain market or network, this can generate a disruption of their relationships (Welch & Welch, 2009). Therefore, to reduce the impact of disruptions or negative tensions between partners, research suggests that managers should leave markets in such a way that these relationships can be ‘revived’ at a later date for possible re-entry into a previously exited market (Javalgi et al., 2011). This process is also referred to as either ‘relationship dissolution’ (Payan et al., 2010) or ‘beautiful exit’ (Alajoutsijärvi, Moller, & Tahtinen, 2000; Freeman & Browne, 2004).
Careful exit is important in the case of SMEs from EEs where maintaining ‘face’ and building trust are highly important for continuous growth of business (Manolova, Manev, & Gyoshev, 2010; Zhou et al., 2007). Relationship dissolution is likely to be more of a liability for resource challenged SMEs internationalising from EEs.

For entrepreneurial SMEs that operate in niche industries relying on limited network partners and customers, it is crucial to carefully manage these relationships in the case of dissolution to prevent negative outcomes. Losing a business partner in international markets through the negative impact of relational dissolution may also result in lost reputation, referrals and distrust. Rekindling of a working relationship is a challenge that does not start from scratch; it starts with previously attained common understandings or feelings (Levin, Walter, & Murnighan, 2011).

Alajoutsijärvi et al. (2000) argue that most of the research on business partner relationships has focussed on the creation rather than the dissolution of relationships. In fact, dissolution can be beneficial as resources freed from the unsatisfactory relationship can now be used in creating new ones with higher profit potential. These authors propose two main strategies for business partners who wish to end the relationship: either the focal firm negotiates with its business partner (in order to restore a relationship) or terminates the relationship (exit strategy). Their model recognises that ending business relationships is challenging due to the resources and ties involved. It also suggests that poor management of relationship dissolution between business partners can leave a negative impact and partners might see a firm as a ‘switcher’ which may impact their future role in the network. They further propose that, especially when firms have less choice of partners in international markets, exit from the relationship should be carried out in such a way that partners feel comfortable.

Researchers such as Tahtinen and Halinen-Kaila (2000) build upon this concept of careful relationship ending and propose a process theory of relationship ending, suggesting that firms learn from failure as much as from success, and lessons learned can help companies to manage other relationships and the potential ending process. Supporting the benefits of dissolution outlined by Alajoutsijärvi et al. (2000), Freeman and Browne (2004) suggest that ‘dissolution’ in a relationship can be a joint decision of the parties involved and should not be assumed to be negative because dissolution of some relationships can benefit both of the firms. They offer four direct and indirect strategies to dissolve relationships through communication strategies namely: ‘disguised exit’, ‘silent exit’, ‘communicated exit’ and ‘revocable exit’.

Mitrega and Zolkiewski (2012) argue that conceptualisations of negative aspects of inter-firm relationships are not supported empirically and are in need of more research. In fact, managers’ responses as described in the current literature in international relationship management are generally limited to the positive and successful aspects of their working relationships, rather than providing a more balanced approach that also considers problematic issues (Mitrega & Zolkiewski, 2012). In order to contemplate re-entry into previously exited markets, SME entrepreneurs may rekindle their firm’s image to restore lost
networks. Re-engaging with dormant ties or previously engaged partners may facilitate speed of re-entry. This may include recovering business relations in the context of supply chain management, marketing, advertising or establishing relationships with qualified business network partners. Fig. 1 summarises the existing literature on the role of networks in the internationalising experiences of SMEs.

**RESEARCH METHODOLOGY**

*Research Methodology*

To illustrate the experiences of EE entrepreneurial SMEs, we adopted a case-based design considered appropriate for examining contemporary issues embedded in various contexts (King & Horrocks, 2012; Welch, Rumyantseva, & Hewerdine, 2015). Research using case study design is well documented within the field of IB on SME internationalisation (Khan & Lew, 2018) and industrial network research (Dubois & Gadde, 2002). However, it is rare to find studies exploring internationalisation issues from entrepreneurship and network perspectives that apply a case study approach (Ji, Plakoyiannaki, Dimitratos, & Chen, 2019). Nevertheless, this is a useful approach when there is a need for in-depth understanding of meaning and contextualisation of phenomena (Yin, 2013). Furthermore, a case-based approach is recommended when studying underexplored IB issues. Hoskisson, Eden, Lau, and Wright (2000) expressed the need for the adoption of a case study design when examining IB related issues in the contexts of EEs. In this research, we explore the role of networks in intermittent internationalising experiences of EE entrepreneurial SMEs. Hence, we believe that a qualitative case-study approach is appropriate to address this question. Moreover, qualitative studies on international market exits and subsequent re-entries are rare (Vissak & Francioni, 2013). This study utilised the case-based approach recommended by Eisenhardt (1989) and selected nine cases for cross-case comparisons and in-depth examination. We followed an abductive research process (Dubois & Gadde, 2002). First, we developed an initial theoretical understanding of the phenomenon using

*Fig. 1.* Conceptualising the Role of Network-driven Commitments during Intermittent Internationalisation.
literature review to develop ‘initial understanding of phenomena in question’ (as recommended by Freeman, Hutchings, and Chetty (2012)). Initial search of literature (theory) revealed that information on network facilitation in the context of international exits and subsequent re-entries is mostly conceptual to date and the IP model within this context has not been comprehensively explored (Nicholson, LaPlaca, Al-Abdin, Breese, & Khan, 2018). Then we ‘constantly went back and forth’ between literature review (theory) and empirical data to interpret findings.

Sampling of Cases, Data Collection and Analysis

In order to yield information-rich data in qualitative research, the best way to choose a sample is through purposive and intensity sampling (King & Horrocks, 2012; Patton, 2002). We considered the ‘individual entrepreneur’ to be the unit of analysis. We define an entrepreneur as the person who ‘established the firm’ or is a ‘key decision maker’ and is important for the firm’s development and learning strategy (Andersson, 2000). Hoskisson et al. (2000) expressed concerns about the lack of availability of a reliable list of formally registered companies through government associations about international activities of entrepreneurial firms. Due to a language barrier in China and the lack of a supportive research culture in both Pakistan and China, the researchers were forced to tap into personal networks to gain access to firms. A similar strategy was followed by Bangara, Freeman, and Schroder (2012). Through the process of purposive sampling, we selected entrepreneurial firms that met these pre-established criteria including; being a small to medium sized firm established/managed by Pakistani entrepreneur/decision maker internationalising from Pakistan; and similarly, being a Chinese entrepreneur/decision maker internationalising from China. The entrepreneur/decision maker must have experienced exit (partial/complete) from one or all of its foreign markets (Welch & Welch, 2009). Additionally, the entrepreneur must have also subsequently re-entered (partially/completely) or have intentions to re-enter one or all of its foreign markets. Nine entrepreneurs/decision makers who met these criteria were selected for the study.

Criteria for industry experts and government representatives were based on work experiences and knowledge about IB activities of their respective industries, including experience of managing networked industry associations and on advising government policy regarding IB activities. Six representatives that met these criteria were selected for this study. This is consistent with the recommendation of Eisenhardt (1989) on the selection of cases for theory development and represents selection of intensity (information-rich) cases. Hence, the study only reports companies that re-entered previously exited/new markets or had intentions to re-enter markets (Welch & Welch, 2009). Pakistani entrepreneurs were selected from Karachi city (the financial hub of Pakistan), Sialkot city (the manufacturing hub of Pakistan) and Lahore city (the main city of Punjab, a highly populated province of Pakistan). Similarly, Chinese firms were selected from AnHui province (in the eastern region of China, famous for manufacturing industries and real estate) and JiangSu province (up and coming business hub of northern Shanghai). All selected cities and provinces are known for sophisticated
manufacturing and service industries, along with the infrastructure available to sustain various high-growth industries. Firms, industry experts and government associates were given code names to maintain their anonymity and are listed in Table 1 (the preponderance of Pakistani firms reflects the reality that these firms rely more on networks, in comparison to Chinese firms, when configuring exit and subsequent re-entries) and Table 2.

To examine the role of networks during foreign market exits and subsequent re-entries, we collected data through multiple in-depth semi-structured interviews with the entrepreneurs/key decision makers. Firms C and F had senior operations/marketing/management managers and a successor directly involved in exit and subsequent re-entry decision making. Furthermore, these managers also acted as key decision makers and had direct knowledge of international market operations. For these reasons in four cases multiple informants were interviewed. All entrepreneurs/key decision makers have been solely responsible for all strategic level international activities of their companies. The in-depth semi-structured interviews were conducted using an interview protocol developed based on the key research question, where themes were extracted from the literature review (King & Horrocks, 2012; Yin, 2002) to guide the discussion. We conducted pilot interviews with two entrepreneurs and two industry experts to seek their feedback on the interview protocol. The interview protocol included information on their motivations to internationalise, their initial exit and subsequent re-entry experiences, how networks have facilitated the exit and re-entry processes, products and service offerings to foreign markets and domestic market support for international activities. However, the main focus remained on the role that networks play during the IP with specific regard to exit(s) and re-entry(ies). The study used open-ended questions to probe cues and guide the discussion. This provided participants with an opportunity to narrate their stories in their own words and allowed new concepts to emerge. Interviews were conducted face-to-face (ranging from 40 minutes to 3.5 hours duration), and were conducted between 2013 and 2015 in China, Pakistan and occasionally in Australia when participants were visiting there. In some instances, Skype and telephonic interviews were conducted because of time and travel commitments. To maintain the consistency of data collected, all interviews were conducted in English, tape-recorded with consent and transcribed verbatim. Follow up interviews were conducted to further clarify and elaborate on issues relevant to the research question. Throughout the data analysis process, the interviewer maintained contact with participants via Skype, email and phone call to clarify any issues as they arose.

Consistent with the suggestion of Yin (2003), because of the nature of qualitative research methodology, this study adopted triangulation as an important means of increasing the construct validity of the findings. Various data analysis techniques were applied, consistent with other case analysis on intermittent internationalisation research (Vissak & Francioni, 2013), including the use of descriptive, interpretive and overarching themes (King & Horrocks, 2012). Codes were assigned to prominent sentences and phrases of transcripts to emphasise the areas that are the focus of this study. Descriptive coding required reading through the transcript, highlighting the relevant material, and defining codes according
<table>
<thead>
<tr>
<th>S. No</th>
<th>Firms</th>
<th>Year Established</th>
<th>Country of Origin/ Establishment</th>
<th>Industry</th>
<th>Year of Initial Market Entry</th>
<th>Markets Served</th>
<th>Market(s) Exit/Reduced Business</th>
<th>Reasons for Exit (Partial/ Complete)</th>
<th>Market(s) Re-enter</th>
<th>Interview Duration</th>
<th>Interviewee Roles/ Position</th>
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<tbody>
<tr>
<td>1</td>
<td>Firm A</td>
<td>1982</td>
<td>Pakistan</td>
<td>Importer of Water Pumps</td>
<td>1997</td>
<td>Europe, Pakistan, Afghanistan</td>
<td>Europe, Afghanistan</td>
<td>Home-Country factors, loss in sales, Afghan war, PLC, Networks</td>
<td>Europe</td>
<td>2 hours</td>
<td>Owner</td>
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<tr>
<td>2</td>
<td>Firm B</td>
<td>2006</td>
<td>Pakistan</td>
<td>Rice and Construction Machinery and Tiles</td>
<td>2007</td>
<td>Dubai</td>
<td>Dubai – in process and Afghanistan</td>
<td>Payment issues with network partners in Dubai</td>
<td>Dubai</td>
<td>2 hours</td>
<td>Owner</td>
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<tr>
<td>3</td>
<td>Firm C</td>
<td>2001</td>
<td>Pakistan</td>
<td>Information Technology Business</td>
<td>2001</td>
<td>USA, UK, Singapore and Middle East, Turkey</td>
<td>Dubai (reduced sales)</td>
<td>Partnership issues and reconfiguring social networks to re-enter</td>
<td>None</td>
<td>3.5 hours</td>
<td>CEO &amp; International Chief Operating Officer</td>
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<tr>
<td>4</td>
<td>Firm D</td>
<td>1970</td>
<td>Pakistan</td>
<td>Cooking Oil, Leather and Textile</td>
<td>1985</td>
<td>Malaysia, USA, Sri Lanka, Bangladesh, Europe, Russia</td>
<td>Sri Lanka, Malaysia, USA, Europe (France)</td>
<td>Refocused business from cooking oil to leather because of sales. Business partnership issues in Sri Lanka (Bankruptcy), Europe</td>
<td>Sir Lanka with another partner, USA, Malaysia</td>
<td>2.5 hours</td>
<td>Owner</td>
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<td>5</td>
<td>Firm E</td>
<td>1960</td>
<td>Pakistan</td>
<td>Textile and Cotton trading</td>
<td>1970</td>
<td>Europe and USA</td>
<td>European markets</td>
<td>Lower sales, textile quota issues</td>
<td>European markets</td>
<td>2.5 hours</td>
<td>Owner</td>
</tr>
<tr>
<td>S. No</td>
<td>Firms</td>
<td>Year Established</td>
<td>Country of Origin/ Establishment</td>
<td>Industry</td>
<td>Year of Initial Market Entry</td>
<td>Markets Served</td>
<td>Market(s) Exit/Reduced Business</td>
<td>Reasons for Exit (Partial/ Complete)</td>
<td>Market(s) Re-enter</td>
<td>Interview Duration</td>
<td>Interviewee Roles/ Position</td>
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<td>6</td>
<td>Firm F</td>
<td>1980</td>
<td>Pakistan</td>
<td>Medicine (2009) and Construction (1980)</td>
<td>1986</td>
<td>Afghanistan, China, Pakistan, Germany</td>
<td>China, Germany</td>
<td>Could not sell the product in domestic market, business loss, and social networks</td>
<td>China</td>
<td>1 hour</td>
<td>Owner &amp; Successor</td>
</tr>
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<td>7</td>
<td>Firm G</td>
<td>1996</td>
<td>China</td>
<td>Packaged food, Wines and other consumer products</td>
<td>1996</td>
<td>Malaysia, USA, Europe, AUS, China</td>
<td>USA, Malaysia</td>
<td>Sales, Distributor, Asian Financial crises</td>
<td>USA</td>
<td>60 minutes</td>
<td>Owner</td>
</tr>
<tr>
<td>8</td>
<td>Firm H</td>
<td>1985</td>
<td>Taiwan (China)</td>
<td>Women Erotic Lingerie, Basic Lingerie, scarfs and others</td>
<td>1985</td>
<td>UK, Europe, USA, China</td>
<td>China</td>
<td>Property rights, trust between business partners</td>
<td>Never re-entered China</td>
<td>1 hour</td>
<td>Owner</td>
</tr>
<tr>
<td>9</td>
<td>Firm I</td>
<td>2000</td>
<td>China</td>
<td>Construction related Equipment</td>
<td>2006</td>
<td>AUS, China</td>
<td>China</td>
<td>Intl. Sales issues, issues with business partners</td>
<td>China</td>
<td>1.5 hours</td>
<td>Owner</td>
</tr>
</tbody>
</table>

*Table 1. (Continued)*
Table 2. Overview of Interviews (Industry Experts and Government Representatives).

<table>
<thead>
<tr>
<th>S. No:</th>
<th>Industry Expert</th>
<th>Country of Origin</th>
<th>Industry Association (Formal/Informal)</th>
<th>International Market Focus</th>
<th>Interviewee Role/Position</th>
<th>Interview Duration</th>
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<tr>
<td>1</td>
<td>Industry Expert 1</td>
<td>China</td>
<td>International Trade Association (Formal)</td>
<td>China and other markets in Asia</td>
<td>Managing Director</td>
<td>1.45 hours</td>
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<tr>
<td>2</td>
<td>Industry Expert 2</td>
<td>Pakistan</td>
<td>Informal Construction Industry Association (Informal)</td>
<td>Pakistan</td>
<td>Industry Expert and Ex-government representatives</td>
<td>1 hour</td>
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<tr>
<td>3</td>
<td>Industry Expert 3</td>
<td>Pakistan</td>
<td>Trade Council</td>
<td>Afghanistan, India and China</td>
<td>Director Research</td>
<td>2 hours</td>
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<td>4</td>
<td>Industry Expert 4</td>
<td>Pakistan and China</td>
<td>Informal Industry Advisor (Informal)</td>
<td>USA and other Asian markets</td>
<td>IB Development Director in IT Sector</td>
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<td>Industry Consultant (International Construction Industry)</td>
<td>China and other Asian markets</td>
<td>Senior International Project Manager</td>
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<tr>
<td>6</td>
<td>Industry Expert 6</td>
<td>China</td>
<td>Informal Industry Advisor</td>
<td>Australia, China and other Asian markets</td>
<td>CEO Chinese-Australian SME</td>
<td>40 minutes</td>
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to similarities and differences. As a result, similar concepts were grouped as a part of the data reduction strategy forming initial categories. Interpretive coding required forming clustering of descriptive codes, and creation of common themes. An overarching coding process required extraction of key themes and linking of categories and sub-categories to develop common themes. All categories were integrated in previous coding stages around a ‘core’ category. Core categories were then integrated with theoretical perspectives, which included pattern matching (King & Horrocks, 2012). Since our purpose was to build theory of this phenomenon (the role of networks in foreign market exit and subsequent re-entry), we developed findings through re-visiting literature as part of an abductive research process. The overarching themes are integrated with theory in the analysis and discussion section, as part of a theory-building approach to qualitative analysis (Dubois & Gadde, 2002; King & Horrocks, 2012; Yin, 2002). Tables 1 and 2 present details about the two groups of respondents.

**ANALYSIS AND DISCUSSION**

**Theme 1: Foreign Market Evolution – Market Developments through Network Reconfiguration**

All entrepreneurs interviewed (both Pakistani and Chinese) place an emphasis on developing, maintaining, monitoring and nurturing networks during the process of internationalisation; in particular, developing foreign market exit and re-entry strategies. However, some entrepreneurs such as the owners of Firms A, B, F, G, I and the CEO of Firm C, relied significantly on networking activities. All interviewees frequently discussed the role of networks in developing re-entry strategies. In addition, both Pakistani and Chinese industry experts highlighted their experiences in managing networks in foreign market operations during the interviews. As a result, the importance of networks emerged as a strong and recurring theme during the course of the interviews. Industry Experts 1 and 4 voiced their concerns regarding the importance of understanding the value of networks during the IP in entrepreneurial SMEs. As Industry Expert 1 suggested:

> There is no business in China without knowing the right people and circles of business networks. Many people have failed to do business in China or finding it difficult because they are unable to overcome the barriers of networks. This has happened in cases of Australian wine industry. The people are not only failing because of the products, but also because they just do not know how not to be opportunistic, instead focusing on building long-term friendships. Being straight forward, business minded, opportunistic and less culturally oriented is not going to work with Chinese business relationships […]. You got to become the part of their Chinese circles I tell these entrepreneurs you do not know who knows who. (Industry Expert 1)

Industry Expert 5 shared his experience of dealing with a Chinese business partner and described failed business transactions. He explained:

> I think as much as it is about knowing the right people but also what is important is knowing the trusted people who you can share your ideas and trust with your money and products […]. Cheating in business is very common. It happens all the time as we hear cases like my friend was
buying products on Alibaba [www.alibaba.com]. He sent money as requested but the products were never delivered and no accountability!! […] He is not alone I have been cheated by business partners in China before as well, so it used to be very common. (Industry Expert 5)

Excerpts of interviews with Industry Experts 1 and 5 provide insights into the importance of the role of networks during internationalisation over time from EEs. These insights refine the argument of Johanson and Vahlne (1977, 2015) that networks provide firms with resources to gain knowledge about the factors that drive the IP (on an interpersonal level to reduce market uncertainty). The present findings highlight that in the EE context, not all types of networks can be classified as resources. For example, Industry Expert 5 reported that there is a risk in doing business with some Chinese suppliers. As institutions and new businesses (online businesses) are emerging due to exponential growth, there is a need for the government to create a trusted environment (through business networks) and enforce business policies. Governments in EEs rely on entrepreneurs to provide solutions through public–private partnership initiatives. Hence, a mutually beneficial relationship between institutions and entrepreneurs is necessary.

As suggested by Industry Expert 1 in China, entrepreneurs should appreciate the effort that is required to be an insider and become part of the social circles of other business partners in an EE (China). His experience further demonstrates that in order to be successful, entrepreneurs are required to take a long-term orientation and understand the cultural sensitivity of these networks. Hence, opportunities are created through social interaction to share ideas and further business opportunities in informal settings.

Subtheme: Managing Network Engagements over Time

Through his international experience, the owner of Firm E highlighted the role of network engagement. Additionally, the majority of the entrepreneurs and industry experts also highlighted the involvement of network partners in IB activities over time. In his experience, it is not enough to develop network partners; it needs to go further. He said:

Knowing people is not enough. Over the years if I have been successful it is not only by knowing people. It is also through being active in keeping my ears on their challenges, issues, and providing them with solutions […]. We are known to be a good company […]. People do the same in return for you. Let’s say when I had to deal with manufacturing issues in my textile business some of my big clients came to rescue us from European markets […] that led to re-entering Europe but with new products as needed by my current clients. (Owner of Firm E)

The international experience of the owner of Firm E emphasises another important issue in IB research: entrepreneurial network engagement. The findings suggest that developing an entrepreneurial network is not enough. Entrepreneurs are also required to continue to engage with their network partner through various strategies to identify IB opportunities. As observed through the experience of the owner of Firm E, the entrepreneur developed strategies to satisfy the needs of other partners by offering solutions to their challenges and problems through proactive actions. These insights extend the IP model (Johanson & Vahlne, 1977, 2015) and suggest that ongoing network development is embedded in various
internationalising outcomes. For example, during the process of foreign market exit activities, network engagement provides entrepreneurs with confidence to share challenges with network partners. Engagement is further based on reciprocity as demonstrated in the case of the owner of Firm E, and this allows entrepreneurs to manage the dynamic nature of their relationships. Contrary to the IP model, which ignores the actions of the individual entrepreneur, this study concludes that network engagements for resource-scarce firms are needed on an interpersonal level to manage IB activities.

**Theme 2: Influencing Home-based Networks – Network-based Collaborative Strategies to Re-enter Foreign Markets**

Home-based network collaborative strategies were put in place in order to capture emerging foreign market opportunities as reported by the entrepreneurs in this study. The owners of Firms B and G agreed on the usefulness of utilising home-based networks in responding to overseas windows of opportunity. Formulating these strategies allows entrepreneurs to revise their IB approach to further increase the speed of re-entry. According to the owner of Firm B, he utilised business networks at home to acquire the Mitsubishi dealership for his family group business after ceasing further business with another international automobile dealership. The Owner of Firm G shared her experience of collaborating with a social tie at home to further her prospects of re-entering the international market. She stated that:

> Well the reason I left US market and focused on selling at home because I was not getting response from USA and at the same time getting good business here [in China]. But I knew how important USA is to me because the industry for Chinese food was growing very fast, so instead of moving the market alone I contacted a friend at home to come and invest in my company and to re-start distribution again the year I left. Her capital helped my company to set my business again but this time I contacted the distributor of her choice because she had more experience in USA market and because she was as an investor in my company [...] it is always safe to choose a business partner that will give you better advice on foreign market challenges. (Owner of Firm G)

The owner of Firm B shared his experience of collaborating with a business partner at home within a growing ceramic industry to explore IB opportunities. He said:

> So after exiting Dubai with another business [...] I saw the market gap in tiles designing. No one was designing the edgy tiles here [...] but I did not know anyone to get advice. I visited Italy and attended industry seminars, met people, made some friends here and there and in Pakistan to learn that how they are designing the tiles. I spent almost a year working on the designs from scratch and had to learn what others are offering. My previous visits to Dubai and other countries helped me understand who to approach to get advice within the industry. Because I was already working in construction industry it was easier to meet people, but personally I did not know anyone directly [...] then I collaborated with someone in Pakistan to manufacture [...] [...] now selling again in Dubai. (Owner of Firm B)

Entrepreneurship studies assert that an SME entrepreneur must learn from their ongoing internationalising activities in dealing with IB relationships
(Gabrielsson, Kirpalani, Dimitratos, Solberg, & Zucchella, 2008; Welch & Welch, 2009). However, the literature is not concerned with strategies that entrepreneurs may develop to respond to changes in ongoing business networks. Thus, the owner of Firm G. responded to a foreign market exit by collaborating with a business network (friend) at home and by adding her resources to develop a new re-entry strategy (through joint venturing – switching distributors). These findings extend the findings of Vissak and Francioni (2013) and Benito and Welch (1997) by suggesting that collaborative strategies with network partners provide entrepreneurs with strategic moves following foreign market exit to seek re-entry in previous markets. During the time of exit the owner of Firm B continued to attend sessions and industry seminars that enabled him to engage with potential customers, industry experts and competitors, both at home and in the foreign market, to further develop potential partnerships. As soon as he met the right business partner, he was able to explore opportunities in foreign markets without delay.

Subtheme: Forced Termination of a Business Relationship

However, the owner of Firm A reported his international experience in dealing with foreign business partners to be somewhat negative. He highlighted evidence of forced termination of a business relationship and stated:

Yeah they [the principal] are very strict. It is very easy for them to destroy 15 years of business relationship by just sending the agency termination letter they allocated contract to someone in Lahore [city in Pakistan]. I visited them in Europe to renew the contract and found out that the new partner promised them [principal] stronger business growth. I know my market’s opportunities and challenges. I came back from Europe without renewal of my contract and started another project. I did not know the reason for termination letter. Few years later I was invited to attend Asia Sales Seminar and awarded the contract again by new top management team. (Owner of Firm A)

Subtheme: Active Termination of Business Relationship

Conversely, the owners of Firms I and H shared their experiences of active termination of business relationships. Their international experiences were the consequences of intellectual property right infringements. The owner of Firm H noted that:

[…] because of the copyrights and piracy issues I decided to stop the business in China and went back to trading from manufacturing […]. No we have not gone back to China since then. (Owner of Firm H)

While discussing the termination of business relationships, Industry Expert 4 shared his international experience in managing the dynamics of business relationships. He stated:

With my business experiences I have learnt that if something is not working with a business relationship, terminate it and move on […]. If you do not see an opportunity and do not see your partner working for your cause you have no reason to stay and waste your commitment. Your suppliers, your customers and other people are relying on you. This is about when you are at initial stage of the business; but when you feel you have invested so many resources it is hard to terminate business relationships. (Industry Expert 4)
The international experiences of owners of Firms A and H and Industry Expert 4 provide insights into the influences of negative business outcomes in networks. In the case of Firm A, the principal forcefully terminated the relationship. This suggests the dependence of EE (Pakistani) entrepreneurs on big European manufacturers. The previous international marketing manager of the principal’s company decided to terminate the entrepreneur’s contract when they found another business partner in Lahore, Pakistan. These findings refine the conclusions of Payan et al. (2010), Tähtinen and Vaaland (2006) which suggest that IB relationships evolve over time through foreign market exist and re-entries. These changes include forced termination of contracts and changing priorities of principal-agent relationships. On the other hand, some entrepreneurs decided to pro-actively terminate their business relationships based on inconsistent commitments from their foreign partners (intellectual property rights infringements). This study contributes to the findings of Mitrega and Zolkiewaki (2012), Javalgi et al. (2011) and Manolova et al. (2010) Zhou et al. (2007) and suggests that relationship dissolution is not always a liability for IB. Entrepreneurs implement these actions to protect themselves: for example, in the case of Firm I. In some cases, active termination of a business relationship is necessary. Foreign market exits are also proactive decisions by EE (Chinese/Chinese of Taiwanese descent) entrepreneurs if partners demonstrate opportunism and lack of cooperation.

**Theme 3: Relationship Reactivation to Re-enter Foreign Markets**

The concept of relationship reactivation also emerged through interviews with entrepreneurs. A majority of entrepreneurs frequently reported rekindling relationships with dormant networks in previous markets. For example, the interview with the owner of Firm F revealed that:

In my opinion, no relationship ever dies, never. I used to sell textile pieces to this guy I met in Libya. He went to the US and we did some business for some time. I came to Pakistan and started [construction company]. Him and I kept in touch for years because we were friends since we met in Libya [...] years after when my construction business started to slow down [...] I contacted my friend in the US and he motivated me to do something again, so we started selling textile pieces and it’s going okay. (Owner of Firm F)

Another illustration of how entrepreneurs pursue foreign market re-entry through a previous business relationship is the international experience shared by the owner of Firm D, who said:

We re-entered Malaysia through same contact. Yes, there were few issues the first time. I did not know anything about strong sense of Halal Certification on Malaysian consumer segments. Initially, we had lower sales and a few setbacks then I conducted proper market research, re-branded the product for ‘health conscious’ consumers to relaunch it. (Owner of Firm D)

The international experience of the owner of Firm D suggests that this entrepreneur was unable to generate sales and turn a profit in the first two years of foreign market entry into Malaysia. He then decided to focus on domestic business activity for some time to free up his resources (capital) from the Malaysian
market and invested in the domestic market as his cooking oil brand was already well established at home. However, the entrepreneur understood the value of his foreign business relationship, despite exiting the foreign market. While he focussed on his domestic business venture (invested further capital to expand domestically), he maintained a relationship with his foreign business partner. Later, he was able to redevelop and implement changes in his foreign market brand and product certification and re-entered Malaysia.

These findings refine existing re-internationalisation theory (e.g. Javalgi et al., 2011; Vissak & Zhang, 2015; Welch & Welch, 2009) and suggest that relationship reactivation behaviours are a common occurrence in entrepreneurial firms from EEs. The underlying reason is that buyers and sellers from both advanced and emerging markets are interested in capturing growing IB opportunities. However, reactivation of relationships is based on a positive past experience of business partners. Furthermore, it is the entrepreneurs’ proactive actions in managing these relationships that are likely to trigger re-entry. As in this last case, the entrepreneur formulated his re-entry strategy based on his partner’s advice. These international experiences provide entrepreneurs with learning opportunities that could later become firm-specific assets (experiences are intangible assets for an entrepreneur) in dealing with the complexities of international relationship management (reactivation). The experience of the owner of Firm F described a more or less similar experience, in which it is apparent that the boundaries of relationships in EEs are blurred; business partners become friends and relationship-specific opportunities allow an entrepreneur to restart businesses in the international context.

Subtheme: Involvement of Social Networks
During the process of interviews, both entrepreneurs and industry experts further reported the involvement of social networks during the course of internationalisation. Social networks in these entrepreneurs’ opinions included family members, relatives and friends. Interestingly, almost all entrepreneurial firms, both Pakistani and Chinese, allowed their social networks (directly or indirectly) to be involved in advising about business activities. For example, in the case of Firm C, the Chief Operating Officer is the owner’s brother; Firm B is a family business and all of the upper echelon of management consists of family members and relatives. All Chinese businesses also involved family members; the owner of Firm H worked with her brother in launching textile designs. Moreover, Industry Expert 3 mentioned the importance of developing good friendship circles during international work experiences. As stated by the owner of Firm H:

I switched businesses because I wasn’t making much money. I asked my brother for help to start something new. His experience of working with Gap came in handy. He advised on investing in textile related products. I designed small samples of leather lingerie and visited buyers in USA. I made 12 pieces and contacted 60 lingerie shops in the US. I was lucky to get a reply from one of the stores with a request to make changes in designs. It took some time because I did not have the right designer or sampling ladies to work for me. Luckily my younger brother’s ex-girlfriend works with the biggest lingerie factory in Taiwan and she tried to design the new product for me. I made a fortune from the lingerie business. (Owner of Firm H)
The owners of Firm G emphasised the involvement of family members and friends, as evident from the excerpts below:

In my opinion, family and friends are always here to look after me [...] they will never give me bad advice, they are there to help me through the difficult times like as I just told you that my friend helped me in organising money to try my business back again in US [...]. So I see a lot of trust between us. (Owner of Firm G)

The international experience of the owner of Firm H and her brother suggests that entrepreneurs from EEs (in this case China) rely heavily on these family networks to identify IB opportunities. These networks bring ‘pre-established’ trust for entrepreneurs. According to this respondent, at the time of initiating the textile business her brother was working as a full-time employee and based on an identified opportunity, he joined his sister on a business venture. Additionally, on his advice she contacted his ex-girlfriend to seek further advice on product design. Through her brother, the owner of Firm H reconnected with his ex-girlfriend to access knowledge regarding product designs. The findings suggest the importance of the role of social networks for an entrepreneur to move from foreign market exit (exiting from previous business ownership) to re-entering a foreign market. Furthermore, the findings refine the studies of Sasi and Arenius (2008) and Benito and Welch (1997) by suggesting an additional type of network: social network – family members that are able to provide directions to entrepreneurs in exploiting foreign market opportunities after exit. The insights provided by the owner of Firm D suggest that Pakistani entrepreneurs are also highly embedded within their social networks. His social network directly contributed to identifying foreign market opportunities after exit.

Subtheme: Dishonesties of Social Networks

Only a minority of entrepreneurs reported negative consequences of involvement of family members in IB activities. However, their experiences remain rich and valuable in understanding business experiences. For example, in the case of Firm F, the managers opened up about their experiences in dealing with family members, and there arose some discussion about the dishonesties which may be present in social networks. The successor of Firm F provided insights into the influences of social networks (family members) on foreign market business failure. He commented on the failure and foreign market exit:

It was my uncles who made the wrong business commitments; they used to bring contracts for my dad and then my dad was left alone to take care of everything from marketing to finance to human resources [...]. He tried to share responsibilities but it did not work out because his brothers never took the business activities serious [...]. He felt that keeping business in family is much safer but I do not think so [...]. My uncle had authority to access cash from company account and he gave himself bonuses and increased his salary or took money for leisure activities; this is the consequence of no formal control on funds. I bet it does not happen in good companies. (Successor of Firm F)

The experience of Firm F has implications for the IB literature in the context of social network theory and internationalisation. First, his experience in managing social networks suggests the dark side of these types of networks has been
ignored in IB literature (Bembom & Schwens, 2018; Ellis, 2011). Second, the findings revealed that foreign market exit as a consequence of business failure can be associated with dishonesty in family networks and with the entrepreneur’s inability to continue to ‘listen to the right people and failure to select competent people’ (Industry Expert 3). Prominent studies on the influence of social networks and internationalisation such as those of Ellis (2011) and Zhou et al. (2007) have studied the influence of these types of networks in international opportunity identification in the Chinese context. The present findings provide insights into the Pakistani context and suggest that perhaps some entrepreneurs find it difficult to keep family and business separate. The motivation behind these actions is to save ‘face’ and ‘reputation’ of the overall family; an important element in high-context cultures. The dependence and dishonesty of family networks could create liabilities for growing international SMEs from EEs (in this case, Pakistan). This study refers to this as liability of family ownership. Industry Expert 3 further highlighted that:

In family firms, especially in traditional slow moving family firms, internationalisation could be the biggest challenge because of inexperienced family members making important decisions: that is why these firms make slow, careful, cautious decisions when going overseas but also there is increased likelihood of failure […]. As I mentioned before, the growth and expansion in these firms is subject to the number of sons an old man [the entrepreneur] can produce […]. So you see the quality of experienced managerial skills is low. (Industry Expert 3)

These findings extend foreign market exit theory (e.g. see findings of Benito & Welch, 1997; Surdu, Mellahi, & Glaister, 2019) and suggest during the times of crisis entrepreneurs rely on resourceful social/interpersonal networks that offer pre-established trust in the form of family bonds and reputations. Current IB literature suggests that family ownership can be a source of liability for underperforming international firms. Our findings extend current IB thinking and highlight that the complexity inherent in families can add to the liability of ownership for experienced family-based international firms, hence affecting their international performance trajectories.

CONCLUSION AND IMPLICATIONS

Our findings have a number of important implications for research. First, intermittent internationalisation is a regular occurrence for entrepreneurial firms from EEs. It is evident from experiences shared by entrepreneurs, owners and industry experts interviewed in this study that firms frequently exit and re-enter foreign markets. Second, the research findings enrich the network-based perspective (Blankenburg, 1995; Johanson & Mattsson, 1988) of the IP model by providing refined analysis and discussion of linkages between network facilitation during the phases of exits and subsequent re-entries. We explain that entrepreneurs leverage prior network-based experiences in foreign markets to rekindle firm image, in order to contemplate re-entry through dormant networks. Third, EE SME entrepreneurs who exited foreign markets tend to reorganise networks and resources with home-based networks to contemplate re-entry. Fourth, EE
entrepreneurs’ perceptions of liabilities regarding social networks play a significant role in opportunity identification and the overall IP. Fifth, networks evolve during the process of internationalisation (Bembom & Schwens, 2018). The process of managing these networks is not static or deterministic (e.g. as suggested by the IP model; Johanson & Vahlne, 2015). Networks (both social and business) are dynamic in nature and failure to meet expectations and commitments are the norm, due to changing needs and priorities of partners. However, entrepreneurs who learn to manage the dynamics of networks are better at re-structuring network-based strategies. Hence, they become better in managing foreign relationships, markets and products. International entrepreneurs are dependent on networks to seek valuable resources.

In conclusion, if treated with distrust, international entrepreneurs are likely to seek resource diversification and terminate relationships in order to seek others that meet expectations. Experiences in managing life cycles of relationships provide entrepreneurs with learning opportunities to understand the nature and complexities of managing and monitoring international relationships. Therefore, entrepreneurs should understand the importance of both social and business networks in opportunity identification and survival in foreign markets. Furthermore, during the post-exit stage, home-based collaborative network strategies, combined with social and business networks, are associated with faster foreign market re-entries. Finding new, experienced and well-known partners after exit to facilitate international operations may help in maintaining consistency in future commitments. There is a paucity of research on network-based strategies utilised by entrepreneurs during exit and re-entry phases. Our analysis shows how essential network facilitation, both business and social, is for small and less capital-intensive entrepreneurial firms. Involvement of these networks over time (during exit and re-entry) in the international operations of SMEs requires more attention by researchers and policy makers. Future research might explore success, failure and performance rates of post re-entry experiences of entrepreneurial firms. Research could also investigate how entrepreneurs deal with the psychology of failure and recovery in international markets, and whether international market exit has negative or positive consequences on smaller firms.

REFERENCES


