

The internationalisation of
Thai family-owned SMEs:
the role of networks

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The internationalisation of
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Abstract

Small and Medium Enterprises (SMEs) are the foundation of economic development worldwide, and Thailand is no exception. In Thailand, SMEs are accounted for more than ninety per cent of the total enterprises. Furthermore, family-owned businesses in Thailand are the backbone of the country, accounting for seventy-two per cent of companies. Family-owned businesses have different characteristics from non-family firms, including family ownership and involvement, which might influence their internationalisation differently. Family-owned SMEs usually have scarce resources. Network relationships have been seen as an important tool for firms' internationalisation to overcome barriers in foreign markets. Different network ties offer different sets of resources that come from interconnected relationships, including business, social, and intermediary networks. However, network relationships also have drawbacks that might deter family-owned SMEs' internationalisation. Each network tie plays a significant role in family-owned SMEs that might need different types of resources in each internationalisation phase. Different network ties might be suitable for different internationalisation phases. However, networks in family businesses might differ from others due to their distinctive aspects, such as generational change. As time passes, family-owned SMEs' ownership and/or management might transfer to incoming generations, and the firms' strategic plans might change in the later stages of the internationalisation process. Therefore, this study aims to explore both positive and negative influences of three network ties used by family-owned SMEs during their internationalisation process. This study also aims to investigate the roles of networks in family-owned SMEs at different internationalisation phases.

This study adopts qualitative methods by interviewing twenty family-owned SMEs from the Thai food industry. The cases analyse the benefits and drawbacks of network ties and the roles of networks at the beginning and subsequent phases of the family-owned SMEs' internationalisation. Results show that all network ties have benefits and pitfalls, requiring SMEs to balance the use of network ties and complement them to maximise the benefits. The findings also reveal that the role

of social networks decreases as firms grow, while business and intermediary networks might be maintained and strengthened throughout the internationalisation process.

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Abbreviations

ASEAN:	Association of Southeast Asian Nations
DITP:	Department of International Trade Promotion in Thailand
EU:	European Union
EXIM Bank:	Export-Import Bank of Thailand
GDP:	Gross Domestic Production
GMO:	Genetically Modified Organism
IB:	International Business
INVs:	International New Ventures
IUU:	Illegal, Unreported, and Unregulated fishing
JAS:	Organic Japanese Agriculture Standard
MSME	Micro and Small and Medium Enterprise
OEM:	Original Equipment Manufacturer
OSMEP:	Office of Small and Medium Enterprises Promotion of Thailand
SMEs:	Small and Medium Enterprises
OTOP:	One Tamboon (sub-district) One Product

Chapter 1 Introduction

1.1 Background of the study

Family firms represent the majority of companies worldwide and play a significant role in the world economy (Arregle et al., 2021). Family businesses differ from other types of businesses due to their unique characteristics, such as family ownership, family involvement and family management (Fernandez and Nieto, 2005; Stieg et al., 2018; Alayo et al., 2019). In addition, Small and medium enterprises (SMEs) play a significant role in economic growth and development both in developed and developing countries and account for more than 90 per cent of all business worldwide (Puthusserry et al., 2018; Faye and Goldblum, 2022). Globalisation and trade liberalisation of the world market can encourage all types of companies, including SMEs, to expand to foreign markets by providing international opportunities and lessening risks (Abdullah and Zain, 2011; Karácsony, 2020). It is evident from previous studies that internationalisation can be used as a solution for SMEs in order to survive (Jeong et al., 2017; Shi et al., 2019a; Igwe et al., 2022). Internationalisation involves a firm's international activity across national borders (Johanson and Vahlne, 1977; Lis et al., 2012; Oliveira and Johanson, 2021), which can enhance business opportunities for firms.

Firms are required to have the appropriate and sufficient resources in order to engage in foreign expansion. However, family firms have been seen as having limited resources and capabilities required in internationalisation, especially limited financial capital, which in turn limited their ability to enter foreign markets (Gallo and Pont, 1996; Brydon and Dana, 2011; Stieg et al., 2018). Moreover, family-owned SMEs face various difficulties, such as family ownership and size constraints (Fernandez and Nieto, 2006; Shi et al., 2019a). Therefore, for family-owned SMEs to exploit international opportunities, they must face numerous challenges in foreign markets (Leppäaho and Pajunen, 2017; Puthusserry et al., 2018). Previous studies (e.g., Brimble et al., 2002; Oparaocha, 2015; Udomkit and Schreier, 2017) highlight some difficulties which family-owned SMEs have to

face when internationalising, such as lack of resources, scarce financial resources, limited capabilities and insufficient knowledge. These barriers hamper family-owned SMEs from growing and being competitive in the international markets (Chen and Wu, 2011; Udomkit and Schreier, 2017; Stieg et al., 2018). However, family-owned SMEs tend to improve their international performance due to their strong involvement with the firms and the families in relation to non-family firms (Rienda et al., 2020). In addition, the long-term vision is one of the distinctive features of family firms where a family member shares the vision and commits to long-term plans, which encourage the firms to internationalise (Claver et al., 2009; Eberhard and Craig, 2013; Stieg et al., 2017).

Previous research (e.g., Fernandez and Nieto, 2005; Arregle et al., 2017, 2021; Marjański and Sułkowski, 2019) has shown that distinctive characteristics such as family management, family commitment, and multigeneration embedded in family firms affect their behaviour of internationalisation. For example, family-owned SMEs prefer the family's management style and tend to be risk aversion in nature (Gallo and Pont, 1996; Arregle et al., 2021). Therefore, they tend to fear of losing control over the firms and hesitate to be involved in foreign expansion (Pukall and Calabrò, 2013; Boellis et al., 2016; Stieg et al., 2017). In addition, the characteristics of the individual level of family leaders and/or managers, including education, prior work experience, and aspiration, positively influence foreign expansion (Arregle et al., 2021). The successive generation can also influence the family firms' internationalisation. The upcoming generations tend to have better education in relation to the founder/owner generation and start working at the company at very young ages, which enable them to collect experience and knowledge (Mitter et al., 2014; Arregle et al., 2021). The incoming generations also tend to have a more global mindset which helps the firms to identify international opportunities and increase their internationalisation (Lahiri et al., 2020; Costa et al., 2021). There seems to be some evidence to indicate that family firms are heterogeneous; they differ in control and influence by family (Fernandez and Nieto, 2006; Arregle et al., 2012, 2021). It remains unclear how the characteristics of family-owned SMEs, such as family ownership and involvement, influence the internationalisation process. The family

involvement attaching to the firm creates a unique circumstance and distinguishes them from non-family businesses; therefore, this present study focuses on understanding the extent to which family involvement influences the firm's internationalisation.

Family-owned SMEs lack sufficient resources and usually utilise networks in order to internationalise and compete in foreign markets (Coviello and Munro, 1995; Jeong et al., 2017; Gerschewski et al., 2020). Network relationships have been seen as an essential tool to overcome barriers and facilitate family-owned SMEs' internationalisation (Jeong, 2016; Kryeziu et al., 2022). Being embedded in networks enables SMEs to access the resources and knowledge they need for internationalisation from their partners (Lu et al., 2010b; Ahimbisibwe et al., 2020). Networks can also improve SMEs' resources and capabilities which can help them alleviate their resource limitation and minimise risks in foreign markets (Lu et al., 2010b; Puthusserry et al., 2018). Family-owned SMEs enable to recognise international opportunities in foreign markets and learn how to internationalise from their partners. Therefore, family-owned SMEs have seen to rely on network relationships in order to overcome these constraints and assist their internationalisation process (Coviello and Munro, 1995; Puthusserry et al., 2018; Kryeziu et al., 2022).

However, family-owned firms differ from other types, and networks in family firms tend to be different due to their distinctive aspects, such as family ownership and involvement (Arregle et al., 2021; Leppäaho et al., 2021). Previous studies (e.g., Claver et al., 2007; Musteen et al., 2014; Arregle et al., 2021) reveal that unique characteristics of family-owned SMEs, such as family management and generational changes, might influence how the firms utilise network ties for internationalisation. Family-owned SMEs tend to be more risk-aversion and fear of losing control; therefore, they are like to establish network relationships with actors they can trust and provide longstanding network ties (Zellweger et al., 2018). For example, founders/owners of family firms looking for high collaboration networks tend to rely on personal networks in order to facilitate their firms' foreign expansion (Arregle et al., 2021). Moreover, the

founders/owners of the family firms also build high-trust relationships to search for new connections (Fletcher, 2008; Arregle et al., 2021). However, the personal networks of the founders/owners are small and limited connections; therefore, the firms' foreign expansion might be restricted to only a few foreign markets (Masiello and Izzo, 2019b; Tsang, 2020). In contrast, upcoming generations tend to be open to new ideas and have better education in relation to the founder/owner generation (Stieg et al., 2018; Metsola et al., 2020a; Arregle et al., 2021). Moreover, the incoming generations are likely to be well prepared to take over businesses from their predecessors and aware of external support from intermediary networks, especially government agencies (Okoroafo, 2010; Costa et al., 2017a). The successive generation then can identify opportunities in foreign markets, which is crucial for family-owned SMEs to succeed in foreign markets (Mitter et al., 2014; Costa et al., 2021). While the founder/owner generation usually relies on personal networks, which tend to be small networks with limited connections and knowledge (Okoroafo, 2010; Kontinen and Ojala, 2012a; Metsola et al., 2020b). Therefore, different characteristics of generations that operate family-owned SMEs might influence the utilisation of network relationships differently. While network relationships are vital for the family-owned firm internationalisation literature, research has given little attention to this issue. The present study aims to understand the networking behaviour of family-owned SMEs and their internationalisation.

A network is an interconnected relationship between actors, and different network ties might provide different resources that influence SMEs' internationalisation (Gulati, 1998; Lamin and Dunlap, 2011; Senik et al., 2011). Many studies (e.g., Coviello and Munro, 1995; Senik et al., 2011; Jeong, 2016) have shown that the networks contribute significantly to SMEs' internationalisation, and there are three common network ties, namely social, business and intermediary networks. For example, business and social networks can provide foreign market knowledge and resources for internationalising firms, while intermediary networks, especially government agencies, enable SMEs to identify opportunities in foreign markets through various supporting programmes (Coviello and Munro, 1995; Senik et al., 2011). However, there is a lack of studies

that explore the roles of different network ties, which might influence SMEs' foreign expansion differently. Moreover, most studies only focus on benefits that a firm can gain from network relationships and largely ignore investigating the dark sides of network ties that might deter SMEs' internationalisation (Abosag et al., 2016; Jiang et al., 2018; Masiello and Izzo, 2019a). For example, Over-embeddedness can happen when a firm relies too much on its existing business networks. As a result, this limits the firm's ability to recognise new opportunities outside its existing networks (Li et al., 2013; Jiang et al., 2018). Family-owned SMEs need to invest and devote their resources and time to build new networks and/or maintain existing relationships, which might affect their long-term plans. Thus, the understanding is important for SMEs to balance the use of network ties and help them make better decisions to manage the networks. Looking only bright sides of network relationships might lead family-owned SMEs to overlook the possible drawbacks preventing their internationalisation. The present study seeks to understand the benefits of different network ties and explore possible adverse effects generated by network ties.

Network relationships enable family-owned SMEs to overcome resource scarcity and barriers in foreign markets; therefore, networks have been seen as an important tool for the firms' internationalisation (Kryeziu et al., 2022). Family-owned SMEs also rely on network relationships in order to expand to foreign markets and survive in the crucial competition (Musteen et al., 2010; Jeong, 2016). Network relationships take time to establish and can evolve and develop over time. At each internationalisation phase, different effects might occur for establishing the network ties. Thereby, different network ties might be suitable for different internationalisation phases. Each network tie plays a significant role in a firm's foreign expansion, and family-owned SMEs might need different types of resources in each phase of internationalisation (Greve, 1995). Network ties are not only important in the entry phase but also in the subsequent phases of the internationalisation process (Leppäaho et al., 2021). At each internationalisation phase, different effects might occur for establishing the network ties. Each network tie plays a significant role in a firm's foreign expansion, and family-owned SMEs might need different types of resources in each phase of

internationalisation (Greve, 1995). For example, previous studies (Ibeh and Kasem, 2011; Udomkit and Schreier, 2017) point out that social networks significantly influence the beginning state of a firm's internationalisation. In contrast, some studies (Hite and Hesterly, 2001; Kryeziu et al., 2022) stress that the role of social networks decreases as an internationalising firm grows, and business networks are more important in the subsequent phases of internationalisation. Especially in the context of family firm usually involves generational changes. The successive generation might stop network relationships established by the founder/owner generation due to a lack of skill and international commitment (Shi et al., 2019a). Moreover, as family-owned SMEs progress to different internationalisation phases, the firms' ownership and/or management might change to the incoming generations' hands, leading the firms to modify their strategic plans in the later stages of the internationalisation process. Therefore, it is evident that networks are not only important in the beginning stage of a firm's internationalisation but also in the later phases. However, previous studies tend to focus only on the role of networks at the beginning stage of firms' internationalisation and only a few studies have investigated this issue (Jeong et al., 2017; Leppäaho et al., 2021). There is a need to discover a comprehensive picture of the roles of networks at a later phase of internationalisation in order to maximise benefits from network ties and facilitate a firm's foreign expansion (Kryeziu et al., 2022). Therefore, the present study explores the roles of network ties used by internationalising family-owned SMEs at the earlier phase of a firm's internationalisation and in the subsequent phases.

1.2 Internationalisation theories and Relevance to SMEs

Different theories exist in the literature regarding internationalisation and the role of networks. The Uppsala model (U-Model) is one of the most utilised theories in the internationalisation literature. The model posits that firms gradually internationalise and begins with entry into "psychically close" markets (Johanson and Vahlne, 1977; Oliveira and Johanson, 2021). The model has recognised internationalisation as a process in which the company gradually increases its

international commitment. Market knowledge is eventually developed and accumulated when a firm internationalises. In contrast, more of this knowledge type is required during internationalisation decreases the firm's international commitment (Rexhepi et al., 2017). There was a thought that insufficient knowledge was a barrier; however, the firm could gain this knowledge by operating in foreign markets and accumulating experience (Vahlne and Johanson, 2017; Hult et al., 2020). Therefore, the Uppsala model suggests that family-owned SMEs need to have sufficient knowledge of the domestic market and then utilise this knowledge to enter foreign markets where are its neighbour markets and have similar behaviours before moving to other markets (Rexhepi et al., 2017).

Many studies in family business literature (e.g., (Graves and Thomas, 2008; Kontinen and Ojala, 2012a; Arregle et al., 2021) show that family businesses are likely to adopt a traditional stepwise internationalisation model. The family firms tend to enter foreign markets through lower-commitment modes and in psychically close markets when they internationalise due to their risk aversion characteristics and limited financial and resource constraints (Claver et al., 2007; Pukall and Calabrò, 2013; Rienda et al., 2020). Moreover, previous studies (e.g., Fernandez and Nieto, 2005; Zahoor et al., 2020; Arregle et al., 2021) suggest that their internationalisation behaviour differs from non-family ownership. Thereby, there is a need to consider the different characteristics of the firms which might influence their internationalisation process. However, the U-Model does not demonstrate how family-owned SMEs establish relationships during their foreign expansion. The U-model has been criticised for excluding network development (Chetty and Blankenburg Holm, 2000); however, the model explains an individual firm's internationalisation insufficiently without organisational networks. It is important to recognise the utilisation of networks to assist a firm's internationalisation. Therefore, Johanson and Vahlne updated their U-model by including the role of networks where the internationalising firm depends on international networks in 2009. The updated version of the U-model has highlighted the importance of networks in which the internationalisation process takes place in the context of business relationships (Oliveira and Johanson,

2021). Moreover, the concept of market involvement in the original U-model has been replaced by network insidership that emphasises the importance of being inside of a network can lead to successful internationalisation (Johanson and Vahlne, 2009; Gerschewski et al., 2020).

The network theory emphasises that the relationships which emerge as a form of networks have influenced a firm's internationalisation process. Networks are primary sources of information and knowledge that can help them internationalise (Puthusserry et al., 2018; Masiello and Izzo, 2019a). SMEs usually limit resources and market power in relation to larger enterprises when they internationalise (Musteen et al., 2010). SMEs also have unique characteristics which might influence their decision to enter foreign markets (Laufs and Schwens, 2014). Some characteristics involve small structural, property and management constraints and limited financial and human resources (Udomkit and Schreier, 2017; Steinhäuser et al., 2021). However, through network relationships, SMEs can access resources to reduce and overcome barriers (Zhou et al., 2007; Lu et al., 2010b; Puthusserry et al., 2018). Networks also provide capabilities, foreign market knowledge and skills which can help them decide when and how to conduct their businesses in foreign markets (Ahimbisibwe et al., 2020). The network also provides opportunities for SMEs to overcome their size problem and liability of newness in foreign markets through resource exchange between firms in the networks (Zhou et al., 2007; Senik et al., 2010; Altnaa et al., 2021). The network perspective highlights that network relationships are a driver of a firm's internationalisation (Coviello and Munro, 1995; Masiello and Izzo, 2019a). Specifically, in the context of family-owned firms, these firms often build new networks to facilitate their international activities in foreign markets (Fernandez and Nieto, 2006; Kontinen and Ojala, 2011c; Kryeziu et al., 2022). Sharing a common interest and value motivates these family firms to develop and maintain their networks, eventually leading to mutual benefits (Johanson and Vahlne, 2003; Kontinen and Ojala, 2011b; Daszkiewicz, 2019). Family businesses differ from non-family businesses, especially in ownership and management, which might influence their internationalisation (Fernandez and Nieto, 2005; Graves and Thomas, 2006;

Rienda et al., 2020). Up to now, far too little attention has been paid to family-owned SMEs' networking and their internationalisation (Pukall and Calabrò, 2013; Kryeziu et al., 2022).

Network theory posits that internationalisation is influenced by relationships within a network (Zain and Ng, 2006; Jeong, 2016; Sedziniauskiene et al., 2019). However, the network perspective does not predict gradual internationalisation or expect a process of reduction in the psychic distance from foreign target markets; instead, the direction and speed of SMEs' internationalisation depend on the firms' abilities to establish and maintain network relationships (Johanson and Vahlne, 2009; Ciravegna, Majano, et al., 2014; Oliveira and Johanson, 2021). Furthermore, different ties of networks provide different knowledge and information (Gulati, 1998); thus, firms enable access to various resources (Lamin and Dunlap, 2011). According to previous studies, the three most commonly used network ties are business, social, and intermediary networks which seem to provide various resources to firms (e.g., Coviello and Munro, 1995; Senik et al., 2011; Jeong et al., 2017; Altnaa et al., 2021). For example, business networks can provide valuable foreign market knowledge and resources needed for internationalising firms, while social networks are often based on a certain level of trust, and they can support cooperation and mutual help, whereas intermediary networks can provide international opportunity recognition (Coviello and Munro, 1995; Kontinen and Ojala, 2011a; Costa et al., 2017a; Altnaa et al., 2021).

Each network ties require time to establish and maintain relationships between firms, and these connections can change and develop over time. An internationalising firm might require different types of resources at different internationalisation stages. Network relationships are essential for a firm's foreign expansion throughout its internationalisation process, not only at the entry phase (Leppäaho et al., 2021). However, previous studies have not dealt with the role of networks and relationships at the later stage of internationalisation and how these SMEs continue their expansion into other foreign markets. Moreover, family-owned firms differ from other types; therefore, the roles of networks in

family firms might differ due to their unique characteristics (Arregle et al., 2021; Leppäaho et al., 2021). Despite the importance of network relationships in family-owned SMEs' internationalisation, up to date, very little attention has been paid to this issue. Therefore, the present study explores how these firms utilise their network ties at each phase of internationalisation and how different characteristics of family-owned firms influence the utilisation of network relationships in order to understand the behaviour of family-owned SMEs' internationalisation and network impacts.

1.3 Context of the study

This study focuses on family-owned SMEs in the food industry in Thailand, which engage in international activities in various foreign markets. This choice was made explicitly in order to create a clear context for the study and focus intently on a specific set of issues that family-owned SMEs face. Therefore, the implications for firms and public policy focus on internationalisation aspects. SMEs are the backbone of economic development in most countries, especially in developing countries (World Bank, 2021). In Thailand, SMEs are accounted for more than 90 per cent of the total enterprises (OSMEP, 2020a). Thai SMEs have played a crucial role in the Thai economy in terms of numbers of employees and economic growth. They contribute significantly to the social and economic development of the country (Tasujai and Leelapanyalert, 2016; Udomkit and Schreier, 2017; OSMEP, 2020b).

Thailand is the second largest economy in Southeast Asia; despite facing several problems such as political instability, economic crisis, and natural disasters, the nation's economy appears greatly resilient. SMEs are the backbone of economic development in Thailand. About 30% of Thai enterprises currently rely on export markets (OSMEP, 2021b). In 2015, the Southeast Asia (ASEAN) region economic integration was established (ASEAN, 2019); thus, Thai SMEs are being encouraged to prepare for growing competition. The ASEAN economic integration offers opportunities with a huge market of over 622 million people and a value of USD 2.6 trillion (ASEAN, 2016). ASEAN is one of the fastest growing economic

regions in the world, and Thailand is located at the centre of the region; thus, it is suitable for investment (ASEAN, 2019). The Thai government is keen to grow and expand its export potential. The regional integration has reduced barriers, including tax and other trade barriers, which provide international opportunities for Thai SMEs. Despite the support from the Thai government to maximise the benefits that derive from the regional integration, Thai SMEs still face various problems. Thai SMEs lack propriety resources, insufficient technology, inadequate management and individual circumstances (Charoenrat and Harvie, 2014; Rojsurakitti, 2015; Udomkit and Schreier, 2017). Additionally, Thai SMEs are under pressure from foreign competitors because of the nature of Thai SMEs that are labour-intensive and low-technology activities (Brimble et al., 2002). These differences between home and host markets act as challenges for Thai SMEs and affect these SMEs' foreign market selection and mode of entry. Thus, Thai SMEs need to overcome these barriers in order to expand and survive in foreign markets, and they have been seen to utilise networks to compensate for their shortage of resources and pitfalls (Udomkit and Schreier, 2017). However, Thai SMEs face a number of severe problems that act as key barriers to their internationalisation, including financial constraints, inadequate and/or inexperienced human resources, insufficient management skills, lack of technical and innovation skills, lacking information accessibility, lacking international experience and knowledge, and limited use of government support (Brimble et al., 2002; Charoenrat and Harvie, 2014; Rojsurakitti, 2015; Udomkit and Schreier, 2017). In addition, Thai SMEs are mostly in labour-intensive and low-technology activities (Brimble et al., 2002), and they seem competitive in terms of cheaper labour costs.

Although Thai SMEs have increased their involvement in international activities and Thailand's success in exports has been frequently mentioned in academic publications, research on Thai SME internationalisation is virtually non-existent, with few exceptional (e.g., Udomkit and Schreier, 2017). SMEs play a crucial role in the Thai economy in terms of employment numbers and economic growth. They are a significant mechanism for accelerating Thai economic development (Charoenrat and Harvie, 2014; Rojsurakitti, 2015), which occupy more than 90

per cent of the total industry structure establishment (OSMEP, 2016). The entrepreneurial firm internationalisation process in the Thailand context is interesting because there is lacking publication on the subject to the extent that most of what is known about entrepreneurial firm research originates from other bigger Asian countries. Peiris et al., (2012) found in their systematic review that there is very little published research on internationalising firms from South Asia. In addition, most existing studies have focused on SMEs based in developed economies and neglected emerging-market SMEs (Mathews and Zander, 2007). It remains unclear whether the findings based on the experience of SMEs from advanced Western economies can be used to explain the internationalisation of emerging-market SMEs (Gassmann and Keupp, 2007; Luo and Tung, 2007). Therefore, there is a strong need for exploratory research in this untouched area.

1.4 Research objective

The present study aims to explore how Thai family-owned SMEs utilised network ties at each internationalisation phase and network impacts. Further, this study also sets out to gain a better understanding of the influences of network ties which can facilitate and deter family-owned SMEs' internationalisation process. The study will focus on the food industry, which is one of the major industries in Thailand. This study seeks to fill a gap and build upon extant knowledge and theory. Various studies have explored the influence of networks on SMEs' internationalisation process; however, to date, only a limited number of studies identified the dark sides of network relationships that might prevent the firm's foreign expansion. Moreover, most previous studies on network and internationalisation have investigated only the starting point when the firms first enter foreign markets and have mostly ignored how they utilise their networks at the later phase of internationalisation. The present situation on family-owned SME networking internationalisation is based on the views of the firms' management teams involved with the decision-making process and how they perceive the network ties influencing the firms' internationalisation phases. The study also focuses on network evolvment throughout the firms'

internationalisation process. The following are the research questions for this study:

- 1) How do networks play a role in order to facilitate Thai family-owned SMEs' internationalisation process?
- 2) How do networks play a role in order to impede Thai family-owned SMEs' internationalisation process?
- 3) How do networks play a role at each phase of internationalisation of Thai family-owned SMEs?

1.5 Structure of the dissertation

This dissertation consists of six chapters. The first chapter provides a background of the study and the scope of the study. Moreover, the study's research objective and research questions are also presented in this chapter. Chapter two discusses previous studies on this topic, including a summary of the key research literature and a discussion of the key literature. Followed by the presentation of the research methodology in Chapter Three. This chapter provides the research philosophy, the research approach, the research strategy and data collection methods and analysis. Next, chapter four presents the findings and analysis, which consists of 20 case firms. Then, a discussion of the analysis demonstrates in chapter five. Finally, chapter six provides the summary of the study and its practical implications. Further, the limitations of the study and suggestions for future research are provided.

Chapter 2 Literature Review

Family business internationalisation has gained attention over the past decades (Cirillo et al., 2021). Many scholars have studied the effects of family involvement in the foreign expansion (e.g., Metsola et al., 2020; Arregle et al., 2021). Moreover, family firms dominated the business landscape and their growing presence in foreign markets (Arregle et al., 2021; Cirillo et al., 2021). Therefore, research on the internationalisation of family-owned businesses has been considered an important area of inquiry for international business scholars (Stieg et al., 2018). Previous studies (e.g., Fernandez and Nieto, 2005; Daszkiewicz, 2019; Metsola et al., 2020) have shown that the key difference between family-owned businesses and non-family firms is family involvement and family firms' characteristics, influencing internationalisation. The present study aims to explore how family-owned SMEs utilised three network ties: namely business, social, and intermediary networks, at each internationalisation phase and identify network ties that would benefit the internationalisation of family-owned SMEs and the negative aspects of network ties that might happen during the internationalisation process. This chapter consists of five sections. The first part begins by presenting the internationalisation concept and process. The second section shows the internationalisation of family-owned small-medium enterprises (SMEs). The third part highlights the three network ties that are identified, namely: business, social, and intermediary networks, and the benefits and drawbacks of network ties will be discussed. The fourth section presents phases of the internationalisation process and the interaction between network ties. In the final section, the theoretical framework will be developed.

2.1 Internationalisation

2.1.1 Definition of internationalisation

Country boundaries seem to lose meaning due to the interconnection of national markets through product and service trading, technological and capital exchanges (Knight, 2000; Nummela, 2004; Shi et al., 2019a). Although numerous

studies have been undertaken on the internationalisation of the firm, still the definition remains elusive (McAuley, 1999; Chetty and Campbell-Hunt, 2003; Oliveira and Johanson, 2021). Several definitions of internationalisation have been proposed to explain the complex phenomenon of the subject. Previous studies define internationalisation as the process of increasing involvement in foreign markets of a firm (e.g., Johanson and Vahlne, 1977; Welch and Luostarinen, 1988). In this regard, internationalisation is considered to be a gradual sequential process made up of different phases. Moreover, Johanson and Mattson (1988) outline that internationalisation is establishing and developing positions with business partners in foreign networks.

According to Lehtinen and Penttinen (1999 pp.13) refer the term internationalisation as "the relationships between the firm and its international environment, and utilisation process of the personnel's cognitive and attitudinal readiness and is concretely manifested in the development and utilisation process of different international activities, primarily inward, outward and cooperative operations." This definition of internationalisation is divided into three folds: inward, outward, and cooperative operations. The definition outlines the exploitation of connections between the different actors and focuses on the internal, external, and collaborative viewpoints of international engagement. Therefore, internationalisation is not limited to import and export activities. However, the present study focuses on family-owned SMEs' outward internationalisation due to integration and liberalisation and increasing competition that have triggered firms to involve in internationalisation. The engagement of international activities plays an important role in the growth of family-owned SMEs because outward internationalisation has the potential to enhance a firm's competitive positioning by generating favourable results and enhanced business performance (Ruzzier et al., 2006; Stieg et al., 2018; Shi et al., 2019a). Moreover, if taking inward internationalisation into account and cooperative operations, firms might be able to build their international experience, which might be deterred the effect of external networks with important contacts.

While a variety of definitions of the term internationalisation have been suggested, this study will use the definition first suggested by Johanson and Vahlne (1990 pp.20), who refer it to “the process of developing networks of business relationships in other countries through extension, penetration, and integration.” Arguably, the focus of the definition is on relationships and networks. The relationships can enable firms to integrate into networks and facilitate the exploration and exploitation of foreign markets.

The nature of the relationships is dependent on the firms, sectors, and countries involved (Johanson and Vahlne, 1990; Oliveira and Johanson, 2021). In addition, this definition of internationalisation incorporates the network element. It considers being the network establishment process. These connections enable firms to access other actors; thus, these firms can explore and exploit new markets. However, the authors have not highlighted the fact that firms undertaking the internationalisation process are likely to implement the process at different paces. The difference in pace in relation to internationalisation is evident when comparing the traditional internationalising SMEs and the born global, which is an emerging phenomenon where firms start the internationalisation process from the inception phase of business development. Therefore, the pace level of internationalisation might be different depending on the firm.

2.1.2 Uppsala Internationalisation Model (The 1977 U-Model)

One of the most utilised theories in the internationalisation of a firm is the Uppsala internationalisation which describes the process as a gradual process along the establishment chain (Johanson and Wiedersheim-Paul, 1975; Johanson and Vahlne, 1977; Vahlne and Johanson, 2017). The model has recognised internationalisation as a process in which the company gradually increases its international commitment. The process involves the interplay between knowledge development about foreign markets and operations on one side and increasing involvement in resources on the other (Johanson and Vahlne, 1990; Vahlne and Johanson, 2017). Market knowledge is eventually developed and

accumulated when a firm internationalises and enters more foreign markets, while more of this knowledge type is required during internationalisation, decreasing the firm's international commitment (Rexhepi et al., 2017). However, the experiential knowledge varies according to country-specific and is difficult to apply in other countries while increasing involvement in addressed markets (Johanson and Vahlne, 2003). The Uppsala model depends on knowledge and experiential learning, which means that an inadequate firm's knowledge is an obstacle to internationalisation (Rexhepi et al., 2017). There are two types of knowledge which are objective knowledge and experiential knowledge. The objective knowledge can be transferred from one market to another, while experiential knowledge can be gained through experience, and a firm can increase its international commitment when it has sufficient experience and knowledge (Rexhepi et al., 2017; Oliveira and Johanson, 2021).

Originally, this model can be traced back to the work of Johanson and Vahlne (1977), which relied on empirical evidence from the internationalisation of firms in Sweden and is built on Penrose's (1959) growth theory and Cyert and March's (1963) behavioural theory. The U-model posits that the firm's internationalisation involves the experiential learning process and incremental commitment, which gradually help to enter new foreign markets. The model highlights that the firm incrementally internationalises through many stages by using two aspects to explain the process of internationalisation (Lis et al., 2012). The first aspect uses to explain why firms internationalise according to a series of incremental steps. The model posits that firms tend to take small steps in entering foreign markets based on their knowledge of foreign markets. Consequently, these firms are likely to enter foreign markets with low commitment in the initial stages (including indirect and direct exports). Then, through the accumulation of firms' experience, these internationalising firms shift towards higher commitment modes of entry. Therefore, these international activities can acquire foreign knowledge and technologies and generate growth for small firms (Lis et al., 2012). For example, firms might enter foreign markets via agents or distributors who helped them settle into those markets; eventually, firms acquire sufficient knowledge and experience, which might assist them in setting up their own sales subsidiaries.

Finally, manufacturing plants would be the next stage in the internationalisation model of firms into foreign markets.

Another important aspect of the model is used to explain why firms select foreign markets based on psychic distance. The term psychic distance is the differences between a firm's home and host country regarding language, culture, education, industrial development, and politic (Johanson and Vahlne, 1990). These differences can impede and make the internationalisation of a firm even more difficult. Thus, internationalising firms tend to go to foreign markets where they are closer to the psychic distance at the initial stage of their internationalisation process. Then, they would gradually enter markets further away in the psychic distance when they accumulate sufficient knowledge and experience. In sum, the model proposes that the lack of knowledge and experience can hamper the internationalisation of firms; thus, it is necessary to acquire and leverage foreign market knowledge to increase further international market involvement (Johanson and Vahlne, 1977; Eberhard and Craig, 2013; Odlin and Benson-Rea, 2017).

As highlighted in figure 1, the framework incorporates the state and change aspects. The state aspect involves the acquisition of market knowledge and making decisions to increase or decrease commitment, while the change aspect highlights the act of increasing or decreasing the commitment resources. The model is founded on the behavioural viewpoint and applies the learning theory logic when explaining internationalisation. Moreover, the model differentiates general knowledge, which is transferable, from experiential knowledge gained through participation in international activities.

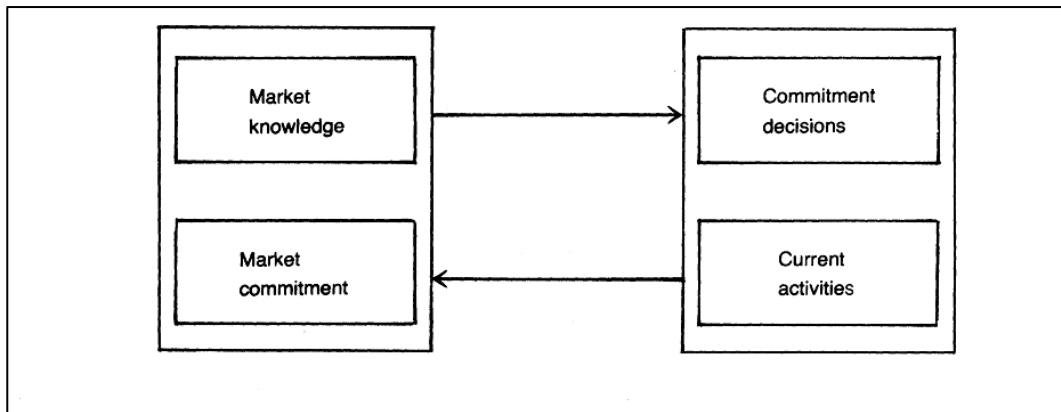


Figure 1 Uppsala model

Source: Johanson and Vahlne (1977 pp. 26)

According to Johanson and Vahlne (1977) developed the model that focused on the process of internationalisation of an individual firm. They stated that firms in their study followed a gradual internationalisation pattern in terms of acquisition, integration and utilisation of foreign market knowledge; therefore, in this process, the firm gradually increased its commitment to these foreign markets (Johanson and Vahlne, 1977; Vahlne and Johanson, 2017). There was a thought in the early years that insufficient knowledge was an obstacle and/or prevented a firm's growth; however, the firm could acquire this knowledge by operating in foreign markets and gaining experience (Vahlne and Johanson, 2017; Hult et al., 2020). Therefore, as suggested in the Uppsala model, family-owned SMEs first need to gain knowledge in the domestic market and then utilise it to enter other foreign markets that are its neighbour markets and have similar behaviours before moving to other markets (Rexhepi et al., 2017).

In terms of family business literature context, studies show that the involvement of family affects these firms' internationalisation strategies. Many studies (e.g., (Graves and Thomas, 2008; Kontinen and Ojala, 2012a; Arregle et al., 2021) show that family businesses are likely to adopt a traditional stepwise internationalisation model. The family firms tend to enter foreign markets through lower-commitment modes and in psychically close markets when they internationalise (Claver et al., 2007; Rienda et al., 2020). This might be because of the nature of family firms which are risk aversion, limited growth objectives,

and financial and resource constraints (Kontinen and Ojala, 2011b; Pukall and Calabrò, 2013); thus, this could be argued that family SMEs take some times to leverage their knowledge and experience before internationalising. Moreover, the gradual stepwise patterns are associated with the challenge of overcoming resource constraints and acquiring the knowledge, experience and management skills required in order to operate in foreign markets (Rexhepi et al., 2017). These challenges prevent family firms from overcoming the liability of foreignness in distant markets; therefore, the risk attitudes of family owners can help to explain the gradual pathway of internationalisation (Arregle et al., 2021).

The U-model is critical in describing the internationalisation of large firms. Andersen (1993) criticised the U-Model that the framework is limited in providing an extensive conceptual and theoretical framework guiding research due to the lack of methodological rigour. Further, Bell (1995 pp.72) argues that the main limitation of the U-model is its unidimensional nature hence offering a single explanatory variable in defining the “complex, dynamic, interactive, and frequently non-linear decisions.” Additional criticism of the U-model is linked to the assumption that internationalisation occurs at the final stages of a business’s expansion. In this regard, the U-model fails to illustrate how some firms whose international activities happen during the venture or the early creation process or in the early stage of the venture of growth. The U-model also does not explain the leapfrogging of specific phases by internationalising firms (Rexhepi et al., 2017).

Furthermore, the U-model ignores the importance of the decision-maker and the firm characteristics in utilising opportunities that arise from the firms’ networks. Specifically, the present study focuses on family-owned firms and previous studies (Fernandez and Nieto, 2005; Zahoor et al., 2020) suggest that their internationalisation behaviour differs from non-family ownership. Thereby, there is a need to consider the different characteristics of the firms which might influence their internationalisation process. Moreover, Chetty and Blankenburg Holm (2000) also criticised the U-model for excluding purposely developed networks, such as those developed due to government intervention. However,

the U-Model does not demonstrate how family-owned SMEs establish relationships during their foreign expansion. Moreover, the model explains an individual firm's internationalisation insufficiently without organisational networks. However, it is paramount to recognise that firms utilise networks to assist their internationalisation. Therefore, it is necessary to modify the model and use networks as a starting point (Ruzzier et al., 2006). Consequently, Johanson and Vahlne (2009) updated their U-model by including the role of networks where the internationalising firm depends on international networks.

- **The Uppsala model version 2009**

The Uppsala model has continuously maintained its efficacy in explaining the internationalisation process because Johanson and Vahlne have modified their model and accounted for changes in the business environment in 2009. The u-model, modified in 2009, characterises internationalisation as a process taking place in the context of business relationships (Oliveira and Johanson, 2021). In the original model, Johanson and Vahlne viewed internationalisation as a gradual process. Furthermore, they indicated that internationalisation depends on an accumulation of foreign market knowledge through market commitment. However, in their updated model, the important role of networks in the internationalisation of firms has been highlighted, and the market involvement concept has been replaced by network insidership and assuming that being inside a network is an essential part of successfully entering foreign markets (Johanson and Vahlne, 2009; Yamin and Kurt, 2018; Gerschewski et al., 2020).

Networks have been shown to be an important instrument for firm internationalisation since firms establish various networks to acquire international knowledge and facilitate internationalisation (Coviello and Munro, 1997; Ahimbisibwe et al., 2020). Previous studies argue that international markets are regarded as borderless network relationships through which firms' international activities can happen through network expansion (Johanson and Vahlne, 2009; Paul and Rosado-Serrano, 2019). Moreover, these days the business environment has been considered a complex web of relationships; therefore, Johanson and

Vahlne (2009) included aspects such as trust building and knowledge creation in the revised model because these factors facilitate relationship development. Therefore, the evolvement of internationalisation through subsequent resource commitment, knowledge creation and trust-building is influenced by various factors such as a firm position in its network and a firm's knowledge and resources in the u-model version 2009 (Oliveira and Johanson, 2021). The most distinctive feature of the revised model from the original one is "the perception of uncertainty which initially was triggered by the condition of being a foreign firm with the risk of not being accepted by the market, but now it is considered that the root of uncertainty is the condition of being an outsider" (Paul and Rosado-Serrano, 2019 pp.834).

In the 2009 Uppsala model, the feature of "liability of foreignness", which involves the issue related to insufficient foreign market knowledge, is replaced by the problem of not having a position in the foreign network, which is referred to as "liability of outsidership" (Johanson and Vahlne, 2009; Forsgren, 2016). According to Johanson and Vahlne (2009) propose that a revision of the model underlying way differs from the original model in 1977, particularly regarding internationalisation as a process in a business network context. In line with business network theory stresses the crucial difference between being an insider and being an outsider in relation to a specific business network; consequently, internationalisation is a process of a firm shifting its position from outside its networks to inside (Oliveira and Johanson, 2021). The revised model also considers a foreign market in a firm's internationalisation as a business network rather than a country market; however, outsidership is a common aspect in business network theory which refers to every network in which the firm is not embedded both domestic and foreign (Forsgren, 2016). Therefore, the liability of outsidership reflects the difficulties of establishing a position inside a network, but it is no difference between domestic and foreign networks (Cantwell and Mudambi, 2011). In terms of psychic distance in the revised u-model, Johanson and Vahlne (2009) stress that the larger the psychic distance, the more difficult it is to establish new network relationships, which they refer to as an influence of liability of foreignness. Therefore, the Uppsala model points out that difficulties

such as larger psychic distance and the liability of outsidership hinder an internationalising firm from establishing foreign networks, shape patterns and entry modes (Johanson and Vahlne, 2009; Vahlne and Johanson, 2017).

The network model highlights that a firm's network relationships can provide various benefits such as knowledge, resources, and capabilities (Coviello and Cox, 2006; Ahimbisibwe et al., 2020). Thereby, the relationship partners are indirect sources of business information, and through the network relationships, the firm enables to access its business networks and acquire knowledge (Johanson and Vahlne, 2009; Su et al., 2020). Johanson and Mattsson (1988) developed a network model of internationalisation based on business network research which provided a theoretical concept and internationalisation mechanism for the work of Johanson and Vahlne (2009). It is necessary for a firm's internationalisation to establish networks in order to be successful in foreign markets. As highlighted above, firms gain important information and develop trust and commitment through networks, which are critical during internationalisation (Johanson and Vahlne, 2009; Gerschewski et al., 2020).

Based on the business network perspective, Johanson and Vahlne (2009) include the relationships element which established through interconnections within the networks and the development of their knowledge, resources, and capabilities. Therefore, the internationalisation process is associated with specific knowledge, trust, and commitment that firms develop over time during their foreign expansion (Johanson and Vahlne, 2009; Oliveira and Johanson, 2021). Additionally, the network framework applies the social exchange model to describe how firms establish networks in order to internationalise. One fundamental assumption associated with the network model is that the firms acquire resources owned by others through network relationships (Chetty and Blankenburg Holm, 2000; Jeong et al., 2017). Johanson and Mattsson (1988) posit that business networks are the relationships between a firm and its customers, distributors, suppliers, competitors, and government agencies. They argue that throughout the internationalisation process, a firm increases the number and strength of relationships and expands its business network, which

can help the firm to operate in foreign markets. The network perspective sees internationalisation as a network building process that can provide various resources and knowledge to facilitate its operations in foreign markets. Specifically SMEs are resource constraints; thus, establishing networks can help them to overcome size problems and resource limitations (Lu et al., 2010b; Puthusserry et al., 2018; Ahimbisibwe et al., 2020). However, family-owned SMEs are idiosyncratic and influenced by various family, organisation, and environment-level factors which might affect their internationalisation. Therefore, the present study investigates how family-owned SMEs internationalisation, specifically how family involvement influences network utilisation of the firms, which will be presented and discussed in the following sections.

2.2 Family-owned Small and Medium Enterprises (SMEs)

Family businesses account for an overwhelming majority of enterprise groups worldwide which play a pivotal role in the world economy (Arregle et al., 2021). Family firms differ from other types of firms, and their idiosyncrasies have been widely discussed in the literature (Fernandez and Nieto, 2005, 2006; Stieg et al., 2018). Many studies point out that a family business is a firm owned by a family and/or families, while others stress that family firms constitute a level of family ownership and involvement in firm management (e.g., Rexhepi et al., 2017; Alayo et al., 2019). In contrast, Arregle et al., (2021) argue that family-owned firms' definitions should include specific aspects such as successive generation, which is the intention of the family to transfer its ownership to the subsequent generation. In addition. SMEs have become a common form of business organisation and play a major role in the global economy. They account for more than 90 per cent of all firms in many countries and therefore play a major role in the world economies(Faye and Goldblum, 2022). SMEs are drivers of job creation, innovation, and economic growth. According to the World Bank (2022), formal SMEs contribute more than 50 per cent of employment worldwide and up to 40 per cent of national income (GDP) in emerging economies. These numbers should be higher when informal SMEs are included, and it has been estimated that SMEs

will create up to 600 million jobs, particularly in Asia and Sub-Saharan Africa, in the next 15 years (OECD, 2019; World Bank, 2022).

Research has also highlighted that family involvement among SMEs is prevalent (Flamini et al., 2022), which are the key form of business enterprises in the world (Jorge et al., 2017; Arregle et al., 2021). Family-owned firms are becoming central in the dynamics of the world's economy and have received increased attention in recent years (e.g., Kampouri et al., 2017; Arregle et al., 2021; Cirillo et al., 2021). However, there is no general consensus on the definition of SMEs; normally, there is a broad agreement by referring to thresholds such as the number of employees, amount of assets, and level of revenues (Zahoor et al., 2020; Altnaa et al., 2021). Despite these discrepancies, previous studies (e.g., Ahimbisibwe et al., 2020; Zahoor et al., 2020) have agreed that SMEs are heterogeneous regarding size, age, ownership, resources and business practices which may not be able to explain by a single approach. The present study focuses on understanding how family-owned SMEs, which rarely have sufficient resources, internationalise. Family-owned SMEs are different from non-family businesses and have unique characteristics that might affect their decision to expand to foreign markets (Laufs and Schwens, 2014; Arregle et al., 2017).

Family businesses differ from other firm types with different ownership structures (e.g., Fernandez and Nieto, 2005; Graves and Thomas, 2008; Rexhepi et al., 2017). There is also no universal meaning of a family firm in the literature. The criteria suggested by literature applying previous studies include ownership, management, continuity, and subjective perception (Kontinen and Ojala, 2010b; Kampouri et al., 2017; Arregle et al., 2021). However, the most common definition is a combination of ownership and management in which a firm is owned by one or more families, and the management has been in control of at least one of the families (Graves and Thomas, 2006; Pukall and Calabrò, 2013). This is in line with Gallo and Sveen (1991 pp.1982), who define a family firm as "a firm where is the family owns the majority of stock and exercise full managerial control." Thus, Family businesses are determined according to these two criteria. While a variety of definitions of a family firm have been suggested, consistent

with the literature, this study will use the most common definition; a firm owned and managed by at least one family.

The definition of the family firm is important because it identifies unique characteristics which might influence the firm's strategy and management (Arregle et al., 2021). Family businesses have a specific social and institutional position within the economy; therefore, unique features such as family ownership and involvement influence (Rexhepi et al., 2017; Stieg et al., 2018; Arregle et al., 2021). It has been demonstrated that the internationalisation of family firms is different from firms with structures other than family ownership (Fernandez and Nieto, 2005; Graves and Thomas, 2008; Arregle et al., 2017, 2021). Family firms are influenced by family relationships which connect family members to each other and their business, and these firms operate between two systems (family and business) which overlap within a firm (Daszkiewicz, 2019). Therefore, these unique aspects of family firms build a specific business system which is significantly different from non-family firms (Marjański and Sułkowski, 2019).

Previous studies (e.g., Arregle et al., 2017; Shi et al., 2019; Igwe et al., 2022) reveal that internationalisation is an essential strategy for family-owned SMEs to pursue growth and provide the firms with a competitive advantage. However, there is no conclusive in previous studies that the unique characteristics of family-owned SMEs influence their foreign market expansion (Arregle et al., 2021). One of the most distinguishing features of family firms is the family's control and influence on the firm, which is a family coalition with a significant presence in the ownership and/or management of a company (Arregle et al., 2021). This can influence the value of the family firm, which is achieved using the family's dominant position (Metsola et al., 2020b). Family businesses have been seen as having limited resources and capabilities required in internationalisation, especially limited financial capital, which limits their ability to enter foreign markets (Gallo and Pont, 1996; Brydon and Dana, 2011; Stieg et al., 2018). Limited resources are even more critical in the case of family-owned SMEs that face difficulties stemming from family ownership and size constraints. Family companies are likely to limit the number of foreign markets they operate to

ensure that their operations achieve maximum revenue (Zahra, 2003). In addition, family-owned SMEs face various difficulties in order to internationalise; thus, these might limit their appearance in foreign markets (Fernandez and Nieto, 2006; Shi et al., 2019a). However, family-owned SMEs are likely to improve performance due to their stronger involvement in the firm and the family compared to non-family firms (Rienda et al., 2020). Family-owned SMEs tend to share culture and values within the firms and have a longer-term vision, making them more effective and efficient in the long term (Rienda et al., 2020; Kalhor and Yassine, 2021). The long-term vision is one of the strong, distinctive characteristics of family-owned firms where an influential family member shares the vision and pushes for family involvement in the long run (Claver et al., 2009). Therefore, the commitment of family-owned firms to long term plans reflects the positive potential of the firms in internationalisation (Claver et al., 2009; Eberhard and Craig, 2013; Stieg et al., 2017).

Another distinctive characteristic of a family business is transgenerational intention (Arregle et al., 2021). Family members are intended to pass on from generation with constant triggers from change stemming from the interaction of family business and ownership (Metsola et al., 2020b). The significant difference between family and non-family firms is concerned with the non-economic goals of family firms that are not pursued by non-family businesses (Kalhor and Yassine, 2021). The non-economic and/or family-related objectives often mix up with economic and/or business-related goals (Metsola et al., 2020b). Family members within family-owned SMEs are strongly emotionally attached; therefore, specific features linked to family-owned firms, such as trust, altruism and social capital can be key resources for businesses and facilitate their internationalisation process (Calabrò et al., 2016; Metsola et al., 2020b). Consequently, family-owned SMEs seek particularistic behaviour to protect their values and maintain their survival, and the firms can benefit from these specific resources and informal institutions (Kalhor and Yassine, 2021). Multigeneration in family-owned SMEs intertwines with family and business, which involves processes of succession (Metsola et al., 2020b). Within these processes, knowledge can be transferred

between different generations and specific strategies and management plans also can be shared by culture, interests, and goals in the family (Shi et al., 2019a)

In addition, family-owned businesses tend to easily recognise and adapt to new opportunities due to the small-scale, flexible, and quick decision-making (Kontinen and Ojala, 2010a, 2011b; Pukall and Calabrò, 2013). Further, previous studies (e.g., Segaro, 2012; Calabrò et al., 2016) posit key resources linked to family-owned firms, such as trust, altruism, social capital and network relationships. Therefore, by combining the key resources, family-owned businesses can accelerate the internationalisation process and overcome the challenges associated with the limitation of resources (Lin, 2012). Notably, during the internationalisation process, the attitudes and behaviours of decision-makers in family-owned businesses are critical (Arregle et al., 2012; Alayo et al., 2019). Furthermore, in most cases, family-owned firms experience overlap between management and ownership since the same family members are involved at all levels (Boellis et al., 2016). Therefore, family members working at the companies are likely to transfer family behaviours and ideas in strategic choices and decisions (Alayo et al., 2019). The family involvement attaching to the firm creates a unique circumstance and distinguishes them from non-family businesses; therefore, this study focuses on understanding how family involvement influences the firm's foreign expansion.

- **Internationalisation of family-owned SMEs**

Family-owned SMEs face international competition, which triggers them to venture into the foreign market. Internationalisation provides business opportunities and growth and leads these firms to commit to international activities in order to survive and achieve business performance (Zeng et al., 2009; Manolova et al., 2010; Stieg et al., 2018; Shi et al., 2019a). Previous research (e.g., Fernandez and Nieto, 2005; Arregle et al., 2017, 2021; Marjański and Sułkowski, 2019) has shown that unique features embedded in family firms affect their behaviour of internationalisation. However, little is known about the internationalisation behaviour of family-owned SMEs. In recent years, there has

been a greater focus on family businesses within the internationalisation literature (Shi et al., 2019a; Arregle et al., 2021; Kalhor and Yassine, 2021). However, evidence for the effect of the unique characteristics of family-owned SMEs on their internationalisation process has been mixed. Some studies reveal that some specific aspects of family firms positively impact and facilitate the internationalisation process, whereas others hinder the family businesses' foreign expansion (Fernandez and Nieto, 2006; Graves and Thomas, 2006; Kalhor and Yassine, 2021). Family-owned SMEs' distinctive features can enhance and promote international opportunity recognition (Mitter et al., 2014; Sedziniauskiene et al., 2019). The source of competitive advantage in a family business is family ownership, and the owners of the firm are likely to have a long-term plan to pass on their businesses to the upcoming (successive) generation (Costa et al., 2021). Consequently, the owners of family-owned firms are willing to invest in internationalisation in order to achieve long-term goals (Kalhor and Yassine, 2021). There seems to be evidence to indicate that family firms are heterogeneous; they differ in control and influence by family (Fernandez and Nieto, 2006; Arregle et al., 2012, 2021). Thus, the nature of family SMEs' internationalisation remains unclear whether family firms adjust to a new environment in foreign markets and how family ownership influences their internationalisation process. Furthermore, family businesses are different from other types of firms with family involvement in ownership and management which seems to affect their characteristics and decision-making to pursue their international activities.

Another specific characteristic of family-owned SMEs that can affect the internationalisation of the firms is successive generation. Previous studies (e.g., Stieg et al., 2018; Arregle et al., 2021) show that organisational knowledge and experience increase and accumulate over time with the incoming generations, who tend to have a better education than the founder/owner generation. The successive generation tends to start working at the company at very young ages; therefore, the upcoming generations enable to gain experience and access to tacit knowledge (Mitter et al., 2014). The successive generation tends to add new entrepreneurial momentum to family-owned SMEs because they are likely to be

more open to new ideas and strategies in relation to the procedure generation (Mitter et al., 2014; Calabrò et al., 2016; Fang et al., 2018). It is vital for the incoming generations to have a more global mindset which is required for successfully family-owned SMEs in foreign markets because the successive generation can influence the firms' international opportunity identification with entrepreneurial behaviour and their experience and education (Mitter et al., 2014; Costa et al., 2021). Further, the upcoming generations also have to face pressure from inside companies, and they need to perform their duties perfectly in order to prove to employees, specifically non-family members, that they are skilful and can successfully manage the companies not only the heirs (Costa et al., 2021). In addition, many studies (e.g., Fernandez and Nieto, 2005; Fang et al., 2018; Lahiri et al., 2020) reveal that the impact of upcoming generations of family leadership is more likely to increase foreign expansion. For example, Calabrò et al., (2016) point out that the subsequent generations tend to be more risk tolerant and open to new ideas; therefore, the involvement of the upcoming generations can positively affect international opportunities' exploration and exploitation. While Fang et al., (2018) claim that the founder/owner generation was unlikely to internationalise compared to their successors because the founder/owner generation focused on the family's non-economic objectives. The characteristics of individual level of family leaders and/or managers, including education, prior work experience, and aspiration positively influence foreign expansion (Arregle et al., 2021).

Family-owned firms enjoy having control over firms and prefer to use the family's management style, which is likely to affect the firm's ability to form alliances in foreign markets (Gallo and Pont, 1996; Fernandez and Nieto, 2005; R.W. Hiebl, 2014). This might be because family-owned firms are risk aversion in nature and the fear of losing control as a consequence of their internationalisation (Kontinen and Ojala, 2010b; Pukall and Calabrò, 2013). Thus, family firms' growth seems to be inactive, and they are less likely to involve in the international arena. Moreover, family firms usually possess some internal disadvantages, including a low level of qualified staff, inexperience, and lack of knowledge in foreign markets (Gallo and Pont, 1996; Boellis et al., 2016; Stieg et al., 2017). Family-owned

firms, likely to have strong connections to home markets, regions and roots, tend to remain in their domestic markets and are reluctant to internationalise (De Massis et al., 2018). Risks can increase as family-owned SMEs internationalise due to increased uncertainties, information asymmetries and foreignness (Mitter et al., 2014). Consequently, the family members tend to be more careful to take any risks related to their foreign expansion strategies (Costa et al., 2021). Previous studies (e.g., Avrichir et al., 2016; De Massis et al., 2018) indicate that family members in family-owned firms tend to be more risk-aversion; therefore, their foreign expansion is likely to be at a slower pace and in only a few foreign markets. It is noticeable from the above discussion that family members of the family-owned SMEs can significantly influence the involvement and resources available for foreign expansion, which differs from other types of firms; therefore, the present study seeks to understand the behaviour of family-owned SMEs and their internationalisation.

The features of family-owned SMEs differ significantly from other business structures. Compared to large multinational companies, family-owned SMEs are characterised by their increased flexibility, long-term orientation, and quick decision-making due to their ability to take advantage of their small size and simple company structures (Pukall and Calabrò, 2013; Stieg et al., 2017). However, despite their simplified structures and small size, family-owned SMEs face diverse and complicated challenges compared to non-family firms due to limited resources, knowledge, and capabilities (Kontinen and Ojala, 2010a; Pukall and Calabrò, 2013; Stieg et al., 2017). Therefore, family-owned SMEs face more complicated challenges, including liabilities of smallness, newness, and foreignness in their internationalisation process (Lu and Beamish, 2006; Mitter et al., 2014). Thereby, the size of the family-owned SMEs seems to be the underlying element to the existing constraints and limitations to the internationalisation process of family-owned SMEs; these constraints and challenges might impede their growth and competitiveness in foreign markets.

Additionally, family-owned SMEs are limited in terms of the resources necessary for the internationalisation process. Therefore, in order to overcome the

limitations and successfully internationalise, it is necessary for SMEs to establish robust international networks that enable the firms to access external resources (Musteen et al., 2010; Puthusserry et al., 2018; Leppäaho et al., 2021). The network theory of internationalisation can provide valuable insights into the network dynamics of family-owned SMEs (Coviello and Munro, 1997; Lu et al., 2010b). The international networks offer family-owned SMEs sufficient resources to carry out the internationalisation strategy. It is important to highlight and clarify the different network ties utilised by family-owned SMEs at each phase of the internationalisation process and how they develop throughout the process. Although it is evident that networks provide family-owned SMEs with increased potential for growth in international markets, the majority of the past studies have focused on examining the degree of internationalisation among family-owned SMEs (Fernandez and Nieto, 2006; Greve, 2006). The existing literature ignores the possibility that family-owned SMEs can acquire external resources such as network relationships, which can facilitate their internationalisation process. Moreover, considering that networks have been extensively studied in research on other kinds of firms, thus there is needed to explore how networks have been utilised in family-owned SMEs. Family ownership and involvement might influence the firms' internationalisation in spite of the fact that the internationalisation phenomenon can affect companies of all sizes in most countries around the world; however previous studies on the firm's internationalisation have focused on large and well-established companies in developed economies (McDougall and Oviatt, 1996; Sedziniauskiene et al., 2019). As illustrated in many existing studies, in general, SMEs, particularly family-owned ones, differ from larger firms in their internationalisation behaviour (e.g., Nummela, 2004; Fernandez and Nieto, 2005; Arregle et al., 2017, 2021). Family-owned SMEs usually resource constraints, inadequate management skills, experience and knowledge compared to their counterparts. In addition, they seem to be different in terms of decision-making, international activities, and their internationalisation process (Kontinen and Ojala, 2010b; Pukall and Calabrò, 2013; Metsola et al., 2020c).

There has been an increase in research studies on SME internationalisation since the 1990s, with the majority of the researchers paying significant attention to firms operating in developed economies such as the United States and Nordic countries (e.g., Johanson and Vahlne, 2009). The majority of the studies on the internationalisation of SMEs conclude that the existing theories cannot sufficiently describe the internationalisation process among SMEs since they were founded based on the assumptions of large corporations operating in developed economies. Moreover, research set in developing countries finds that enterprises do not follow the internationalisation process implemented by firms in developed economies due to their inherent differences with respect to national economic and institutional development (Lau, 1992; Kalhor and Yassine, 2021). Therefore, this study aims to explore Thai family-owned SMEs' internationalisation process, expecting that these firms from Thailand might have different international behaviour. In addition, due to the ubiquitous and uniqueness of family involvement in SMEs, which might influence their internationalisation process, it can also present an important gap in the literature on family business' internationalisation.

2.3 Network Theory

The network perspective views internationalisation as a result of relationship development with other actors in networks in that a firm is embedded; thus, it can give a better explanation of SMEs' internationalisation behaviour (Johanson and Vahlne, 2009; Kontinen and Ojala, 2010b; Masiello and Izzo, 2019a). Networks refer to a connection of actors who can be either organisations or individuals, such as those between customers, suppliers, competitors, government agencies, or supporting organisations (Coviello and Munro, 1995, 1997; Jiang et al., 2018). The network is a web of relationships that influence the internationalisation of firms; thus, the relationships can either facilitate and/or hinder the foreign expansion of firms (Masiello and Izzo, 2019a). Thereby, the network perspective views position in the network as a trigger for the internationalisation of firms and focuses on strategies adopted to strengthen and

evaluate that position (Coviello and Munro, 1997; Masiello and Izzo, 2019a; Altnaa et al., 2021).

The network model developed by Johanson and Mattsson (1988) utilises the network position to describe internationalisation. Based on the model suggests that the degree of market internationalisation and the degree of firm internationalisation have influenced the international development process. The model also emphasises that firms build networks in foreign markets to internationalise, which happens when the firms develop their positions in the networks. Further, the firms can penetrate their foreign expansion by developing their existing positions and eventually, the firms can achieve international integration when the firms increase coordination between positions in different foreign market networks (Johanson and Mattsson, 1988; Hilmersson and Jansson, 2012; Odlin and Benson-Rea, 2017). Therefore, the number and strength of relationships in the networks can increase as the firms internationalise and facilitate their foreign expansion (Johanson and Mattsson, 1988; Burt, 2019; Oliveira and Johanson, 2021). In addition, Johanson and Mattsson (1988) outlined four differentiated phenomena and types of internationalising entities, as illustrated in figure 6 and proposed that these networks can be both direct and indirect relationships. Direct networks are relationships that happen directly, for example, with a firm's distributors, partners, and business partners. In contrast, indirect networks are the relationships a firm builds, such as distributions' connections and business partners' connections. As illustrated in figure 6, an early starter is characterised by low levels of internationalisation in a business with a low degree of internationalised networks; hence the firm has limited insufficient connections with other firms in foreign markets. The early starter, which has fewer relationships, also tends to leverage the network positions of foreign partners such as its distributors and establish more networks with various actors to penetrate the market. While a lonely international highlighted in figure 6 describes a phenomenon where a firm tends to be highly internationalised, but the market remains un-internationalised; hence the firm is likely to gain significant benefits from international integration. For a late starter, the market rather than the firm is internationalised, and internationalisation can

be triggered by the firm's domestic networks. However, the late stater has to develop a position in an international network. The fourth quadrant in figure 2, referring to the international, is characterised by high levels of internationalisation in a business with a high degree of internationalised networks; thus, the firm is likely to take advantage of network positions.

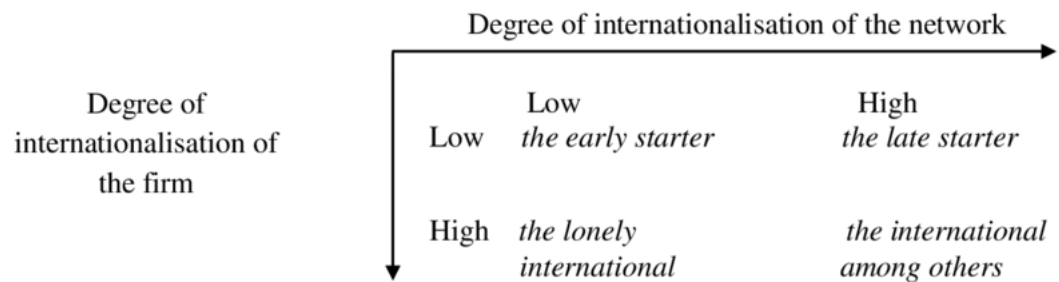


Figure 2 The network model

Source: (Johanson and Mattsson, 1988)

The network theory emphasises that the relationships which emerge as a form of networks have influenced a firm's internationalisation process. Actors in networks can access and share valuable knowledge and information through their mutual acquaintance and trustworthiness (Burt, 1992), which can facilitate them to internationalise (Puthusserry et al., 2018; Masiello and Izzo, 2019a). Network approach of internationalisation views relationships in the networks as the bridging mechanism that enables firms to internationalise because actors in networks can exchange their resources (Coviello and Munro, 1997; Lu et al., 2010b). Through networks, the firm develops relationships that allow them to access resources (Johanson and Mattsson, 1988; Puthusserry et al., 2018). SMEs are resource limitations which hamper their internationalisation. Therefore, building networks enables SMEs to reduce barriers and overcome resource limitations (Zhou et al., 2007; Lu et al., 2010b; Puthusserry et al., 2018). Networks enable SMEs to access resources, capabilities, and foreign market knowledge and skills, which can help them decide when to internationalise and conduct their businesses in foreign markets (Johanson and Mattsson, 1987; Coviello and Munro, 1995; Ahimbisibwe et al., 2020). Moreover, networks enable

SMEs to overcome their size problems and reduce risks when facing a new business environment in foreign markets (Zhou et al., 2007; Senik et al., 2010).

Being embedded in network relationships also influences internationalisation speed (Yamin and Kurt, 2018; Su et al., 2020). Based on the study by Oviatt and McDougall (2005a) found that one of the factors that influence the speed of internationalisation of a firm is network relationships. Similar to existing studies in international business (e.g., Ellis, 2000; Manolova et al., 2010; Senik et al., 2011), agree that networks help SMEs to identify opportunities in foreign markets and increase the speed of their internationalisation. Through network relationships, SMEs enable to be informed by their partners about international opportunities that SMEs can explore and how they can exploit in the best possible way (Kontinen and Ojala, 2011a). The key elements of networks that influence the internationalisation speed include the strength of network ties, the network size, and the overall density of the network (Oviatt and McDougall, 2005a). Networks are composed of nodes representing actors in a network, and ties represent links between the actors. Strong ties between nodes (or actors) are durable and involve emotional investment, trust, reliability, and a desire to negotiate differences to maintain the tie. Entrepreneurs heavily rely on strong ties with customers, suppliers and others that are friendly and business-like at the beginning of the internationalisation process because strong ties need considerable investment and maintenance. While weak ties require less investment in relation to strong ties, thus weak ties can grow rapidly in number, which provides valuable information and knowledge (Oviatt and McDougall, 2005a). The nature of strong ties could be personal relationships, whereas weak ties would be numerous and less personal. Another element that affects the speed of internationalisation of firms is network density. Diverse networks are significant information sources that enable actors to generate new knowledge, and social networks are useful when trust and reciprocity are essential. Actors are perceived to have diverse networks when their links are not connected to each other. Due to the dependence on reliable interaction between actors in various international markets, dense international networks are critical for supporting and assisting internationalisation (Oviatt and McDougall, 2005a).

Different ties of networks provide different sets of information and knowledge; thus, they provide various resources to firms (Gulati, 1998; Lamin and Dunlap, 2011). According to previous studies, the ties of networks for internationalising to foreign markets can be divided into formal, informal (Birley, 1985; Dubini and Aldrich, 1991; Coviello and Munro, 1995), and intermediary (Senik et al., 2011; Oparaocha, 2015). However, these studies related to different network ties are still mixed. For instance, the study by Dubini and Aldrich (1991) posits that formal networks refer to relationships between all the employees of each firm whose role is boundary-spanning, whereas informal networks are related to all persons that an entrepreneur can meet directly. Unlike Birley (1985), who emphasises that formal network relationships as firms' financial sources, informal networks are related to contact between other businesses, family, and friends. Based on the previous study, the simplification of network types in this present study refers to social, business, and intermediary networks. As will be seen in the following section, different ties of networks play different roles, which might lead to or impede family-owned SMEs' internationalisation process.

Being able to establish networks plays a pivotal role in firms' internationalisation process (Coviello and Munro, 1995; Johanson and Vahlne, 2009; Jeong et al., 2017). The network perspective proposes that a firm pursues its internationalisation triggered by its network relationships (Coviello and Munro, 1995; Masiello and Izzo, 2019a). Specifically in the context of family-owned firms, as these firms often build new networks to facilitate their international activities in foreign markets (Kontinen and Ojala, 2011c; Leppäaho et al., 2021; Kryeziu et al., 2022). The objective of network theory is to use knowledge and information acquired from other actors in family-owned SMEs' networks to understand foreign markets where the firms want to enter and to see their abilities with mobile resources (Masiello and Izzo, 2019b; Altnaa et al., 2021). Consequently, family-owned SMEs tend to start their internationalisation to foreign markets where they have stronger network relationships (Rexhepi et al., 2017). Sharing common interests and values motivates these family firms to develop and maintain their networks, eventually leading to mutual benefits (Johanson and Vahlne, 2003; Kontinen and Ojala, 2011b). In addition, trust and commitment building within

various ties of networks for family businesses is crucial, especially within family ties or with other businesses (Kontinen and Kansikas, 2012; Eddleston et al., 2019; Horak et al., 2020). Family-owned firms have traditionally focused on their domestic markets; however, switching into a foreign expansion, these firms face various challenges and barriers; therefore, network relationships are important for family-owned SMEs in order to overcome barriers to internationalisation (Kryeziu et al., 2022). In addition, networks within family-owned firms might be different from those firms with other types of ownership and structure (Leppäaho et al., 2021). Past research studies mainly concentrate on network activities among multinationals and small firms and highlight various elements that influence internationalisation activities but do not consider family ownership, which distinguishes family-owned businesses from other enterprises (Coviello and McAuley, 1999; Graves and Thomas, 2006; Kampouri et al., 2017; Leppäaho et al., 2021). Therefore, there is a need to explore how family-owned SMEs internationalise and whether their different ownership structure influences their foreign expansion behaviour or not.

Interestingly, networks and internationalisation are a well-developed research area in the international business field, although the research on family-owned firm networking has started to gain attention (Pukall and Calabrò, 2013). This might be because researchers have only recognised the different internationalising behaviour of family-owned firms, especially in their strategic decision-making (Liang et al., 2014). For example, specific characteristics of family-owned firms, such as control, the owner's altruism and emotional dimensions, are likely to limit the firm's ability to engage in certain strategies and network development (Delgado-García and De La Fuente-Sabaté, 2010; Hewapathirana, 2014). On the other hand, managers of non-family businesses are more rational in decision-making because they do not have any emotional links, family values, or altruistic behaviour with the firms (Banaliev and Eddleston, 2011). However, the relationships between family businesses and their networks are long-lasting and extend over a wider compass since they are not solely motivated by economic activities (Jean-Luc et al., 2007). Therefore, it is evident that networks and relationships are more important to family-owned

firms because their internationalisation abilities depend on their networks (Graves and Thomas, 2008; Leppäaho et al., 2021).

However, the fear of losing control of the firm management in a family-owned firm might lead them to be reluctant to build networks even if such networks can facilitate their foreign expansion (Graves and Thomas, 2004; Pukall and Calabrò, 2013; Arregle et al., 2017). Therefore, this might hinder family businesses from being flexible and willing to change to the new business environment Miller et al., (2008), which eventually impedes the firms from internationalising (Pukall and Calabrò, 2013). Despite the importance of network ties in the internationalisation of family firms, up to date, very little attention has been paid to this issue. The present study aims to explore how these family-owned SMEs utilise network ties throughout their internationalisation process and how networks evolve and develop over the process. Moreover, this study also focuses on the dark sides of network ties which might hamper the firms' internationalisation.

2.3.1 Network ties

The networks have been acknowledged as a pivotal aspect of family-owned SMEs' internationalisation because almost all family-owned SMEs heavily rely on networks in order to be able to expand to foreign markets (Musteen et al., 2010; Ciravegna, Majano, et al., 2014; Leppäaho et al., 2021). In addition, networks provide extra resources and help family-owned SMEs alleviate their limited knowledge and reduce barriers (Stoian et al., 2017; Kryeziu et al., 2022). Through network relationships, family-owned SMEs can enhance their capabilities to internationalise and survive in crucial competition (Jeong, 2016; Leppäaho et al., 2021). According to previous studies(e.g., Coviello and Munro, 1995; Senik et al., 2011; Oparaocha, 2015; Nyuur et al., 2018), there are three common network ties that provide and assist SMEs' internationalisation process, namely, business, social, and intermediary networks. Thus, the following section will present these network ties, including their benefits and possible drawbacks.

2.3.1.1 Business Network

a) Definition of Business networks

Business networks are one of widely utilised for internationalisation (Costa et al., 2017a). Previous studies refer to business networks in several ways. For instance, Anderson et al., (1994 pp.2) define a business network as “a set of two or more connected business relationships.” While Altnaa et al., (2021), business networks are a group of two or more interconnected business relationships, there is a mutual exchange for resources and collaboration between actors. A business network comprises three aspects: actors, activities, and resources (Hakansson and Johanson, 1992), which can create heterogeneous resources through activities within the network (Anderson et al., 1994; Kryeziu et al., 2022). While actors consist of businesses, departments, individuals, and groups interested in achieving specific goals through collaboration (Björkman and Kock, 1995; Altnaa et al., 2021).

Business networks are characterised by formal links connecting different business actors (Coviello and Munro, 1997; Ojala, 2009). The present study refers to business networks as the relationship with other business connections, for example, suppliers, customers, local and foreign strategic partners, other SME owners or managers, suppliers, customers, distributors, and competitors. Moreover, this study also distinguishes business networks as the more formal ones. Business networks in the present study are established through formal agreements, formal contracts, and strategic alliances. Through business networks, firms can reach wider networks beyond the boundaries of the individual firms and are able to acquire new resources to enhance their strategic posture and overcome barriers when internationalising (Fletcher, 2008; Zahoor et al., 2020). For instance, SMEs lack specific foreign market knowledge, which limits their internationalisation process, and they can obtain this local knowledge through their business networks (Coviello, 2006b; Jin and Jung, 2016; Ahimbisibwe et al., 2020). In addition, business networks enable SMEs to gain knowledge for their internationalisation, allowing SMEs to develop routines from

diverse market experiences and facilitating firms to build networks in the early internationalisation process (Granovetter, 1973; Blomstermo et al., 2004; Kampouri et al., 2017). Having connections with business networks such as customers also influences SMEs' internationalisation pace, pattern and entry modes (Lindqvist, 1988; Hughes et al., 2019). Moreover, domestic customers can influence the firms' internationalisation process. These firms tend to follow their clients to foreign markets (Bell, 1995).

There are five features of the operation of business networks that have been identified by Jansson et al., (2007). The first aspect is the network's process, which refers to the dynamic and changing network that SMEs can have any length of relationship perspectives, including short-, mid- or long-term. The second feature is the networks' structure, which forms depending on many factors, including the strength of bonds and investment. Business networks consist of two important elements: the strength of bonds and the position of an actor in a network (Björkman and Kock, 1995). In comparison, Granovetter (1985) argues that weak social bonds in networks provide significantly diverse knowledge from numerous individuals. Whereas Jiang et al., (2018) state that business networks need to be moderately strong rather than as strong as possible because very weak ties provide no leverage, but too many strong ties generate an amount of over-reliance on networks which might hinder the firms' internationalisation. To date, there has been little agreement on the strength of bonds in the business networks, and this requires firms to balance their networks' utilisation in order to avoid the negative effect of their collaborations. The third characteristic of business networks' operation is the relationship and a firm's purpose in the networks. Business networks are a source of SMEs' resources and knowledge and provide other benefits for firms. However, business networks can generate negative implications that are no longer beneficial and lead firms to terminate their collaborations with other actors in the networks. The fourth aspect of business networks' function is the meaning of strategy and planning, which refers to the critical day-to-day operations of firms. The last operation of business networks is social relationships in relation to inter-firm relationships because the business relationships might not be separate from personal relationships (Jansson, 2007).

Business networks comprise two or more actors who attempt to achieve common goals from their collaborations. Through business relationships, family-owned SMEs share and exchange various resources and knowledge, which enable firms to overcome problems and assist the international operation in foreign markets (Kryeziu et al., 2022). Firms can have alliances through business networks, including vertical-upstream, vertical-downstream and horizontal alliances (Baum et al., 2000; Chetty and Wilson, 2003; Zeng et al., 2010). Vertical-upstream is establishing a collaboration with suppliers, vertical-downstream is a strategic alliance with distributors and buyers, while horizontal alliances are forming strategic alliances with competitors (Peng et al., 2009; Zeng et al., 2010). Family-owned SMEs establish alliances to help alleviate the lack of resources and facilitate their foreign expansion (Chetty et al., 2018). Furthermore, SMEs can accumulate foreign market knowledge required for internationalisation through their networks (Musteen et al., 2014; Jiang et al., 2018). Firms in business networks can share and exchange their knowledge and information in more multidimensional ways. Thus, firms can develop experiential knowledge and increase foreign market information, enhancing their innovative process and increasing internationalisation speed (Lynn et al., 1996; Hohenthal et al., 2014; Jin and Jung, 2016).

***b)* Benefits of Business networks**

Business networks have been studied extensively by researchers and more commonly than other network ties (Coviello and Munro, 1995; Huang et al., 2012; Costa et al., 2017a; Puthusserry et al., 2018). Business networks are a group of two or more interconnected relationships which might derive from a strategic alliance, cooperation, and mutual investment between firms, which may derive from the connection, for example, with customers, distributors, suppliers, competitors, and business partners (Coviello and Munro, 1997; Zeng et al., 2010; Altnaa et al., 2021). Through interaction with foreign partners in business networks, SMEs can gain various benefits, which related studies highly emphasise

the collaboration among firms. Table 1 is a summary of the business network's benefits commonly mentioned in the literature.

Benefits of business networks	Authors
Enhancing speed of internationalisation	(e.g., Musteen et al., 2010; Jin and Jung, 2016)
Facilitating firm's innovation	(e.g., Huang et al., 2012)
Identifying international opportunities	(e.g., Galkina and Chetty, 2015; Zhang et al., 2016)
Improving market decision (e.g., market selection and entry mode)	(e.g., Coviello and Munro, 1997; Hughes et al., 2019)
Increasing firms' competitiveness	(e.g., Huang et al., 2012)
Increasing firms' financial performance	(e.g., Jeong, 2016)
Increasing firms' performance	(e.g., Jeong et al., 2017; Santhosh, 2019)
Reducing transaction cost	(e.g., Huang et al., 2012)
Referring international contacts	(e.g., Burt, 1992; Kryeziu et al., 2022)
Resource and knowledge acquisition	(e.g., Jiang et al., 2018; Altnaa et al., 2021)
Resource seeking	(e.g., Jiang et al., 2018)
Providing dynamic learning	(e.g., Lynn et al., 1996; Möller and Halinen, 1999)

Table 1 The benefits of business networks

One of the most beneficial business networks mentioned by previous studies is knowledge acquisition (e.g., Coviello, 2006b; Huang et al., 2012; Jeong et al., 2017; Puthusserry et al., 2018). Knowledge is accumulated through interaction with other actors in business networks. SMEs usually lack resources and capabilities, for example, in terms of financial, physical, and human, which prevent their internationalisation (Steinhäuser et al., 2021). However, business networks help overcome resource limitations because family-owned SMEs enable them to access their business partners' resources and knowledge. Moreover, human capital, which can provide various benefits to family-owned SMEs, including specific knowledge, experience, and expertise, also enables them to increase their innovation capability by integrating business networks (Huang et al., 2012). Embedding in the business networks family-owned SMEs also gain and accumulate knowledge, information and experience in foreign markets, which help the firms to understand local customers' needs and develop and/or modify products (Kryeziu et al., 2022).

Another most beneficial business network commonly highlighted in the literature was facilitating SMEs' decision-making process for internationalisation (e.g., Coviello and Munro, 1997; Galkina and Chetty, 2015; Hughes et al., 2019). Learning and knowledge building occur through dynamic interaction between actors in the business networks. By embedding in business networks with foreign business networks, SMEs can accumulate foreign market knowledge and information, which helps SMEs to make decisions regarding market choice, entry mode and timing of market entry. Moreover, business networks have a more heterogeneous and up-to-date source of information and market-specific knowledge that can increase international opportunity recognition in foreign markets (Kontinen and Ojala, 2011a; Kryeziu et al., 2022). Having business networks with various actors also impacts SMEs' performance in many ways, such as innovation, finance, and strategy (e.g., Zeng et al., 2010; Santhosh, 2019). Despite several studies exploring the benefits of business networks, only a little attention has been paid to family-owned SMEs, which have different characteristics than non-family firms. The distinctive features of family-owned firms might influence the utilisation of networks. Thus, the present study will

explore the benefits of the business networks during each internationalisation phase and how business networks influence Thai family-owned SMEs' foreign expansion.

c) Drawbacks of business networks

Despite the benefits of business networks that family-owned SMEs can gain mentioned above, however, the firm's business networks can negatively influence and prevent its internationalisation. In every relationship, actors in networks have to invest time and resources in order to establish and maintain their positions in the networks and gain benefits to facilitate their internationalisation. The adverse effects also cause problems, difficulties, drawbacks, and challenges. One of the possible downsides exists in business relationships which might occur when firms are over-reliance on their business networks. Gaining resource needed for internationalisation from business networks are widely acknowledged as a key for SMEs to overcome their resource limitation. However, over-embeddedness also happens when the level of business networks reaches a specific point that might affect firms' resource acquisition (Jiang et al., 2018). Being embedded in business networks might prevent firms from reaching out to external networks and new opportunities occurring outside their existing networks. When firms overly rely too much on existing business ties, they only focus and confine to those existing relationships and might ignore resources and knowledge from outside. Thus, firms might not access novel knowledge and information which might help them find new international opportunities (Uzzi, 1997; Masiello and Izzo, 2019b).

Further, family-owned SMEs have to invest more resources and devote more time to building trust with their partners (Blois, 1999). Trust can lead firms to behave in good faith and make long-term commitments toward partners without fearing opportunistic behaviour; therefore, trust eventually accumulates over network interactions (Oliveira and Johanson, 2021). Trust can also promote foreign business relationships because the actors in the networks can share sensitive strategies and knowledge and joint problem solving possible (Uzzi, 1997).

However, when the firms develop too much trust in a business partner, network rigidity which represents how difficult it can be for firms to be in a network, including cutting old linkages and entering new ones, can act as a liability. The rigidity can occur from the pressure to respond to partners' expectations or when firms experience relational inertia, which these problems can lock firms into existing networks (Gargiulo and Ertug, 2006; Abosag et al., 2016). Excessive trust also leads to resource allocation, which can create an unnecessary obligation or a sense of reciprocity toward a partner beyond what could be considered efficient; therefore, building too much trust within business networks may hinder and restrict further internationalisation of family-owned SMEs (Gargiulo and Ertug, 2006; Oliveira and Johanson, 2021).

Business relationships between actors in networks, when they become too close, can lead to lock-in and opportunistic behaviour with existing partners and opportunity costs leading to underperformance (Abosag et al., 2016; Jiang et al., 2018). This can also happen when the firms are locked in by their competitors in a competitive market, and the firms' employees start to think like others (group thinking) which is likely to prevent generating new ideas (Bengtsson et al., 2010). Moreover, existing network relationships can act as obstacles when firms seek new opportunities in new foreign markets (Lindstrand et al., 2011). This can occur when firms are forced to change their strategies, such as their operation mode in international markets, because of changes in market revolution, competitive environment, or organisational dynamic (Chetty and Agndal, 2007a). Given the family-owned SMEs suffering resource constraints, being embedded in unproductive business networks might create turbulence. This leads the family-owned SMEs to balance their networking activities to be able to run the business by themselves and not overreliance on their business partners, who might hinder their growth in foreign markets. However, up to now, far too little attention has been paid to the dark sides of business networks; therefore, this study sets out to investigate the challenges of business relationships that might negatively affect family-owned firms' internationalisation.

2.3.1.2 Social Networks

a) Definition of Social networks

Social networks are personal relationships that form to secure personal and/or organisation (Zhou et al., 2007). Social networks comprise several personal connections based on trust among actors developing from past experiences and interactions (Hite and Hesterly, 2001; McGrath et al., 2003; Altnaa et al., 2021). Previous studies have used various terms to explain the definition of social networks, including inter-personal networks, personal ties, personal connections, informal networks, and social ties (e.g., Coviello and Munro, 1995; Zhou et al., 2007; Jiang et al., 2018; Altnaa et al., 2021). Social networks consist of many individuals linked through interactions in which business information exchange can occur through the networks Björkman and Kock (1995). Therefore, the present study's social networks are informal connections among individuals building on personal relationships, including family members, friends, acquaintances, colleagues and employees (Zhou et al., 2007; Zhang et al., 2016).

Previous studies point out that in developing or less developed countries, which usually have less quality of institutions, personal relationships are significantly important and act as a substitute for formal institutions to facilitate firms' internationalisation (Altnaa et al., 2021). Specifically, in Asia, where business practices differ from Western-style management and personal networks seem to be more vital for a firm's success in some cultures and business contexts Kapasuwana and Rose (2004). Moreover, many studies also emphasise that SMEs from the emerging markets heavily rely on social networks, while firms from more developed countries rarely depend on personal networks instead of using more formal ties (Ciravegna, Lopez, et al., 2014; Narooz and Child, 2017). Social networks are based on personal connections, which tend to build on trust and norms of reciprocity. Personal ties are crucial for family-owned SMEs because the strong bonds of social networks enable the firms to build new network ties (Fletcher, 2008). Further, family founders/owners are willing to use their personal contacts to facilitate internationalisation, and they are likely to rely on high

network trust and high collaboration intensity despite personal networks being limited to their firms' international scope only in particular regions (Arregle et al., 2021). According to Zaefarian et al., (2016) state that family firms tend to learn about international opportunities through accidental discovery, such as through the founders/owners' social networks, rather than proactively initiating international opportunity identification. Thereby, firms from emerging markets have seen to utilise personal networks for replacing low institutional quality, and the personal connections of these firms can provide them. However, Shirokova and McDougall-Covin (2012) argue that the effect of personal ties of firms in Russia decreases due to the nature and the culture-specific of the country, which these firms concern more about trust and commitment in relationships. Thereby, it seems that geographical distance might be another influence on how firms utilise network types. Overall, these studies highlight the need for further investigation on the role of social networks on small firm internationalisation.

***b)* Benefits of Social network**

Social networks are personal connections that tend to establish based on trust and shared norms and roots, which can also facilitate SMEs' internationalisation process. Social networks are involved with social contacts and personal relationships with, for example, family members, friends, and acquaintances (Zhou et al., 2007; Zhang et al., 2016). Belonging to social networks, SMEs can obtain several benefits, which previous studies highlighted. Table 2 summarises social network benefits that have frequently been emphasised in the literature. An individual in social networks can provide information to help SMEs recognise international opportunities in foreign markets. Personal connections can be sources of information because these personal relationships can act as an observer to identify and exchange information regarding opportunities in the markets (Ellis, 2000; Ellis and Pecotich, 2001).

Benefits of business networks	Authors
Financial support	(e.g., Mustafa and Chen, 2010)
Identifying international opportunities	(e.g., Masiello and Izzo, 2019b)
Improving market decision (e.g., market selection and entry mode)	(e.g., Horak et al., 2020)
Increasing firms' performance	(e.g., Jeong, 2016; Ahimbisibwe et al., 2020)
Reducing transaction cost	(e.g., Burt, 2000; Ledeneva, 2018; Altnaa et al., 2021)
Referring international contacts	(e.g., Vasilchenko and Morrish, 2011; Jeong, 2016; Udomkit and Schreier, 2017)
Resource and knowledge acquisition	(e.g., Zhou et al., 2007; Jeong, 2016; Altnaa et al., 2021)

Table 2 The benefits of social networks

Several studies (e.g., Zhou et al., 2007; Manev and Mano, 2010; Jeong et al., 2017; Ahimbisibwe et al., 2020) highlight that social networks have a positive influence on internationalisation because personal relationships provide intangible resources, especially at the beginning stage of firms' internationalisation. Actors in social networks normally build the networks without intentions or awareness that the value and impact of social networks are related to a social capital framework (Horak et al., 2020). Social capital is "the goodwill available to individuals or groups. Its source lies in the structure and content of the actor's social relations. Its effects flow from the information, influence, and solidarity it makes available to the actor" (Adler and Kwon, 2002 pp.23). Social capital can lead to many benefits, including enhancing supplier relationships,

inter-firm learning, regional production networks and the formation of start-up companies (Romo and Schwartz, 1995; Uzzi, 1997; Walker et al., 1997; Kraatz, 1998; Horak et al., 2020). Social capital is one of a firm's resources that the firm invests for benefit in the future. Building networks allows actors to increase their social capital, which the individual in the networks can access and gain several benefits, including solidarity, power, and information. Social networks enable SMEs to access advice and generate information that benefits their foreign expansion (Reid, 1984; Altnaa et al., 2021). Personal relationships can also facilitate firms to foreign markets and influence their international strategies (Ibeh and Kasem, 2011; Jeong et al., 2017).

Social networks are trust-based personal relationships that tend to be more reliable and helpful for family-owned SMEs' key decision makers (Jin and Jung, 2016). SMEs gain information and market knowledge through social networks, influencing their decisions, including their foreign expansion intentions, target market entry, and entry modes (Ellis and Pecotich, 2001; Horak et al., 2020). Moreover, social networks, which consist of mutual trust and peer pressure, can help firms reduce transaction costs. There are high levels of trust and reliabilities between an individual in personal relationships and tend to have a lower level of risks which can decrease the cost of monitoring and supervision risks (Burt, 2000; Altnaa et al., 2021). Furthermore, a high level of trust and faith in social networks can support collaboration and mutual help, which provide sociability and emotional support (Ledeneva, 2018). Social networks also lead to better performance by providing knowledge of foreign market opportunities, advice and experiential learning, and referral trust and solidarity (Ibeh and Kasem, 2011; Ahimbisibwe et al., 2020; Altnaa et al., 2021). The study of Zhou et al., (2007) discovered that domestic social networks significantly increase internationalisation speed and lead to better performance. Therefore, family-owned firms tend to rely on international networks that are trustworthy and offer close network ties in order to facilitate their foreign expansion (Zellweger et al., 2018).

c) Drawbacks of social networks

Although literature often emphasises the positive benefits of social networks, however, they can generate drawbacks that impede SMEs from internationalising. One of the possible downsides of social networks is over-embeddedness. Belonging to social networks, which are often based on shared norms, can limit new sources of information and openness to innovative ideas because firms have the same network partners and limit links to members from outside the network (Burt, 1992; Masiello and Izzo, 2019b). Trust consists of non-economic features which complement transactional procedures in the exchange relationships; therefore, the reciprocity of norms and collaboration lead firms to act in good faith and commit to long-term relationships with their partners without fearing opportunistic behaviour (Oliveira and Johanson, 2021). Trust occurs and accumulates gradually through repeated exchanges between partners; therefore, building trust takes time and requires relationship specific investment, which can be expensive (Blois, 1999; Oliveira and Johanson, 2021). Trust can facilitate family-owned SMEs' internationalisation process by reducing uncertainty and information processing costs and increasing satisfaction; however, if the trust level is high and beyond a certain point, it can hinder the firms' foreign expansion (Anderson et al., 2005; Gargiulo and Ertug, 2006). Trust can also reduce the speed of internationalisation of family-owned SMEs because the firms have to invest and devote money and time in order to build trust with their partners (Oliveira and Johanson, 2021). Moreover, blind-trust, blind faith and misallocation of resources also prevent new information and eventually affect opportunity identification (Uzzi, 1997; Gargiulo and Ertug, 2006). In addition, blind faith reduces all suspicious behaviour, making family-owned SMEs easily cheated because blind faith suggests that there are no protection costs in the networks (Oliveira and Johanson, 2021). While, conflicts can arise from the existing relationship with long-term partners and lead SMEs to stay in networks that are no longer profitable (Lu and Beamish, 2006). Social networks are based on trust and require more time to establish and maintain, which might distract firms' attention from other activities, including the timing of decision-making and the overall efficiency of internationalisation (McFayden and Cannella, 2004; Masiello

and Izzo, 2019b). Therefore, the negative effects of blind trust and over-reliance occur when social relationships are too strong because actors are familiar (Kontinen and Ojala, 2011b). This requires SMEs to consider when they utilise personal relationships for internationalisation.

The context of family-owned SMEs is involved family ownership and management. According to Horak et al., (2020 pp. 512), "Family ties are viewed as essential for socialisation, well-being, and family business success in market democracies but also associated with nepotism, dynasties, and family-run states." Social networks are associated with favouritism and fraud; therefore, looking at only the bright sides of social networks might support unprofessional behaviour (Horak et al., 2020). Social liabilities can occur from negative relationships that adversely affect individual outcomes and abilities to cooperate in activities and achieve organisational goals, which in turn, the negative relationships in an organisation greatly influence social emotional and task outcomes Labianca and Brass (2006). Family members create important connections in the networks, which are based on hierarchy and more grounded in a family; however, these contacts can also act as a network constraint because the family emerges primarily associated with network disadvantage (Burt, 2019). Further, family firms tend to use their founders/owners' personal networks to facilitate internationalisation and are likely to focus on high network trust with high cooperation; however, family founders/owners might maximise the family's goals rather than focus on business objectives which explains the negative channel of family influence (Kalhor and Yassine, 2021). Social networks can adversely affect family-owned SMEs' internationalisation; however, previous studies have extensively explored the benefit sides of social networks for the past two decades. Thus, one of the aims of the present study is to identify drawbacks of social networks that hamper family-owned SMEs during their internationalisation process.

2.3.1.3 Intermediary networks

a) Definition of Intermediary networks

The third network for internationalisation is the intermediary network. Previous studies have used various terms to explain the definition of intermediary networks, for example, intermediary organisations, intermediary networks or institutional networks (e.g., Hallen, 1992; Gao et al., 2010; Oparaocha, 2015; Altnaa et al., 2021). Hallen (1992 pp.78) refers to the intermediary network as “important non-business actors that are not directly related to a specific purchase or sale, but who act as vehicles for information, communication, and influence.” Along with that, Ojala (2009), states that there is a third party that facilitates the network established between buyer and seller. Moreover, Wilkinson and Brouthers (2006) also point out that an intermediary network is a non-profit organisation. The present study refers to the term intermediary network as a third party that connects with other actors who are not directly related to a firm’s business activities and can provide resources to a firm’s internationalisation, including business associations, government agencies, research centres, consultants, and trade shows. Previous studies focused on intermediary networks frequently mention the terms consultancy, brokering and bridging (e.g., Hallen, 1992; Ojala, 2009; O’Gorman and Evers, 2011). Therefore, there are links and/or brokers in intermediary networks that connect different actors in different places and initiate a firm’s internationalisation (Oviatt and McDougall, 2005c). Therefore, intermediary networks can spread and flow information and knowledge, which provide benefits involved in businesses. Moreover, SMEs lack resources and information from intermediary networks that can help and facilitate their foreign expansion.

The use of intermediary networks has been useful in developing economies, especially in Asia with a lower quality of institutions (Rossman, 1984; Costa et al., 2017a). According to Altnaa et al., (2021), intermediary networks have two types of influence on family-owned SMEs’ development from an institutional quality perspective which is the escape view (constraining SMEs’ development

and pushing them to internationalise) and the fostering view (encouraging and nurturing SMEs' development and internationalisation). The intermediary networks play a crucial role for family-owned SMEs, especially with government agencies in their domestic markets (Senik et al., 2011; Oparaocha, 2015). The intermediary networks emerge from the relationships between family-owned SMEs and formal institutions, including export promotion agencies, trade/business associations, and research centres that provide and support SMEs' international opportunities and foreign expansion. Moreover, the home government's export promotion programmes, international assistants, policies, and research centres can support and promote the internationalisation of firms (Bencsik and Filep, 2020). The export promotion programmes facilitate the flow of information between members in organisations and provide and promote international opportunity identification to firms, foreign market knowledge and resources, and international contact development (O'Gorman and Evers, 2011). In Thailand, the government stimulates SMEs by supporting and enhancing their capabilities and development, which can help them to compete in foreign markets (OSMEP, 2019). The Thai government provides various support programmes to SMEs, including tax intensives, financial assistance, international business consultant, and developing and training programmes (OSMEP, 2019, 2020a). The government agencies like the Ministry of Commerce, especially its Department of International Trade Promotion (DITP), play a vital part in helping SMEs to internationalise to foreign markets. The DITP provides SMEs links to other government agencies and trade/business associations, information and advice regarding foreign market regulations (Udomkit and Schreier, 2017). Moreover, the DITP also provides SMEs opportunities to meet potential business partners and identify international opportunities through trade shows and business matching programmes (OSMEP, 2017).

Intermediary networks can act as gatekeepers that bridge organisations by providing information and knowledge to other actors (Malecki and Tootle, 1997). The bridge in intermediary networks enables family-owned SMEs to find and establish business networks and meet their potential business partners through trade shows (Costa et al., 2017a). According to Kirchgeorg (2005), the term

“trade show” refers to events including trade fairs, trade exhibitions and expositions. Trade shows are a key vehicle for family-owned SMEs to develop networks and international activities. Family-owned SMEs can meet potential business partners and acquire resources, especially foreign market information and regulations at trade shows (Gerschewski et al., 2020). Connecting with other organisations that possess different information sources at trade shows enables firms to reach wider contacts and enhance their information and knowledge (Costa et al., 2017a). Moreover, intermediary networks, specifically with regulatory agencies, banks, and financial institutions, allow family-owned SMEs to access critical information such as regulations and policies, which can either facilitate or distort their foreign expansion. SMEs can receive legal advice and consult on different activities through intermediary networks, which allow them to internationalise according to the legislation of each market. Thereby, it seems that intermediary networks significantly influence firms’ internationalisation due to their abilities to mitigate information asymmetry (Yiu et al., 2007). The export promotion organisations provide firms with internationalisation to identify international opportunities and acquire foreign market knowledge and resources (O’Gorman and Evers, 2011). Therefore, intermediary networks can provide links between actors who, without intermediary networks, have no contact with each other.

Intermediary networks often provide connections beyond national borders between actors who want to expand their businesses to foreign markets with each other. Moreover, previous studies have emphasised that intermediary networks are important, and there is a need for SMEs to connect, especially with the home government in order to exploit opportunities and lessen challenges (Oparaocha, 2015). Family-owned SMEs might face institutional difficulties due to local government control thus, establishing good connections with the government are important for SMEs’ internationalisation. For example, in some countries, the local government might control key resources such as natural raw materials and energy; therefore, if SMEs have good relationships with local authorities, they can enhance their access to the resources they need. Moreover, Chen et al., (2015) discovered in their study that building good relationships with

the Chinese government helps firms enhance resource availability. In line with the study by Senik et al., (2011) found that in Malaysia, building relationships with intermediary networks, especially the Malaysian government, play a vital role in SMEs' internationalisation. However, in emerging markets, for firms to establish relationships with intermediary networks is more difficult due to the lack of legal frameworks and supporting organisations in the markets (Chen and Wu, 2011). However, to date, very little attention has been paid to the role of intermediary networks in developing countries (Costa et al., 2017a). Thereby, the present study will explore the role of intermediary networks of Thai family-owned SMEs' internationalisation and how these networks affect positively and negatively SMEs' foreign market expansion.

***b)* Benefits of Intermediary networks**

Intermediary networks are a third party that connects with other actors who are not directly involved with a firm's business activities and can provide a resource for a firm's internationalisation, including business associations, government agencies, research centres, consultants, and trade shows. As a result, intermediary networks can provide various benefits for SMEs' internationalisation.

Benefits of business networks	Authors
Identifying international opportunities and providing indirect ties	(e.g., Kontinen and Ojala, 2011a; Jeong et al., 2017)
Increasing speed of internationalisation	(Costa et al., 2017a)
Reducing risks and barriers	(Narooz and Child, 2017)
Resource and knowledge acquisition	(e.g., Oparaocha, 2015; Costa et al., 2017a; Altnaa et al., 2021)

Table 3 The benefits of intermediary networks

Table 3 is a summary of intermediary networks' benefits which have often been highlighted in previous studies. Intermediary networks can evolve between SMEs and various formal institutions, for example, government agencies, trade/business associations, research institutions and financial institutions. Intermediary networks consist of individuals and organisations which possess various resources which help SMEs to internationalise. SMEs can benefit from diverse knowledge and information gained from their intermediary networks, such as foreign market knowledge, market regulations, and business connections (e.g., Oparaocha, 2015; Costa et al., 2017; Altnaa et al., 2021). Different organisations, institutions, and actors in intermediary networks can assist SMEs in their international activities (Child and Hsieh, 2014; Gardo et al., 2015). Intermediary networks positively influence SMEs' international strategies by reducing barriers and assisting decisions for foreign expansion (Gao et al., 2010; Narooz and Child, 2017). Moreover, SMEs can also explore their international opportunities and select target markets through intermediary networks (Ahn et al., 2011). Forming intermediary networks, especially with government agencies, enables SMEs to build business linkages, allowing SMEs to decrease transaction costs and challenges of foreign expansion (Narooz and Child, 2017). The government and non-government agencies usually arrange a meeting and/or trade show, allowing SMEs to meet and build connections (Altnaa et al., 2021). The business meeting and trade show also provide SMEs to seek and identify opportunities in foreign markets (Jeong et al., 2017; Altnaa et al., 2021).

Previous studies have highlighted that trade shows are key to SMEs' internationalisation (Gerschewski et al., 2020). Trade shows are regularly organised and allow SMEs to present and showcase their products and services; therefore, trade shows can be used as a marketing tool (Kirchgeorg, 2005; Rinallo et al., 2016). The trade show also promotes information exchange between participants, enhancing SMEs' knowledge (Gerschewski et al., 2020). Trade shows can be sources of resources for SMEs because they can meet with new connections, develop business networks and acquire information and knowledge (Measson and Campbell-Hunt, 2015). Intermediary networks provide various benefits and seem to influence SMEs' internationalisation, but so far, few studies

have investigated this tie of a network (Gao et al., 2010; Costa et al., 2017a). Therefore, the present study will explore intermediary networks for a better understanding of their influence on family-owned SMEs.

c) Drawbacks of intermediary networks

Despite the benefits of intermediary networks that family-owned SMEs can gain mentioned above, however, the firm's intermediary networks can cause problems and difficulties that can hamper its internationalisation. Intermediary networks, especially through trade shows, provide various benefits, including acquiring resources and knowledge, identifying international opportunities, and reaching wider connections and networks; however, trade shows can cause extra costs. Trade shows have been seen as a key tool where family-owned SMEs enhance their network development and establishment, enabling them to gain vital resources for their foreign expansion (Gerschewski et al., 2020). However, trade shows are yearly events organised by government and non-government agencies with high costs, including registration fees and travel expenses. The high costs of trade shows might discourage SMEs with limited resources from participating in the events. Moreover, establishing intermediary networks, especially with the government might be associated with a high level of bureaucracy and poor communication (Altnaa et al., 2021). Intermediary networks which provide various resources (information, international contacts, intangible resources), and reduce risks in foreign markets tend to be government officials that are not always easily accessible to family-owned SMEs (O'Gorman and Evers, 2011; Sedziniauskiene et al., 2019). Further, export promotion programmes are usually designed by government agencies and controlled by lengthy red tape. These supporting programmes involve many other official institutions that can delay their responsibilities and functions and lead to ineffective and infective operations. In addition, family-owned SMEs tend to lack the specific knowledge necessary to expand into foreign markets, and family firms start their foreign expansion without planning and understanding of foreign markets and with little awareness of government export promotion programmes (Costa et al., 2021). Thus, intermediary networks provide benefits that facilitate family-owned SMEs'

internationalisation and can cause difficulties for firms. The threats of intermediary networks can also prevent and deter family-owned SMEs' internationalisation. However, to date, very little attention has been paid to the positive and negative influences of intermediary networks. Therefore, one of the aims of the present study is to identify the benefits and drawbacks of network ties that influence family-owned SMEs' international activities.

2.3.2 Family-owned SME networks in the internationalisation process

Previous studies (e.g., Fletcher, 2008; Kampouri et al., 2017; Leppäaho et al., 2021) emphasised that the network perspective seems important for research on family business internationalisation networks. The network perspective can provide a better understanding of the firm's internationalisation process because of the dynamic within the networks (Bell, 1995; Kryeziu et al., 2022). Family-owned SMEs lack sufficient resources and power; thus, networks have been seen as an essential element for family-owned SMEs' internationalisation to compete in foreign markets (Coviello and Munro, 1995; Jeong et al., 2017; Gerschewski et al., 2020). Family-owned SMEs heavily rely on network relationships in order to overcome barriers and expand to foreign markets (Jeong, 2016; Kryeziu et al., 2022). Networks in family-owned SMEs tend to be different from non-family firms due to their unique characteristics, such as family ownership and family involvement (Arregle et al., 2021; Leppäaho et al., 2021). Previous studies (e.g., Claver et al., 2007; Musteen et al., 2014; Arregle et al., 2021) reveal that distinguishing aspects of family-owned SMEs such as family management and multigeneration might influence how the firms utilise network ties for internationalisation. Risks can increase as family-owned SMEs internationalise due to increased uncertainties, information asymmetries and foreignness (Mitter et al., 2014). Family-owned SMEs tend to be more risk-averse and fear of losing control and rely on trustworthy network relationships that provide longstanding network ties (Zellweger et al., 2018). Further, the family firms' founders/owners tend to maximise family utility and usually depend on their personal networks to facilitate internationalisation (Arregle et al., 2021). The founders/owners tend to look for high-trust relationships and high collaboration intensity within the

networks (Kontinen and Ojala, 2012a; Arregle et al., 2021). Moreover, strong bonds within social networks also provide family-owned SMEs connections with other network ties, which in turn help the firms to expand their connections (Fletcher, 2008). However, social networks are limited due to limited connections; therefore, the international scope might be restricted only to specific markets or regions (Masiello and Izzo, 2019b; Tsang, 2020). Social networks, consisting of strong bonds between actors within a small network, also prevent family-owned SMEs from identifying international opportunities due to their limited knowledge and information (Kontinen and Ojala, 2012a).

Another distinguishing feature of family-owned SMEs that can affect the internationalisation strategy of family-owned SMEs is successive generation. Organisational knowledge and experience increase and accumulate over time with the incoming generations, who tend to have a better education than the founder/owner generation (Stieg et al., 2018; Arregle et al., 2021). In addition, the successive generation has been recognised to be more open to new ideas compared to the founder/owner generation who seems to be more risk-aversion and focuses on family-related goals (Calabrò et al., 2016; Fang et al., 2018; Metsola et al., 2020b). Therefore, different characteristics of generations that operate family-owned SMEs might influence the utilisation of network relationships differently. For example, Musteen et al., (2014), suggest that entrepreneurs who build various international networks tend to have the diverse foreign market knowledge and can help their firms to internationalise early. In addition, the incoming generations tend to have a more global mindset, entrepreneurial behaviour and better education compared to the previous generations and are like to be aware of external support from intermediary networks, especially government agencies (Okoroafo, 2010; Costa et al., 2017a). Therefore, the successive generation can identify opportunities in foreign markets, which is crucial for family-owned SMEs to succeed in foreign markets (Mitter et al., 2014; Costa et al., 2021). In contrast, the founder/owner generation is more risk-aversion and tends to rely on strong bonds and high trust personal networks, likely to be small networks with limited connections and knowledge (Okoroafo, 2010; Kontinen and Ojala, 2012a; Metsola et al., 2020b).

Different characteristics of family-owned SME managers seem to influence how the firms utilise network ties during their internationalisation process. While network relationships are vital for the family-owned firm internationalisation literature, research has given little attention to this issue. Therefore, the present study aims to understand the networking behaviour of family-owned SMEs and their internationalisation.

More than 50% of the studies in this issue investigated only the positive role and benefits of network ties in relation to the studies of drawbacks of networks (Sedziniauskiene et al., 2019). Appendix 1 and 2 have demonstrated existing studies on the benefits and dark side of networks. A majority of studies confirm positive influences and benefits from networks in a firm's internationalisation (e.g., Coviello and Munro, 1995; Udomkit and Schreier, 2017; Kryeziu et al., 2022). However, only a minority of existing studies (e.g., Chetty and Agndal, 2007b; Burt, 2019; Masiello and Izzo, 2019b) have shown that networks have possible negative influences and threats on foreign expansion. Although some existing studies explored the pitfalls of networks and the possible drawbacks coming out from embedding in a network, there is still far from being completely investigated, as almost no empirical confirmation has been provided in most of those studies (McDougall et al., 1994; Chetty and Campbell-Hunt, 2003; Presutti et al., 2007) (Appendix 2). Moreover, Sedziniauskiene et al., (2019) stated that it is important to acknowledge that networks can have a dark side which might restrict internationalisation, and they also called for more studies on the negative impacts of network relationships. Therefore, the present study explores both benefits of network ties facilitating and drawbacks of network ties hindering family-owned SMEs' internationalisation. Looking only at the bright sides of networks might lead family-owned SMEs to overuse network ties and embed in unproductive networks, which later might deter their foreign expansion. Network relationships with various actors significantly influence family-owned SMEs throughout their internationalisation process (Ibeh and Kasem, 2011; Leppäaho et al., 2021). The present study also investigates how the roles of network ties influence family-owned SMEs not only at the beginning stage of their

internationalisation but also in the subsequent phases in order to understand the impacts of networks throughout the firms' foreign expansion process.

2.3.3 Network interaction

2.3.3.1 Social and business networks in interaction

Network relationships take time to establish and can evolve and develop over time. Networks consist of various actors and connections that might influence SMEs' international strategies differently. According to Huang et al., (2012), business networks are a result of interaction in personal relationships. Therefore, social relationships might influence business-related activities, and sometimes actors tend to build personal relationships in order to obtain benefits, including information and/or businesses. Previous studies emphasise that business relationships have a strong connection to personal networks. For example, Björkman and Kock (1995), state that personal relationships lead actors to build business relationships that business exchanges could follow afterwards. While, Udomkit and Schreier (2017), discovered in their study that business networks could evolve and develop their closeness into personal relationships, especially when two firms work together for a long time and mutual trust increases in the collaboration.

Social networks are concerned with individuals, whereas business networks are more formal, which can be relationships between individuals and organisations (Johanson and Mattsson, 1985; Ojala, 2009). Therefore, it seems that social networks are built by an individual working at a firm because it might be easier for them to build a relationship when he/she is part of the organisation. Moreover, social networks are established, especially when a firm might search for scarce raw material, valuable information or reach business deals, which can guide the firm to enter foreign markets. Thus, a connection between social and business networks should be considered. Through social networks, Family-owned SMEs identify new opportunities in foreign markets through social networks, which are an actual source of international opportunities (Vasilchenko and Morrish, 2011;

Masiello and Izzo, 2019b). Social networks are based on trust, usually established without intentions and awareness (Horak et al., 2020). This might lead actors in the social networks to believe that personal relationships, who are in a foreign market, can easily facilitate their market entry. Figure 3 shows the interaction between social and business networks, which can promote opportunities. Both existing and newly established networks can provide SMEs with knowledge which enables SMEs to identify international opportunities. Personal relationships can evolve into formal business networks in which existing and new connections significantly play roles in international opportunity identification.

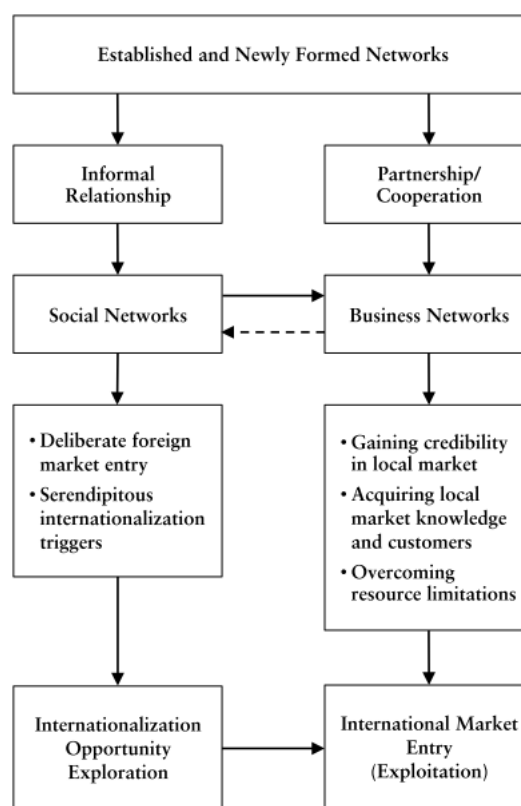


Figure 3 The interaction between social and business networks

Source: Vasilchenko and Morrish (2011 pp. 96)

In addition, business networks can develop and strengthen their closeness to social networks (Udomkit and Schreier, 2017). Previous studies highlighted that SMEs tend to rely on social networks to enter new foreign markets (Ibeh and Kasem, 2011). SMEs utilise personal relationships to gain information, advice and emotional support to facilitate their foreign entry (Hite and Hesterly, 2001). After entering the foreign markets, SMEs exploit them and build business networks by

establishing more formal agreements with their previously known personal networks (Vasilchenko and Morrish, 2011). It seems that social networks embedded in the business and family-owned SMEs cannot underestimate the effects that might influence their internationalisation process. Therefore, the present study will also explore the interaction between ties and network ties and how they affect the internationalisation of family-owned SMEs.

2.3.3.2 Intermediary networks and social networks in interaction

The networks have been acknowledged as an important international strategy for a firm's foreign expansion (Musteen et al., 2010; Ciravegna, Majano, et al., 2014). SMEs. Welch and Welch (1996) posit that network development is composed of intended and unintended components. Intermediary networks are important for a firm's network development. For example, SMEs are willing to attend trade shows and/or other supporting programmes organised by government agencies which can be seen as intended networking. While the unintended networking, for example, through intermediary organisations SMEs might discover actors who have good relationships with government agencies in foreign markets and can expand to the markets. In addition, when SMEs attend government supporting programmes such as trade shows or business forums where they can meet other SMEs' managers/owners, they can build personal relationships for opportunities in the future. Further, employees of SMEs can also build personal relationships with intermediary organisations when they work together. In countries with a high level of bureaucracy in government agencies, personal networks play a significant role in accessing and building connections with these formal institutions (Senik et al., 2011; Udomkit and Schreier, 2017). Thus, there seem to be links between intermediary networks and personal relationships; however, to date, the interaction between intermediary and social networks has received little attention in the research literature. Therefore, the present study will also explore this scant area of research in order to have a better understanding of the interaction of these network ties.

2.3.3.3 Social networks, business networks and intermediary networks in interaction

The network has long been highlighted by previous studies that have significantly influenced the internationalisation phenomenon of family-owned SMEs (Kontinen and Ojala, 2011a; Kampouri et al., 2017). There are three primary network ties, including business, social, and intermediary networks, that have been dominantly emphasised in the literature (e.g., Jin and Jung, 2016; Altnaa et al., 2021). Networks are interconnected relationships among actors, and there are three main ties, including business, social and intermediary networks (e.g., Coviello and Munro, 1995; Ojala, 2009; Senik et al., 2011; Altnaa et al., 2021). The first network tie for internationalisation is the business network which has been studied more commonly than other ties (Costa et al., 2017a). Business networks are two or more interconnected business relationships, including suppliers, customers, local and foreign strategic partners, other SME owners or managers, suppliers, customers, distributors, and competitors (e.g., Anderson et al., 1994; Ojala, 2009). Building business networks enables SMEs to access their partners' resources, facilitating their internationalisation (e.g., Coviello and Munro, 1995; Lu et al., 2010a; Ahimbisibwe et al., 2020). SMEs are normally lacking resources that prevent them from exploiting international opportunities. However, through business networks, SMEs are able to obtain new resources to enhance their international strategies and overcome barriers when internationalising (Fletcher, 2008; Zahoor et al., 2020). Business networks are two or more business actors who attempt to achieve specific goals from their collaborations; thus, SMEs share and exchange various resources and knowledge (Zahoor et al., 2020). Business networks allow SMEs to acquire specific foreign market knowledge and information and facilitate their foreign expansion (Ahimbisibwe et al., 2020). However, over-reliance only on existing business networks can prevent novel ideas and limit new resource sources (Uzzi, 1997; Masiello and Izzo, 2019b). When firms rely too much on existing business relationships and ignore new resources and knowledge, it can also limit international opportunities arising from outside of their existing relationships (Jiang et al., 2018).

The second network tie for internationalisation is a social network based on personal connections. Social networks are built on trust and shared norms which can facilitate firms' internationalisation. Personal relationships tend to be more informal connections, including family members, friends, acquaintances, colleagues, and employees (Zhang et al., 2016). Social networks have been seen to be more important in developing or less developed countries that normally have lower qualities of institutions, and personal relationships can be a substitute for formal institutions in helping SMEs' internationalisation (Altnaa et al., 2021). Social networks can be sources of information because these personal relationships can act as observers to identify and exchange information regarding opportunities in the markets (Ellis, 2000; Ellis and Pecotich, 2001). Therefore, an individual in social networks provides information that enables SMEs to identify opportunities in foreign markets. Previous studies have also emphasised that social networks significantly influence a firm's internationalisation, especially in the early stage (e.g., Zhou et al., 2007; Manev and Mano, 2010; Jeong et al., 2017; Ahimbisibwe et al., 2020). Personal relationships can also increase the speed of internationalisation of SMEs, which in turn enhances their performance (Zhou et al., 2007). However, social networks, built based on trust and shared norms of personal relationships, can limit new resources and ideas because actors in the networks tend to ignore members from outside of the network (Burt, 1992; Masiello and Izzo, 2019b). This can also lead to a blind trust, which prevents new information and eventually affects opportunity identification. In addition, in the context of family-owned SMEs have different characteristics from non-family firms, including family ownership and management. Family-owned firms are usually associated with dynasties, family-run states, and nepotism connected with favouritism and fraud (Horak et al., 2020). Therefore, social liabilities can occur from these negative relationships and negatively influence firms' internationalisation. The third network, intermediary networks, is a third party that connects with other actors who are not directly related to a firm's business activities and can provide resources to a firm's internationalisation, including business associations, government agencies, research centres, consultants, and trade shows. There are links and/or brokers in intermediary networks that connect different actors in different places and initiate a firm's internationalisation

(Oviatt and McDougall, 2005c). Therefore, intermediary networks can spread and flow information and knowledge, which provide benefits involved in businesses.

The intermediary networks play a crucial role for SMEs, especially with government agencies in their domestic markets (Senik et al., 2011; Oparaocha, 2015). Government support can facilitate the flow of information between members in organisations, providing international opportunity identification to firms, foreign market knowledge and resources, and international contact development (O’Gorman and Evers, 2011; Bencsik and Filep, 2020). Moreover, trade shows are a key vehicle for SMEs to develop networks and international activities, enabling them to meet their potential business partners and acquire resources and foreign market information (Gerschewski et al., 2020). However, building intermediary networks, especially with government agencies, can delay the internationalisation process of SMEs due to complicated bureaucracy and communication created by lengthy red tape (Altnaa et al., 2021). Moreover, trade shows, seen as an essential element of SMEs’ internationalisation, can increase costs. This is because SMEs are resource limited and might be unable to afford the high costs of attending many trade shows.

According to Senik et al., (2011), who studied the roles of networking in SMEs’ internationalisation, discovered that these three main ties of networks are sources facilitating SMEs’ foreign expansion and these network ties complement each other. As Figure 4 shows that there are three elements including institutions(including government agencies), personal relationships (including friends, family members, colleagues), and business associates (including other SMEs, local firms, and MNCs) (Senik et al., 2011).

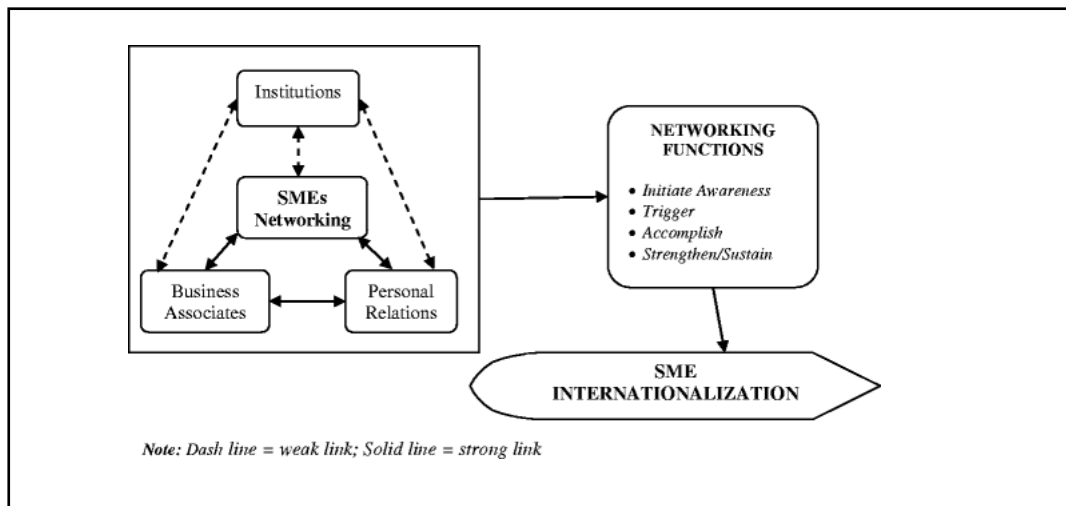


Figure 4 The linkages of SME's networks

Source: Senik et al., (2011 pp.266)

Different network ties can provide different benefits that support SMEs' foreign market entry, including initiating SMEs' international opportunity recognition, providing information for international activities and building new relationships (Senik et al., 2011). Moreover, the study of Senik et al., (2011) also highlights the importance of each element in SME networking. The authors emphasise that business associates, especially with large local or foreign firms involved in global supply chains or local suppliers, can build up SMEs' international activities. While personal relationships are highlighted in the study, where the owner of SMEs should have interpersonal skills to facilitate and manage effective relationships in various networks. Further, the authors also emphasised that the government provides international opportunity recognition through various export support programmes, including trade shows, business forums, and seminars. In addition, as shown in figure 4, each network tie is connected with another tie; therefore, when SMEs are linked with one tie, they are automatically connected with the secondary networks. Connecting with other networks enables SMEs to enhance their network relationships, which might later benefit their internationalisation. Therefore, Senik et al. (2011) propose that three network ties should be used in SMEs' internationalisation because only one network tie might not be able to supply sufficient support. In line with this, the present study will also examine the interaction of three network ties and how these networks influence family-owned SMEs throughout the internationalisation process.

However, network relationships not only provide benefits but might also have some drawbacks which can hinder SMEs' internationalisation discussed above. However, there has been very little research investigating the negative influences of networks. Therefore, the present study will explore both the bright and dark sides of the network ties that affect the family-owned SMEs' internationalisation process. This study aims to contribute to this growing area of research by exploring network ties by highlighting not only the benefits of networks but also the negative effects. Family-owned SMEs need to invest and devote their resources and time to build new networks and/or maintain existing relationships, which might affect their long-term plans. Thus, the understanding is important for SMEs to balance the use of network ties and help them make better decisions to manage the networks.

2.4 Phases of the internationalisation process

Family-owned SMEs are resource scarcity; therefore, they heavily rely on network ties in order to successfully internationalise (Fernandez and Nieto, 2005; Leppäaho et al., 2021; Kryeziu et al., 2022). Previous studies (e.g., Ibeh and Kasem, 2011; Udomkit and Schreier, 2017) have shown that network ties are significantly important for family-owned SMEs' internationalisation not only in the entry phase but also in the subsequent phases and throughout the firms' internationalisation process. The internationalisation process is categorised into pre-engagement, initial, and advanced phases. "The pre-engagement phase includes three types of firms: (1) those selling their goods solely in the domestic market and not interested in exporting; (2) those involved in the domestic market but seriously considering export activity; and (3) those that used to export in the past but no longer do so" (Leonidou and Katsikeas, 1996 pp.524). In the pre-engagement phase, SMEs seek to identify opportunities in foreign markets and make the required adjustments. The initial phase is characterised by SMEs identifying opportunities in foreign markets and starting their internationalisation by exporting or beginning operations in a country. In this initial phase, the SMEs have the potential to increase their involvement in foreign markets by considering various options but are unable to handle the demands for export operations.

Finally, the advanced phase is characterised by extensive exporting activities and increased commitment to considering other forms of international business (Leonidou and Katsikeas, 1996).

The present study adopts the model illustrated in figure 5 because of the networking aspect that can be included in the three phases as seen through the definition of Johanson and Vahlne (1990, pp.20), where “the process of developing networks of business relationships in other countries through extension, penetration, and integration.” For the firm to establish a network relationship, it needs to pass all of these three phases (Johanson and Vahlne 1990). Thus, this study includes the pre-engagement phase as it is important to see how firms change their use of the network as soon as they prepare to go international.

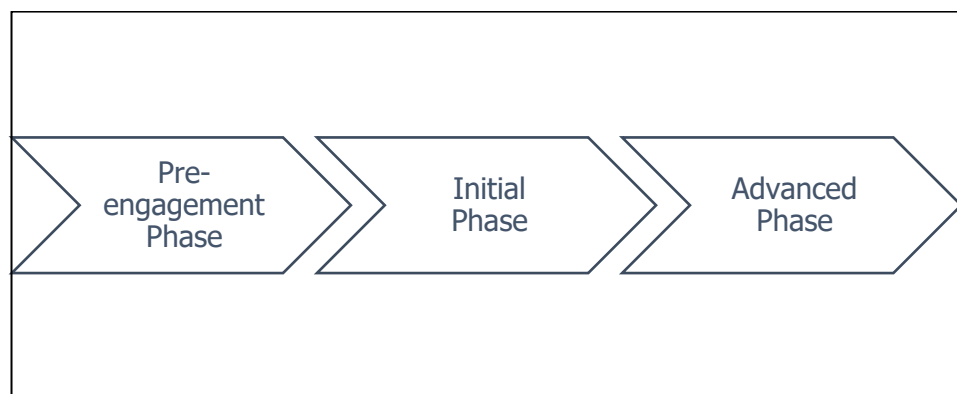


Figure 5 Internationalisation phases

Source: Adapted from Leonidou and Katsikeas (1996 pp. 524)

The network perspective should be included in the study of family SMEs internationalisation research because this perspective has been used extensively by the previous study due to its ability to explain the internationalisation process of small firms. In addition, network theory seems to be fundamental to internationalisation. This perspective is the foundation of internationalisation and defines as the process of establishing, developing and maintaining international business relationships (Johanson and Mattsson, 1988). It is consistent with Johanson and Vahlne (2009 pp.288), who view that “internationalisation depends on a firm’s networks and relationships”, which is applicable to family-owned firms

(Graves and Thomas, 2008). However, up to date, only the study of Kontinen and Ojala (2012) investigated the establishment and development of network ties of family-owned firms. Therefore, there is a need for further research on family-owned business internationalisation and their network relationships to determine, for example, whether their network relationships have changed or maintained over their internationalisation process. Moreover, it is necessary to examine networking activities in the internationalisation of family-owned businesses in order to determine the cause of temporal patterns without ignoring complex causality (Welch and Paavilainen-Mäntymäki, 2014). According to Johanson and Mattsson (1988), the number of actors in networks and the strength of relationships increases as a firm internationalise. Therefore, networks are dynamic processes and evolve over time as a firm internationalisation (Johanson and Vahlne, 2009). However, the studies by Johanson and Mattsson (1988) and Johanson and Vahlne (2009) have only focused on increasing or decreasing the strength of network ties and ignored the development of network ties during the internationalisation process. Previous studies emphasise that networks significantly influence the international activities of firms, including opportunity identification, resource seeking, market selection, timing and speed of internationalisation (e.g., Musteen et al., 2010; Ibeh and Kasem, 2011; Santhosh, 2019; Altnaa et al., 2021). Networks change over time (Axelsson and Easton, 1992) and in each phase of internationalisation, firms might need different types of resources, and networks might be used for different purposes (Greve, 1995). New networks are gradually established during the internationalisation process; thus, a small firm's network might also change and develop over time (Loane and Bell, 2006). Firms are able to build new networks with new actors and disband the old networks anytime. As Johanson and Mattsson (1988) emphasise, networks in which a firm embeds can influence its internationalisation process, and the firm has to create new relationships when entering new foreign markets. Along with that, Loane and Bell (2006) also highlight in their study that existing networks of small firms cannot help them enter new foreign markets, and these firms need to build new business connections to expand to new markets. Network relationships have been seen as a key vehicle for family-owned SMEs' internationalisation phenomenon because

networks enable SMEs to overcome their resource scarcity and barriers in foreign markets (Kryeziu et al., 2022). Therefore, SMEs rely heavily on network relationships in order to expand to foreign markets and survive in the crucial competition (Musteen et al., 2010; Jeong, 2016). However, most of the previous studies have not specified how the roles of networks vary at each internationalisation phase and have focused on one specific point of time, especially when a firm enters a new foreign market. Only a few studies (e.g., Eberhard and Craig, 2013; Musteen et al., 2014; Jeong et al., 2017) have explored the influence of networks throughout the internationalisation process. Network ties are not only important in the entry phase but the subsequent phases of the internationalisation process (Leppäaho et al., 2021). Network relationships take time to establish and can evolve and develop over time. At each internationalisation phase, different effects might occur for establishing the network ties. Thereby, different network ties might be suitable for different internationalisation phases. Each network tie plays a significant role in a firm's foreign expansion, and family-owned SMEs might need different types of resources in each phase of internationalisation (Greve, 1995). For example, Ibeh and Kasem (2011) discovered in their study that personal relationships have a more important role at the beginning phase of internationalisation; afterwards, business networks become more dominant. This is also in line with the study of Hite and Hesterly (2001), which found that SMEs utilise personal relationships in order to gain information, advice and emotional support for their foreign expansion; however, social networks seem to decrease as these firms' age. While, Udomkit and Schreier (2017) state that in the context of Thai SMEs, business networks have evolved into personal ties over a period of time. Moreover, the relationships intermediary networks, especially with government, trade/business associations and social relations in the early internationalisation phase (Kampouri et al., 2017). Moreover, in the context of a family firm which involves transgenerational intention; therefore, network relationships built by the founder/owner generation might not be extended by the successive generation because of a lack of skill and international commitment (Shi et al., 2019a). Different characteristics of managers in family-owned SMEs might influence the utilisation of network ties. For example, the founder/owner generation, which

might be more risk aversion, tends to use their personal networks to facilitate internationalisation because they prefer high trust networks and high cooperation intensity (Arregle et al., 2021).

Extensive research has shown that a firm's personal contacts are important (e.g., (Ellis, 2000; Crick and Spence, 2005; Hilmersson and Jansson, 2012; Ciravegna, Lopez, et al., 2014), especially for recognising international opportunities. According to Burt (2004) and Granovetter (1973), social networks are able to provide information about opportunities in new markets, and these opportunities can be adopted by connecting with new network ties. However, Kontinen and Ojala (2011b) argue that networking with family members and close friends does not help firms to earn knowledge and recognise opportunities in new markets because of social networks. The authors also emphasise that networking with family members and friends cannot offer specific knowledge and/or experience in foreign markets and industries. This evidence suggests that other ties of networks might be more appropriate in the pre-engagement phase of the internationalisation process because firms require specific knowledge about new opportunities in foreign markets. Business and intermediary networks can provide firms with novel knowledge and new opportunities (Coviello, 2006a; Ojala, 2009; Kontinen and Ojala, 2011b).

Activities such as trade fairs and professional forums organised by intermediary organisations play a crucial role in helping firms not only to recognise new international trade opportunities but also to provide the information needed (Kontinen and Ojala, 2011a; O'Gorman and Evers, 2011; Udomkit and Schreier, 2017). Trade associations and similar professional seminars where participants share common interests gather together also lead to establishing potential networks (Coviello, 2006b; O'Gorman and Evers, 2011) because participants can access important information and knowledge. In addition, previous studies have found that through trade shows, firms can derive more data regarding international opportunities (Reid, 1984; Coviello and McAuley, 1999; Gerschewski et al., 2020). These trade shows are mostly organised by trade associations and/or government agencies that provide information such as market trends,

regulations and potential business partners (Kontinen and Ojala, 2011b). Overall, there seems to be evidence to indicate that intermediary networks act as a bridge for other ties of networks to be established afterwards. It has been argued by Udomkit and Schreier (2017) that business and intermediary networks are the second layers of networks because these networks are built based on the recommendation of personal connections. In addition, family businesses have gradually internationalised through network development with business and social networks in geographically close countries (Kampouri et al., 2017). SMEs tend to select foreign markets in areas where the network resource is abundant, and the family-owned firms can acquire the most benefit from networks (Chen, 2003).

The internationalisation process of family-owned SMEs depends largely on the characteristics of the entrepreneurs who have initiated it and are responsible for decision-making on the firms' internationalisation. As the firms progress along different internationalisation stages, the ownership and/or management of the family-owned firms might change, leading to the change in the firms' strategic plans in the later internationalisation phase. Therefore, there seems to be more evidence to indicate that networks have developed and changed over time; however previous studies tend to focus only on the role of networks at the beginning stage of firms' internationalisation. Previous studies seem to ignore how firms deploy network relationships at subsequent phases and neglect the interplay between network ties. The role of the network ties in internationalisation phases and how they complement each other has also not been elaborated. Up to date, only a limited number of studies (e.g., Ibeh and Kasem, 2011; Jeong et al., 2017) investigated the roles of networks at a different phase of internationalisation, and there is still a need to focus on this issue, especially in the context of a family business which seems to differ from other firm types. In addition, Kampouri et al., (2017) found in their meta-synthesis study that family-owned firms utilised network ties available at the beginning phase of internationalisation, including business, social and intermediary networks. While, Kryeziu et al., (2022) stress that firms can benefit from social networks in the early phase of internationalisation and business networks in the

later phases, the authors suggest that the firms should combine network ties to grasp maximum benefits to develop and explore further international opportunities. However, there is little evidence of how these firms used networks in the later internationalisation phases, which many previous studies (e.g., Jeong et al., 2017; Kampouri et al., 2017) have called for more research into the role of networks in this later stage of firms' internationalisation. Therefore, the present study has identified a gap regarding the roles of network ties used by internationalising family-owned SMEs throughout the internationalisation process which very few studies have explored network effects at the subsequent phases of internationalisation. Another identified gap is the lack of study on the dark side of network ties; thus, this study will explore, if any, negative influences that might prevent family-owned SMEs' internationalisation.

2.5 Conceptual framework

The internationalisation process and pathways have been discussed throughout the literature review by presenting various theories and models. Then, the three network ties have been explored based on the definitions and features, followed by the discussion of the benefits and drawbacks of network ties. Lastly, the present study demonstrated the interaction of network ties and their evolution. This section will summarise the theories and concepts used to develop a conceptual framework for this study.

Internationalisation is a firm's expansion of economic activities beyond its national boundaries. The definition of internationalisation that will be used in this study is defined by Johanson and Vahlne (1990, p. 20) as "the process of developing networks of business relationships in other countries through extension, penetration, and integration." This definition considers firms moving through different stages of internationalisation and also focuses on network relationships. Comparing the definition of internationalisation proposed by Johanson and Vahlne (1990) to Leonidou and Katsikeas's (1996) model definition. According to the model of Leonidou and Katsikeas, in the pre-engagement phase, SMEs seek to identify opportunities in foreign markets and make the required

adjustments. The initial phase is characterised by SMEs identifying opportunities in foreign markets and starting their internationalisation by exporting or beginning operations in a country. In this initial phase, the SMEs have the potential to increase their involvement in foreign markets by considering various options but are unable to handle the demands for export operations. Finally, the advanced phase is characterised by extensive exporting activities and increased commitment to considering other forms of international business (Leonidou and Katsikeas, 1996).

In addition, this study also utilises the model of three network ties demonstrated by Senik et al. (2011) (Figure 4). Networks are interconnected relationships among actors, and there are three main ties, including business, social and intermediary networks (e.g., Coviello and Munro, 1995; Ojala, 2009; Senik et al., 2011; Altnaa et al., 2021). The first network tie for internationalisation is the business network studied more commonly than other ties (Costa et al., 2017a). Business networks are two or more interconnected business relationships, including suppliers, customers, local and foreign strategic partners, other SME owners or managers, suppliers, customers, distributors, and competitors (e.g., Anderson et al., 1994; Ojala, 2009). The second network tie for internationalisation is a social network based on personal connections. Social networks are built on trust and shared norms which can facilitate firms' internationalisation. Personal relationships tend to be more informal connections, including family members, friends, acquaintances, colleagues, and employees (Zhang et al., 2016). The third network, intermediary networks, is a third party that connects with other actors who are not directly related to a firm's business activities and can provide resources to a firm's internationalisation, including business associations, government agencies, research centres, consultants, and trade shows. There are links and/or brokers in intermediary networks that connect different actors in different places and initiate a firm's internationalisation (Oviatt and McDougall, 2005c). Therefore, intermediary networks can spread and flow information and knowledge, providing benefits for foreign expansion. Previous studies have identified that networks develop and evolve over time. Each network tie plays a significant role in a firm's foreign expansion. For

example, social networks have more influence at the beginning of the internationalisation phase and decrease over time in the study of Ibeh and Kasem (2011). While, Senik et al., (2011) (Figure 4) demonstrate that all network ties are connected to each other. The authors propose that when a firm links with one organisation in the network, it can lead the firm to connect to other actors in the same network as well.

As shown in Figure 6, the conceptual framework of this study has developed. However, up to now, far too little attention has been paid to the role of network ties in each internationalisation phase, comprising the beginning stage and the subsequent phase of a firm's internationalisation process.

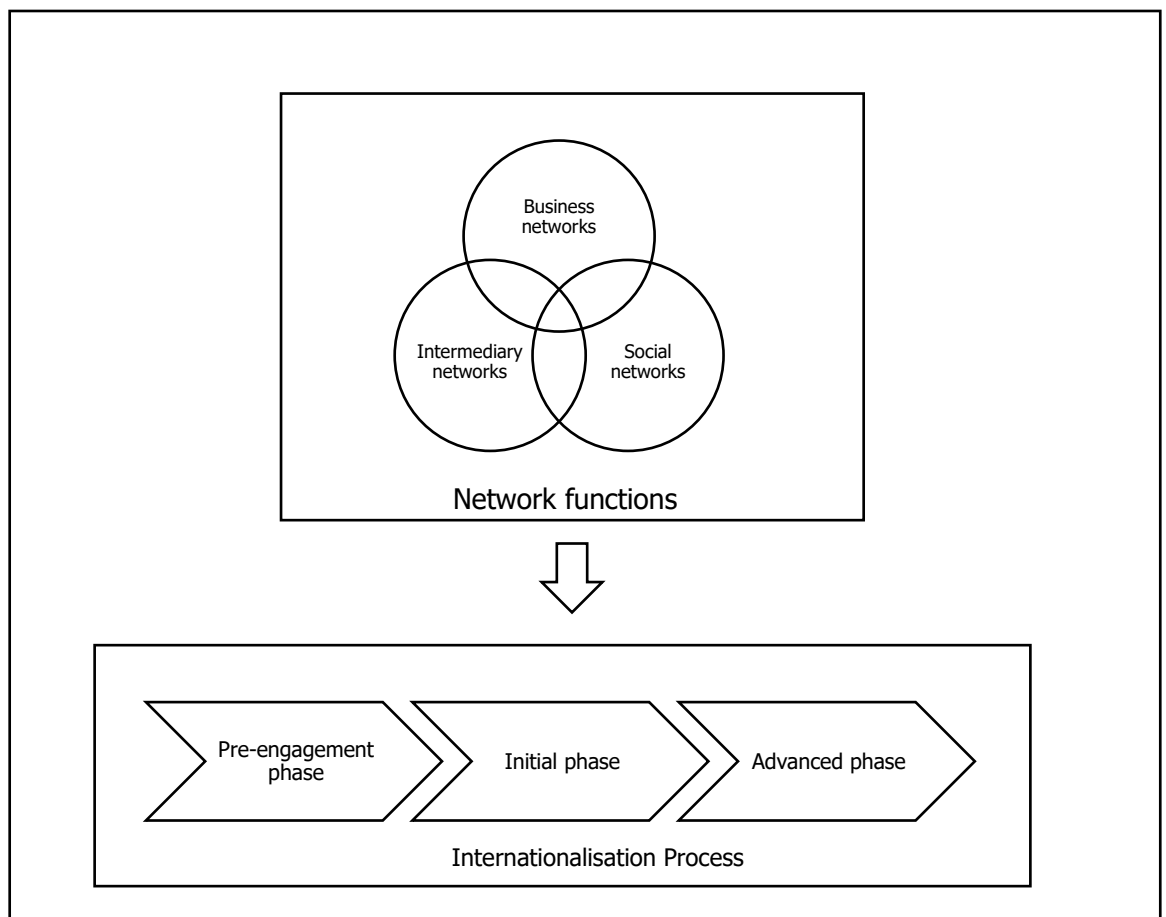


Figure 6 The conceptual framework

It seems that family-owned SMEs might need different resource types in each internationalisation phase, and networks might influence family-owned SMEs differently at the different phases of internationalisation; however, there is a lack

of knowledge of the role of networks in the subsequent phase of internationalisation. Therefore, there is a need for more study on the roles of networks and how they affect family-owned SMEs in Thailand in the later stage of internationalisation. Moreover, network relationships not only provide benefits but might also have drawbacks that can hinder SMEs' internationalisation. However, there has been very little research investigating the negative influences of networks. Therefore, the present study will explore both the bright and dark sides of the network ties that affect the family-owned SMEs' internationalisation process.

2.6 Research context

2.6.1 The importance of SMEs in Thailand

SMEs play a critical role in most economies by contributing to employment and economic development, and Thailand is no exception (World Bank, 2021). In Thailand, SMEs are the backbone of its economy. Under the new definition, the total number of enterprises in the Thai industry at the end of 2020 was 3,148,896, of which 99.54 per cent were Micro and SMEs (OSMEP, 2021b) (Table 4).

Size of Enterprise	Number	The proportion of Total Enterprises
Micro-Enterprise	2,673,922	84.92%
Small Enterprise (S.E.)	415,673	13.20%
Medium Enterprise (ME)	44,847	1.42%
Large Enterprise (L.E.)	14,454	0.46%
Total	3,148,896	

Table 4 Number of Micro and SMEs in Thailand in 2020 categorised by the size of the enterprise

Source: (OSMEP, 2021b)

In addition, Micro and SMEs also play a vital role in terms of employment which accounted for 71.7 per cent of the employment in the country (OSMEP, 2021b) (OSMEP, 2020c) (Table 5). In 2019, the total number of employees in all sizes of enterprises was 17,734,161, where large enterprises employed 5,019,245, and Micro and SMEs employed 12,714,916.

Size of Enterprise	Number of employees	The proportion of Total Enterprises
Micro-Enterprise	5,274,729	29.74%
Small Enterprise (S.E.)	4,997,999	28.19%
Medium Enterprise (ME)	2,442,188	13.77%
Large Enterprise (L.E.)	5,019,245	28.30%
Total	17,734,161	

Table 5 Number of employees in Thailand in 2020 categorised by the size of the enterprise

Source: (OSMEP, 2021b)

The Royal Thai Government Gazette, on January 7, 2020, announced a new definition of Micro, Small and Medium Enterprise (MSME), which has affected the structure and volume of MSMEs' GDP. Based on the new definition, there was a decline of 8.4 per cent in relation to the contribution of SME GDP's previous definition.

Further, applying the new definition of MSMEs, the GDP of MSMEs recorded an increase of 0.2 per cent in the average growth compared to the average growth reported under the previous definition. However, the new definition enabled the calculation of MSME GDP value in the agricultural sector, which did not include in the old definition. As a result, SMEs contributed significantly to the Thai economy,

with the total value of MSMEs' GDP being 5.96 trillion baht in 2019, which accounted for 35.3 per cent of the national GDP (Figure 7).

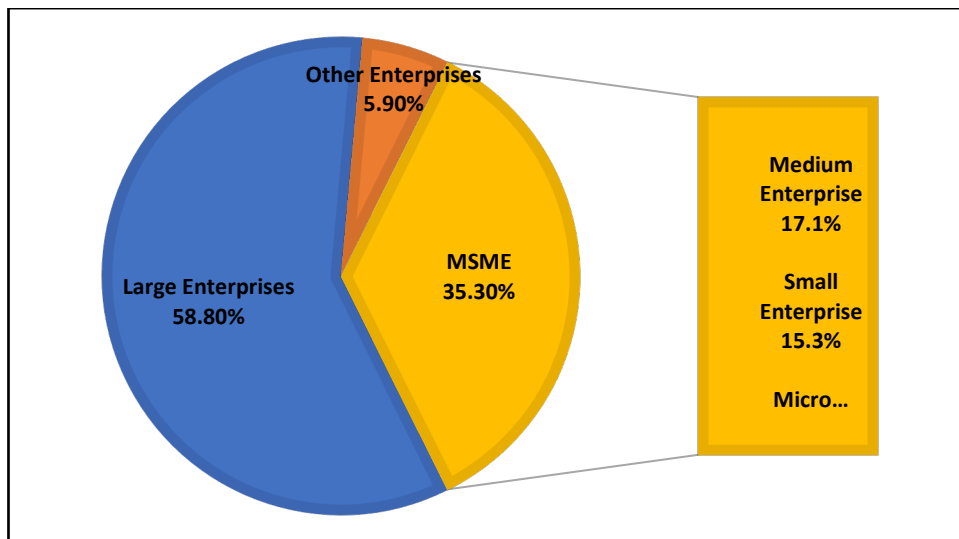


Figure 7 Structure of GDP in 2019 by enterprise size

Source : (OSMEP, 2020a)

Thailand is also considered to be an export-dependent country. According to the OSMEP (2020), Thailand's total export value was 7,627,663.09 million Thai baht. The total Micro and SMEs export value under the new definition accounted for 13.42 per cent of the country's total export value. The MSME export value slightly increased by 0.77 per cent compared to the previous definition in 2018, higher than the country's total export value, which shows contractions by 5.93 per cent (Figure 8).

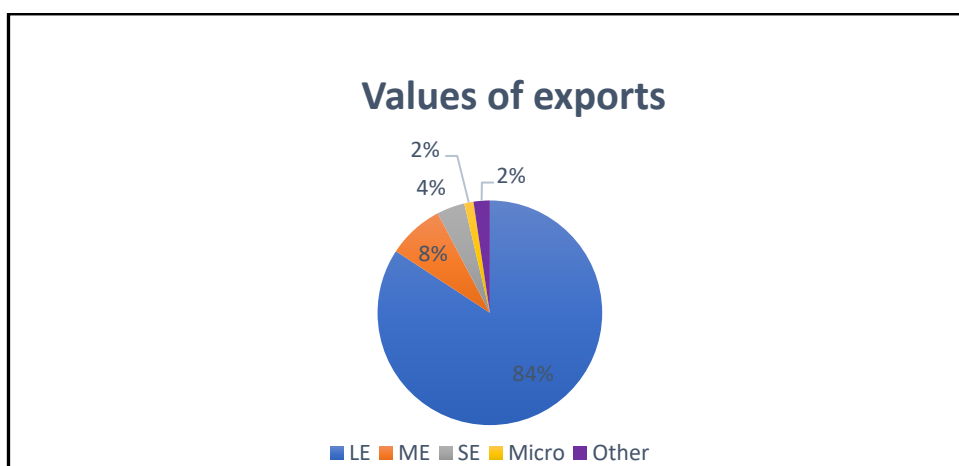


Figure 8 Values of exports

Source: The customs facilitation of Thailand compiled by the OSMEP (2020)

In addition, OSMEP redefined the updated definition of MSMEs by introducing the revenue dimension in 2019. The integration of the revenue dimension in the definition of MSMEs had significant implications on international trade value since the export value generated by MSMEs declined from 30.65 per cent based on the previous definition to 17.21 per cent based on the re-evaluated definition (OSMEP, 2020b). However, the export and import value generated by large enterprises increased under the new definition of MSMEs. This indicates that the import and export potential of MSMEs is linked to their size. Therefore, the larger in size of the business, the higher the share of export and import value it generates.

The tendency of MSMEs' exports between 2017 and 2019 was founded that the proportion of the MSMEs' exports to the overall export in the country reached the highest level at 13.42 per cent in 2019. However, the growth of export generated by MSMEs during this period indicated positive growth every year, yet a declining trend was observed every year. In 2017, the export increased by 5.77 per cent but declined by 0.77 per cent in 2019 (Figure 9).

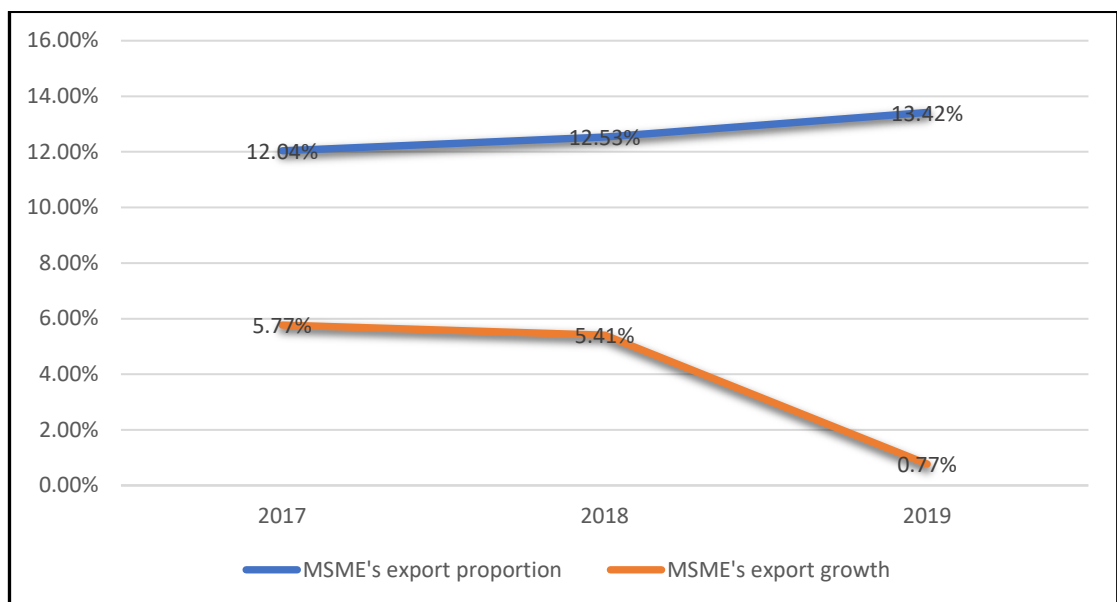


Figure 9 Trends of MSMEs' export proportion and expansion rate

Source: The customs facilitation of Thailand complied by the OSMEP (2020)

2.6.2 The importance of the food industry in Thailand

With abundant natural resources and a highly-skilled workforce, Thailand has been acknowledged as “the kitchen of the world” (BOI Thailand, 2018). Thailand is an agricultural-based country whose international trade has mostly depended on agriculture-related products. The nation’s geography and climate conditions are advantageous for producing agricultural products, including livestock, fish, and seafood. Moreover, Thailand is endowed with natural resources and relatively low labour costs, which provide significant competitive advantages in the food industry. These contribute to the continuous growth of the industry, which has become one of the important industries for the country’s international trade and plays an important role in the country’s economy. Currently, the food industry is contributing roughly 23 per cent of the country’s GDP with its large labour force and high investment rate in research and development (National Food Institute-Thailand, 2021c).

Thailand is also one of the world’s largest food producers in the world and the second in Asia (Thailand Board of Investment, 2018). In addition, Thailand is ranked fifteen among the world’s top food-exporting countries and the top exporting country in Southeast Asia (National Food Institute-Thailand, 2021c). Table 6 below highlights Thailand’s food export values and percentage of growth rate between 2018 and 2020.

Year	Food export value (Million Thai Baht)	Growth rate export (Percentage)
2018	1,031,956	1.6%
2019	1,025,500	3.8%
2020	980,703	4.1%

Table 6 Thailand’s food export value and growth rate

Source: (National Food Institute-Thailand, 2021c)

Thailand exported 980,703 million Thai Baht of food products in 2020, accounting for 13.5 per cent of total shipments (National Food Institute-Thailand, 2021).

However, this has dropped around 4.1 per cent compared to the previous year; thus, the world market share in the food industry of Thailand has also decreased from 2.49 per cent in the previous year to 2.32 per cent (National Food Institute-Thailand, 2021b). This significant drop in food export value has caused various issues, including the COVID-19 pandemic, the shortages of containers, higher costs and the strength of the Thai Baht (National Food Institute-Thailand, 2021c). Moreover, due to the recent droughts in the country, Thailand could not export one of the most important products, such as sugar, and the main competitor Brazil increased production (World Trade Organization, 2021).

Thailand is described as one of the fortunate nations globally whose food production levels are higher than the consumption levels, even with the country being densely populated and the second-largest economy in Southeast Asia (Thailand Board of Investment, 2018). The ASEAN economic community have over 650 million consumers, and Thailand is located at the centre of the region (ASEAN, 2019), which presents significant opportunities to the food industry in Thailand. In addition, Thailand is regarded as an agricultural powerhouse due to its various land and sea resources and a year-round growing season. The country's strengths are its rich raw agricultural materials, such as cassava, sugar, rice, and palm oil which are utilised in both the local and foreign food sectors (National Food Institute-Thailand, 2021b). Therefore, the firms in the food industry, especially in the food processing sector, enable to easily access raw materials with low prices and high-quality products.

The food sector is a major contributor to Thailand's economy and adds value to agricultural products. As stated earlier, the food industry and agricultural sector are connected, and the sector involves the majority of the Thai people. Therefore, a large proportion of Thailand's population is employed and has invested in the sector. The food industry in Thailand comprises the producers of agricultural products, processed agricultural products, processed foods, and instant foods. In addition, the food sector is labour-intensive, particularly in the initial production stages that require a large number of employees, particularly labourers and, to a certain extent, skilled employees. According to the Ministry of Industry of

Thailand (2021) reported that the food sector employed approximately 1.1 million employees in 2020. Most SMEs in the country are also in this sector (OSMEP, 2020a) which the Thai government has focused on and supported this sector by putting many intensive and supporting schemes. For example, the government has established “the world food valley Thailand and Food Innopolis” to support and build networks and collaboration. These projects help to strengthen the value chain from start-ups and SMEs to Large Enterprises (L.E.s) and promote collaboration and development within the sector. Moreover, the government also provides various special government privileges to firms in the food industry, including a tax exemption (National Food Institute-Thailand, 2021; Thailand Board of Investment, 2018).

Thailand is one of the world’s largest exporters of many processed food, including processed chicken and shrimp, canned and processed tuna, and also the world’s top-ten producer of several agricultural products such as cassava, rice, oil, pineapple and coconut (Table 7) (Thailand Board of Investment, 2018; The Office of Industrial Economics of Thailand, 2021). With the growing preferences for processed food products among consumers, Thailand’s food market has expanded, as illustrated by about 9,000 food processing firms in the country. In addition, processed food exports accounted for about 15 per cent of the country’s manufacturing output, contributing to about 52 per cent of total food export (National Food Institute-Thailand, 2021a).

World ranking	Product	Percentage of world export
1	Cassava products	67%
1	Canned tuna	44%
1	Canned pineapple	41%
2	Rice	23%
2	Sugar	16%

Table 7 Thailand’s Food export ranking

Source: (National Food Institute-Thailand, 2021a)

In addition, SMEs from the food product sector export to various destinations, including Brazil, China, Germany, Japan, Russia, South Africa, the U.K. and the U.S. (OSMEP, 2017). The top three biggest markets for Thai food exporters in 2020 are China, CLMV countries (Cambodia, Laos, Myanmar, and Vietnam), and Japan, which accounted for around 45 per cent of all export markets (Figure 10) (The Office of Industrial Economics of Thailand, 2021).

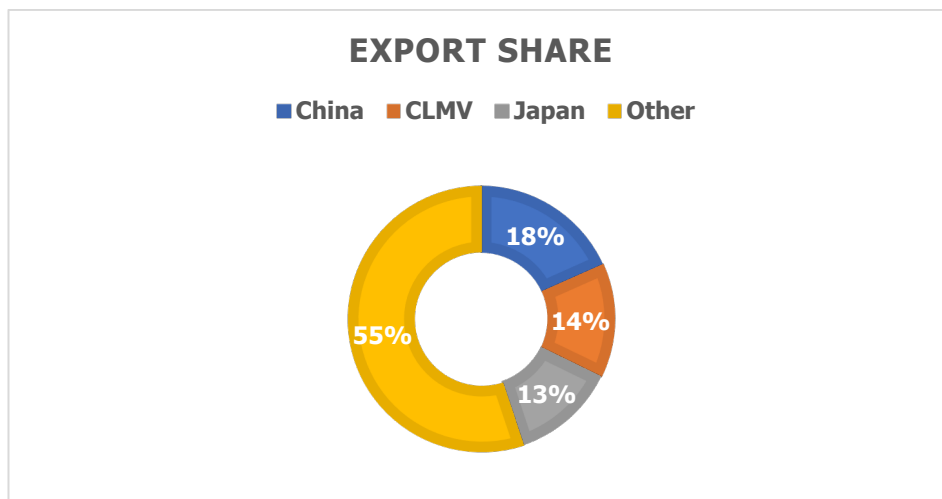


Figure 10 Thailand's important food export markets

Source:(The Office of Industrial Economics of Thailand, 2021)

Despite the fact that Thai SMEs have been increasingly engaging in the international market and that Thai's export-led success has been frequently mentioned in popular presses and academic publications for the last decade, research on Thai SME internationalisation is virtually non-existent with few exceptional (e.g., Udomkit and Schreier, 2017). Therefore, there is a strong need for exploratory research in this untouched area. SMEs play a crucial role in the Thai economy in terms of job creation and economic growth, which significantly accelerate the country's economic development (Charoenrat and Harvie, 2014; Rojsurakitti, 2015). The context of the SMEs internationalisation process in Thailand is interesting because there is lacking publication on the subject to the extent that most of what is known about SMEs' research originates from other bigger Asian countries. Peiris et al. (2012) found in their systematic review that very little published research on internationalising firms from South Asia. In addition, previous studies have focused on SMEs based in developed economies

and neglected emerging-market SMEs (Mathews and Zander, 2007). Therefore, it remains unclear whether the findings on the internationalisation experience of SMEs from developed markets are applicable in explaining the internationalisation of SMEs in emerging economies (Gassmann and Keupp, 2007; Luo and Tung, 2007). This present study focuses on how family-owned SMEs in Thailand internationalise in order to enhance our understanding of internationalising firms from emerging markets.

2.7 Research questions

The purpose of the present study is to investigate how family-owned SMEs utilised three network ties: namely business, social, and intermediary networks, during each internationalisation phase. This study will look into the perspective of internationalising family-owned SMEs' owners and/or managers regarding how they see the network ties influencing SMEs' performance at each phase of the internationalisation process. Furthermore, the present study will also identify network ties that would benefit the internationalisation of family-owned SMEs, and the negative aspects of network ties that might happen during the internationalisation process will also be explored. Along with that, this study will also analyse the roles of network ties that might change over the course of family-owned SMEs' internationalisation process. The following are the research questions for this study.

- 1) How do networks play a role in order to facilitate Thai family-owned SMEs' internationalisation process?
- 2) How do networks play a role in order to impede Thai family-owned SMEs' internationalisation process?
- 3) How do networks play a role at each phase of internationalisation of Thai family-owned SMEs?

Chapter 3 Research Design and Methodology

This chapter aims to discuss the methodology chosen for the study and provide a justification for the choices made. The research methodology is designed in such a manner that the general and specific elements in a study are organised (Saunders et al., 2015). The general elements include the research philosophy and the research approach, while specific aspects include the data collection techniques and analysis methods. This chapter begins with a discussion of the research philosophy. It then addresses issues, including the research approach and research strategy. The chapter then discusses the techniques and issues of the research. Specifically, the population and sampling strategies, data collection techniques, and data analysis methods explain how the study was carried out and outline the issues that occurred throughout the process of conducting the study. Notably, the purpose of this study is to explain how network ties used by family-owned SMEs in Thailand influence their internationalisation process.

3.1 Research Philosophy

The research philosophy is a significantly wide issue in research as it outlines the philosophical perspectives adopted throughout the research process and those which guide how a study is conducted (Saunders et al., 2015). The philosophical assumption can guide the way to do research because it shapes how to set research questions and the process to find answers to these questions. According to Creswell (2013), researchers always bring certain beliefs and philosophical assumptions to their research which can shape how to conduct his/her research. This study's research questions attempt to understand and explore how family SMEs utilised network ties in each phase of their internationalisation process. Therefore, this study seeks to obtain knowledge through the experiences of the owners/managers of the internationalising family-owned SMEs who have previously been part of network buildings. In this regard, the study has adopted the interpretivism approach where the researcher understands the reality created by the actors and their interpretation of the social world in the context of family-owned SMEs and the internationalisation process.

When determining the most appropriate research philosophy for this study, the study began by examining the nature of the research questions. The aim of interpretivism focuses on explaining the causal mechanisms rather than identifying them (Lin, 1998). The interpretivism philosophy is founded on the assumption that human beings are part of a social world where stimuli influence how they react, act, and perceive a phenomenon. Notably, the poor interaction between the external and internal elements of the social world determines the response to stimuli and the response process is considered to be complex (Blaikie, 2007). The social meanings of a phenomenon exist and are dynamic; hence they are continually interpreted. Therefore, by integrating the perspective of the investigator to explain the social world, there is an increased possibility of changes in social meanings during the observation process. Based on the interpretivism principles, there exist distinct and fundamental differences between social and natural phenomena where, compared to natural phenomena, the social phenomenon is objective and not perceptible to everyone (Bryman and Bell, 2015). Therefore, when conducting interpretivist research, the focus is on seeking to establish and gain common knowledge or general rule rather than developing a concept that indicates comprehension (Blaikie, 2007).

According to Bryman and Bell (2015 pp.29), "interpretivism is based on the view that a strategy is required that respects the differences between people and the objects of the natural sciences and therefore requires the social scientist to grasp the subjective meanings of social action." The interpretivism philosophy enables the comprehension of the reality created by social actors and their interpretation of the social world. Human action is considered relevant based on the understanding of the social reality of humans (Blaikie, 2007; Bryman and Bell, 2015; Grix, 2019). The actions of human beings depend on the meaning they place on them. Therefore, in this study, it is necessary to understand and interpret the meaning of the actions performed by owners/managers of family-owned SMEs in order to understand how these firms utilise networks and how they internationalise. It is important to note that there exist significant differences in the perceptions adopted in the research situation. For example, the viewpoints of entrepreneurs and bureaucrats are likely to be distinct due to their variations

in business knowledge and interests. Particularly, the purpose of the study is to understand the network relationships, the business decisions they make and the impact of the decisions and strategies rather than providing a description of the firm activities in the food export market. Saunders et al. (2015) assert that a researcher applies the positivism paradigm when conducting scientific research and seeks to identify and define the causal relationship between variables rather than developing explanations of a research phenomenon. Therefore, the positivism assumption is not appropriate in this study since it focuses on developing explanations of how family-owned SMEs use their network ties to facilitate their internationalisation process. In this regard, the interpretivism approach is most applicable since it places emphasis on understanding a research phenomenon. Furthermore, the interpretivism research philosophy would be most appropriate by adopting the qualitative research method, hence the lack of application of quantitative analysis and standardised research instruments (Burns and Burns, 2008). The association between the qualitative research method and interpretivism is reflected in the naturalistic manner in which knowledge is transferred from the participants to the researcher and the manner in which it is developed (Grix, 2019). Specifically, by applying the qualitative research methods, the study is not bound by the strict limitations associated with the quantitative research method (Burns and Burns, 2008; Grix, 2019).

3.2 Research Approach

Following the research paradigm, then the next step is to determine an appropriate research approach that shows the connection between theory and observation in the study (Saunders et al., 2015). There are two main research approaches posited by various authors (e.g., (Bryman and Bell, 2015; Saunders et al., 2015), which are the deductive and inductive approaches. In addition, there exist secondary approaches such as abductive and retroductive research approaches (Blaikie, 2007). In the inductive research approach, the study builds a theory from observations in a study, while in the deductive approach, the focus is on testing theories where they develop hypotheses and test them based on observations made (Blaikie, 2007; Bryman and Bell, 2015; Saunders et al., 2015).

To investigate the role of networking in the internationalisation process of family-owned SMEs, the study applied the inductive research approach to understand the meanings and context of the observations made (Blaikie, 2007; Bryman and Bell, 2015). According to Bryman and Bell (2015), by applying the inductive research approach, it is necessary to take into account the study context and focus on determining the association between the context and the research phenomenon being investigated. Therefore, assumptions that may influence the research context on the application of an existing theory are not applicable. In contrast, when applying the deductive approach, it is assumed that theory is universally acceptable and is based on general rules. In the context of this study, the assumption of the existence of a single theory explaining a research phenomenon does not take into account the decision maker's complexity in business and the use of network ties during internationalisation. It is important to note that the business decisions affect the research context from the macro level (e.g., global supply and demand movements for a product) to the micro level (e.g., the business founder/owner's or international trade manager's own level of understanding and risk tolerance). Therefore, in order to take into consideration the decision maker's context in this study, it is necessary to apply the inductive research approach.

Further, comparing the deductive and inductive approaches, Meneses et al., (2014); Saunders et al., (2015) state that the deductive approach limits the study to achieving only one explanation, while the inductive approach allows the achievement of more comprehensive information on the phenomenon under study. Therefore, in this study, the inductive approach is most suitable since it allows the identification and understanding of different perspectives on a research topic. However, the inductive approach also has some limitations that need to be considered, such as the validation of theories and explanations derived from the research and the generalisation of the findings (Blaikie, 2007; Bryman and Bell, 2015).

Despite the lack of focus on existing theories when applying the inductive approach, the application of the approach does not indicate that the existing theory is meaningless (Monette et al., 2014). Further, the inductive approach is most appropriate in cases where there is no theory or existing theory is inadequate (Byrom and Lehman, 2009; Monette et al., 2014). In most cases, studies applying the inductive approach are often informed by previous studies or existing theories. Applying the argument in this study, various theories and models, such as the Uppsala model, the network theory, and other internationalisation models, which are fundamental in the study, have been applied as a reference in the literature review chapter. However, these theories might not be sufficient to explain the entire internationalisation process of family-owned SMEs, which might have different characteristics and behaviours than other types of firms when they engage in international activities.

3.3 Research Strategy

Research in international business (IB) is an open and rich field of study which usually involves dynamic and complex situations (Sinkovics et al., 2008; Reuber and Fischer, 2022). IB research consists of multidisciplinary theoretical approaches and does not follow only a single dominant research question (Doz, 2011). Therefore, IB can be benefited from the complementary insights and various disciplines provided by many theories. The present study aims to explore the internationalisation of family-owned SMEs and their network ties. A family business is a heterogeneous field and comprises multiple theoretical approaches and levels of analysis (De Massis and Kotlar, 2014; Kampouri et al., 2017; Arregle et al., 2021). Qualitative study can also reflect the diversity and describe complex phenomena in the family business (De Massis and Kotlar, 2014; Kryeziu et al., 2022). Therefore, the present study adopts qualitative research as a strategy in order to understand complex functions and operations in family firms and the impact of network ties. According to Doz (2011 pp.583), "qualitative research is uniquely suited to opening the black box of organisational processes, the how, who and why of individual and collective organised action as it unfolds over time in context." Therefore, qualitative research can contribute to theory building by

providing rich and thick descriptions of phenomena (Bell et al., 2019; Kryeziu et al., 2022). Moreover, qualitative research can provide an insightful and robust theoretical contribution from an interpretation of the data by combining an elaborate detail and description of a particular context or several (Marschan-Piekkari and Welch, 2004; Gephart, 2018). The nature of qualitative research is more theoretically open, which also promotes more opportunities to discover new phenomena (Doz, 2011).

The qualitative research strategy seeks “to generate knowledge grounded in human experience” Nowell et al., (2017 pp.1) and to study participants’ meanings and the relationships between them (Saunders et al., 2019). In the qualitative study, meanings are from words and images, not the frequency of contexts, and words may have various meanings and/or unclear meanings which need to explore and clarify with participants (Bell et al., 2019; Saunders et al., 2019). The qualitative approaches have to deal with interpretation and understanding; therefore, the data collection and analytical process are sensitive to the issue and aim at a holistic understanding of the phenomenon investigated (Marschan-Piekkari and Welch, 2004; Welch and Piekkari, 2017). For this research, the qualitative methods in the business study provide a better understanding of complicated context and sometimes imply an approach to study in which quantitative research cannot be addressed and/or quantitative data cannot be collected (Eriksson and Kovalainen, 2011; Bell et al., 2019). Qualitative research enables the study to analyse dynamic processes and events that family-owned firms go through in order to understand the complicated procedures and mechanisms regarding operations and the impact of networks. Qualitative research intends to understand complex contexts by utilising various lenses and approaches that can reveal multiple aspects of the phenomenon to be understood (De Massis and Kotlar, 2014). Therefore, the qualitative research strategy is more suitable for studying the family business context because family firms comprise two systems (family and business) that overlap within a family firm to establish a distinctive business structure and differ from non-family firms (Marjański and Sułkowski, 2019). Therefore, to fully understand the phenomena associated with family-owned SMEs' internationalisation behaviour and impact on network ties,

the study needs to combine multiple perspectives and navigate multiple levels of analysis. In this respect, the qualitative methodologies might be a more suitable research strategy because it enables the study to gather and collect various sources of evidence to enhance our understanding of the issue investigated (De Massis and Kotlar, 2014; Gephart, 2018). The qualitative approach also enables the study to deal with a sensitive and complex topic such as the firm's internationalisation process and network development and also emphasises "theory as a process and not to test pre-defined hypotheses" (Meneses et al., 2014).

The family business is a heterogeneous field and contains multiple theoretical approaches which a case study approach can be used to understand and gain insights into the dynamic process of family-owned SMEs (Saunders et al., 2019; Kryeziu et al., 2022). Case study research involves a study that enables researchers to explore a real-life context through detailed and in-depth data collection (Creswell, 2013; Yin, 2018). According to Yin (2018), the case study design involves research on real-life situations and is most applicable in cases where there exist no clear limits between the research phenomenon and research context. In this study, the research context is the network ties and the internationalisation process undertaken by family-owned businesses, while the research phenomena, which are networks and internationalisation, are embedded in the research context. Therefore, in this investigation, the networking and internationalisation phenomena are inseparable from other environmental factors that influence the internationalisation process, including economic and political factors and the entrepreneur's personality. Particularly, an extensive evaluation of the family-owned enterprises will enable the examination of the internationalisation situation and further investigate the additional factors that significantly affect the association between networking and internationalisation.

When answering how and why questions, the case study research design is most appropriate since it enables gaining control of the research process over time

which might not be possible when applying the experimental research design (Jorge et al., 2017; Yin, 2018). Examining the research question guiding this study, the term indicating the need for exploration and qualitative examination has been applied. Therefore, in order to satisfactorily answer the research question, it is necessary to conduct a deep analysis of the research phenomena by focusing on the entire process rather than a specific situation. For example, internationalisation and network evolution are a development process, collecting of data on the internationalisation process of family SMEs from their establishment to the present time is required, or the behaviours relating to how network ties encourage family SMEs to recognise international opportunities cannot be measured through the experimental methodology.

For extensive research, the study applied a multiple case study design. Applying the multiple case-study designs, the study focused on developing a firm foundation for widening the existing yet underdeveloped discipline of network development and internationalisation of family-owned SMEs (Eisenhardt, 1989; Yin, 2018). The study will achieve the broadening and development of the discipline through conducting comparisons of the different research cases using the findings (Eisenhardt, 1989; Eisenhardt and Graebner, 2007; Yin, 2018). The main purpose of the multiple case study approach is to compare and contrast the findings from each case to identify the common themes and uniqueness across cases (Bryman and Bell, 2015; Bell et al., 2019). Further, comparing and contrasting the findings for each case allows the researcher to see the uniqueness and the common patterns across cases in which an in-depth understanding of the outcomes and processes of the case studies is achieved (Miles and Huberman, 1994). The multiple case study approach is most appropriate when investigating the networking process of family-owned SMEs in the internationalisation process since it enables extensive investigation (Galkina and Chetty, 2015b; Kryeziu et al., 2022). Moreover, Yin (2018) asserts that the multiple case study approach allows the adoption of replication reasoning between cases under investigation. Further, by applying the approach, it is possible to examine and evaluate research data within and across every research

situation while ensuring the reliability and strength of the research findings (Gustafsson, 2017).

The multiple case approach was chosen to provide rounded, detailed illustrations of how family-owned SMEs in Thailand use networks and how the roles of network ties influence the firms at each phase of internationalisation. As internationalisation and network evolution are development processes, thus case studies can help to track processes over a period of time (Yin, 2018). Case studies also have utilities in several network development of SMEs studies (e.g., Coviello and Munro, 1995; Coviello, 2006; Oparaocha, 2015; Jeong et al., 2017; Udomkit and Schreier, 2017). Moreover, previous studies on the internationalisation of family businesses have posited that family firms have their own unique characteristics and are different from non-family businesses, which influence how they make a decision toward internationalisation (Fernandez and Nieto, 2005; Graves and Thomas, 2008). Thus, the case study approach seems to be more suitable to seek to explain the complicated topic and has been used in several studies of family businesses' internationalisation (e.g., Fernandez and Nieto, 2005; Graves and Thomas, 2008; Rienda et al., 2020; Kryeziu et al., 2022). In addition, the case study approach is one of the most effective approaches to collecting confidential data and building relationships between the top manager's thinking and decision-making process (Rouse and Daellenbach, 1999; Kryeziu et al., 2022). In order to gain a fully understanding of the complexity and uniqueness of characteristics of family SMEs and their influences on their internationalisation process, Litz (1997) suggested that a case study methodology would prevent collecting data that is superficial and called for further study, which adopting qualitative case study research. Therefore, the case study can help the study to gain insights and describe complex phenomena of family-owned SMEs' internationalisation and the impact of network ties by building rich descriptions in order to develop a new theory or extend existing theories (De Massis and Kotlar, 2014; Kryeziu et al., 2022).

3.4 Population and Sampling

Several studies (e.g., Miles and Huberman, 1994; Bryman and Bell, 2015; Yin, 2018) categorise sampling types to use in the qualitative study. The present study's sample was selected using purposeful sampling, defined as "selecting information-rich cases to study, cases that by their nature and substance will illuminate the inquiry question being investigated" (Patton, 2014 pp.264). This sampling method is common in the qualitative study, which is required high-quality sources and effective resources for the cases (Bryman and Bell, 2015). This study selected informants based on their ability and willingness to provide detailed information about the case and participate fully. The study has adopted the guidelines provided by Yin (2018), outlining that the research phenomenon was observable in the selection of cases to be included. The goal is the strategic selection of the research participants. Therefore, the samples have to be appropriate for the study questions. For example, the dimension of family ownership also allows us to recognise international opportunities through their network ties which should be further noted that the selection of the firms for investigation was based on an overall theoretical perspective, as recommended in the study of Eisenhardt (1989), instead of on a random sampling methodology.

In terms of sample size in qualitative research, statistical standards are not applicable when working out the sample size since the main focus is the study participants' information abundance (Patton, 2015). Creswell (2013 pp. 101) posits that it does not aim "to generalise the information, but to elucidate the particular, the specific." Several studies suggest a number of cases that should be included in a single study; for example, Yin (2018) suggests that the multiple-case design should comprise at least two or more cases, which enables literal replications. In contrast, Eisenhardt and Graebner (2007) recommend that case study research should contain around six to ten cases. Stake (2006) also argues that a single study should have between four to ten cases. Whereas Creswell (2013) posits that the study should not include more than four or five cases in one study because this number should allow the study to identify a theme that emerges from cases as well as to conduct cross-case analysis. From the studies

mentioned above, there is no exact conclusion on how many cases should include in one study; however, they should be enough cases that enable the study to gain rich information to answer the research questions.

- **Selection criteria**

The phenomenon of networks on internationalisation was studied in the context of family SMEs for the principal reason that in order for family SMEs to internationalise, they tend to establish network relationships to facilitate them. Therefore, it is necessary to carefully choose the cases that best represent the research phenomenon under investigation (Oparaocha, 2015). In this study, the samples are Thai family-owned SMEs selected initially from the list of registered firms provided by the Department of International Trade Promotion (DITP). DITP is a government agency under the Thai Ministry of Commerce that provides support for Thai businesses that operate in foreign markets by initiating and facilitating domestic and international trade exhibitions, educational funding, providing information and consultancy, and supporting supply chain development activities (OSMEP, 2020a). In addition, DITP assists SMEs in their enrolment for international trade undertakings and monitoring export activities. Therefore, DITP is useful in selecting the sample cases since it provides an extensive list of businesses in their respective industries and the contact details of prospective participants. In this study, the selected family-owned SMEs fulfilled the following criteria.

The first criteria are that the firms are small and medium-sized according to the new definition in Thai law, which redefined the basis of annual revenue and employment in 2019. Table 8 summarises the definition of SMEs used in this study (OSMEP, 2021a).

Type of Business	Micro Enterprise		Small Enterprise		Medium Enterprise	
	Employment (person)	Annual income (Million THB)	Employment (person)	Annual income (Million THB)	Employment (person)	Annual income (Million THB)
Manufacturing	≤ 5	≤ 1.8	≤ 50	≤ 100	≤ 200	≤ 500
Service and Merchandising	≤ 5	≤ 1.8	≤ 30	≤ 50	≤ 100	≤ 300

Table 8 Definitions of Thai SMEs by sector

Source: (OSMEP, 2021)

Under the new definition, a small-sized firm would have between 6-50 employees with less than 100 million Thai baht of annual income, while a medium-sized enterprise has 51 to 200 employees with less than 500 million Thai baht of annual income. Therefore, in order to ensure sufficient data on the international activity of case firms, case selection was limited to firms (SMEs) with fewer than 200 employees, but not least than 10 employees. Furthermore, regarding family ownership and management, the condition was that firms were in the hand of a single family. In addition, case selection is also limited to firms with independent management from other organisations (unaffiliated) and currently internationally active in multiple foreign markets. The second criterion is that the firms are in the food industry. The food sector is a high-growth sector in the country. Thailand is one of the world's largest producers of food products such as rice, canned tuna, frozen seafood, chicken and canned pineapple (National Food Institute-Thailand, 2020). Most SMEs in the country are in this sector (OSMEP, 2020c); thus, the Thai government has focused on and supported this sector by putting many schemes. The final criterion is that the study included only family SMEs that have internationalised and gone through the phases of internationalisation, namely: pre-engagement, initial, and advanced phases (Leonidou and Katsikeas, 1996) because this present study aims to understand how family SMEs utilised networks in each phase of their internationalisation process. By doing this, the study would be able to collect data with a large variation and gain a better understanding of how different network ties have been used in the phase of the internationalisation process.

In order to select the firms, 25 potential firms that met initial criteria, including firm size, family ownership and industry, were identified. The firms were then contacted formally through letter and/or email to explain the project briefly. The explanation included information, what kind of information, and the amount of time required. The explanation was also directed to a high-up decision-maker, including the firm's owner/founder and international trade manager. Only 20 who matched the study's sampling criteria were willing to participate and could provide two key top managers as respondents. In two firms, the project was refused with the reason of discomfort to provide in-depth and confidential

information, while in another three cases, the senior managers requested more information but chose not to take part due to lack of time. Eventually, 20 firms agreed to participate in the interview process (Table 9).

Firm	Type of business	Location	Number of employees	Firm Size
A	Rice producer	Nakorn Pathom	90	Medium
B	Rice producer	Ayutthaya	80	Medium
C	Organic rice producer	Bangkok and Nakorn Pathom	100	Medium
D	Rice producer	Ayutthaya	15	Small
E	Snack and biscuit producer	Samut Sakorn	200	Medium
F	Snack and biscuit producer	Nakhon Pathom	200	Medium
G	Snack and biscuit producer	Nonthaburi	60	Medium
H	Snack and biscuit producer	Nonthaburi	45	Small
I	Soy milk and almond milk producer	Bangkok	80	Medium
J	Rice and products from rice producer	Bangkok	80	Medium
K	Instant coffee and biscuit producer	Bangkok	50	Small
L	Coconut milk and products from coconut	Nakhon Pathom	200	Medium
M	Dried fruit and frozen fruit processor	Nonthaburi	70	Medium

N	Seaweed and fish snack producer	Samut Prakan	120	Medium
O	Dried fruit and healthy snack producer	Sukhothai	35	Small
P	Fruit juice manufacturer	Ratchaburi	40	Small
Q	Dried fruit producer	Chaing Rai	50	Small
R	Fruit processor	Bangkok	120	Medium
S	Food ingredients and ready-to-eat meal producer	Samut Prakran	180	Medium
T	Corn and healthy snack producer	Samut Sakorn and Nakorn Pathom	200	Medium

Table 9 Summary of case firms under the study

3.5 Data collection

The study applied the qualitative research method by adopting an in-depth semi-structured interview method in the data collection. Interviews enable the collection of elaborate and exhaustive data and the development of a personal connection between the interviewer and the respondents, facilitating access to information that would not have been collected (King et al., 2019). By adopting semi-structured interviews for data collection, it is possible to ask the key questions and seek clarifications by asking more detailed follow-up questions (Yin, 2018). According to Bryman and Bell (2015), during an interview session, the respondent has the opportunity to provide insight on what they consider a critical element of the research topic.

Qualitative interviewing tends to be flexible, responding to the direction in which interviewees take the interview and perhaps adjusting the emphases in the research as a result of significant issues that emerge in the course of the

interview (Bryman and Bell, 2015). In this study, semi-structured open-ended interviews were carried out, enabling the enquiry on the specific and more detailed questions (Yin, 2018). In addition, the semi-structured interviews enable the researcher to seek further clarification on the responses provided by the study participant (Bryman and Bell, 2015). Particularly, by seeking clarifications on the answers, the study achieves critical and comprehensive data (Saunders et al., 2015). In order to comprehend the meanings of various phenomena associated with the study, the study adopted interpretivist epistemology, to which the semi-structured interviews were most applicable.

All prepared questions were developed according to the guidelines used by Yin (2018), which aim to make the questions as nonleading as possible. In addition, the interviews involved the participants' past experiences; thus, this study also followed the guidelines for retrospective studies recommended by Miller et al. (1997). The set of questions was used to ask the participants to describe their business in general after that, their operations related to internationalisation as a whole, and from that, the network ties that these firms use during their internationalisation process. The interviewees selected comprised owners/founders/executives and managers of family-owned SMEs in Thailand who were involved in the firms' internationalisation decision-making, the operation in foreign markets and how networks have been built for each case firm. By selecting two interviewees from each firm, this study aimed to get the most relevant knowledge and counteract the biases of individual opinions (Huber and Power, 1985). Having two interviews from each case firm also made it possible to ask more detailed questions of the second interviewee, following on from the first interview. Working in this way improved the validity of the data collection.

3.5.1 Conducting Interviews

Face-to-face interviews were carried out, enabling the development of a personal relationship and rapport between the researcher and the study participants, in addition to creating trust (Seidman, 2015). The personal relationship between

the researcher and participant is critical in interpretivist studies since it sets the foundation for the collaborative explanation of reality (Grix, 2019). Furthermore, face-to-face interviews allow the researcher to collect more information from participants, including both verbal and non-verbal information (Seidman, 2015). Moreover, during the interview, there might be emerging topics as a stimulus to a wider discussion in which interviewees can express their opinions (Creswell, 2013). Therefore, interviews can encourage interviewees to look at issues from different perspectives.

The interviews were conducted with the founder/owner of the companies and the firms' managers, who are responsible for the firms' international trade. The study also adopted multiple collection techniques in order to achieve richness, robustness and trustworthiness of the data by collecting data from semi-structured interviews and document inspections (Eisenhardt, 1989; Piekkari and Welch, 2018). As requested by the firms that participated, the names of the companies and interviewees were not revealed. The semi-structured interviews lasted between 60 to 120 minutes and focused on the roles of network ties during three internationalisation phases (Leonidou and Katsikeas, 1996). As shown in Table 10, multiple interviews were conducted for each case firm, including the founder/owner and managers from a management position and family members involved in the family-owned SMEs. Altogether, 40 semi-structured and open-ended interviews were conducted at the firm's headquarters and/or its factories in Thailand. In addition, having two interviews per case enabled the study to reduce dependence on a single interview and allowed the study to verify the authenticity of data collection (Eisenhardt and Graebner, 2007).

Case	Interviewee 1	Interviewee 2
A	Founder and owner	Manager (founder/owner's son)
B	Founder and owner	Export manager (founder/owner's son)
C	Founder and owner	Export manager (founder/owner's son)
D	Founder and owner	Manager (founder/owner's son)
E	Founder and owner	Export manager (founder/owner's daughter)
F	Founder and owner	Export manager (founder/owner's son)
G	Founder and owner	Manager (founder/owner's son)
H	Founder and owner	Manager (founder/owner's son)
I	Founder and owner	Export manager (founder/owner's bother)
J	Owner (founder's son)	Manager (founder's grandson)
K	Founder and owner	Assistant export manager (founder/owner's daughter)
L	Founder and owner	Export manager (founder/owner's son)
M	Founder and owner	Manager (founder/owner's daughter)
N	Founder and owner	Export manager (founder/owner's daughter)
O	Founder and owner	Assistant manager (founder/owner's son)
P	Founder and owner	Export manager (founder and owner's bother)

Q	Founder and owner	Manager (founder/owner's daughter)
R	Founder and owner	Manager (founder/owner's son)
S	Owner (founder's son)	Export manager (founder's grandson)
T	Founder and owner	Export manager (founder/owner's son)

Table 10 Interviewee profiles

All interviews were conducted in Thai even some interviewees could speak English, but they felt uncomfortable using a foreign language. Access to potential participants and the nature of the relationship with them are influenced by the shared language between the researcher and the interviewee (Marschan-Piekkari and Reis, 2004). In order to avoid misunderstanding, interviewer and interviewee biases, and neglect of important information, both the researcher and the participants agreed to speak Thai during the interviews. Moreover, the interview guide was first developed in English and then translated to Thai for use during the interview sessions.

The interview questions were guided by theories from previous studies (e.g., Fernandez and Nieto, 2005; Daszkiewicz, 2019; Cirillo et al., 2021; Kryeziu et al., 2022), which covered the study's topics of interest and enabled to explore for new areas (Grøgaard et al., 2019). The interview consisted of questions including the firm internationalisation process, network utilisation, network development, the roles of network ties and family involvement (Appendix 3). The study's interview guide also searched for broad themes such as the story of interviewees in the case firm and the values and roles of the family in international activities. The interviewees were first asked to describe their business in general, including a background of the companies and the sector in which the firms operate. Then based on the general queries, more detailed questions were asked, including the firm's internationalisation, and the impacts of network ties. The interviewees were also asked how they first initiated foreign expansion, how they established

network ties over time and how their network ties could possibly influence negatively to their foreign expansion. These questions enabled the study to discover the benefits and drawbacks of each network tie and also identify the network used at each internationalisation phase. At the end of the interview, all participants were asked to fill out a mini questionnaire asking for demographic information such as firm age, year of establishment, year of internationalisation, and interviewees' demographic background.

3.5.2 Types of data

The study adopted data triangulation in order to enhance the studied context holistically (Bell et al., 2019). Triangulation involves using more than one method and/or source of data in the study to increase the probability that the researcher's findings and interpretations will be found credible (Nowell et al., 2017). This study conducts both primary and secondary data by using appropriate data collection tools. Primary data for this study were collected through semi-structured interviews. Multiple sources of information were used to gather data from each firm. The semi-structured interview, the main form of data collection, was guided by a list of topics. For clarification, explanation of inconsistent issues, and further communication, email communication was applied. The secondary data, for example, the websites of the firms, have also been used in this study to get general information about the company. Data triangulation was obtained by comparing the interview data with other documents from the case firms (Miles and Huberman, 1994). This also provides a more complete picture of the case firms under study (Bonoma, 1985) and can enhance the validity of the research (Ghauri and Grønhaug, 2010).

3.5.3 Trustworthiness of the study

Although qualitative and quantitative research differ in the type of knowledge acquired, both qualitative and numerical data must meet the quality criteria. The literature identifies various practices in order to enhance the case study research's trustworthiness. According to Lincoln and Guba (1985) propose the

criteria of trustworthiness to access a qualitative study by presenting the criteria of credibility, transferability, dependability and confirmability to parallel the conventional quantitative assessment of validity and reliability. The establishment of trustworthiness can ensure that the study is carried out by following a good practices (Bell et al., 2019). To achieve and ensure the quality of the case study findings, the present study used the theory to guide the interview questions and adopted data triangulation. The data triangulation can also enhance the probability that the study's findings and the researcher's interpretation will be found credible (Denzin and Lincoln, 2011; Nowell et al., 2017). For example, the findings on the benefits and drawbacks of network ties were provided by gathering insights from the study's interviews and secondary data, which were compared across case studies and to theory (Nowell et al., 2017; Welch and Piekkari, 2017). To further ensure the trustworthiness of the interview responses, the study implemented triangulation of the two sets of interviews for each firm to check for inconsistencies (Pettigrew, 1988). In this regard, few discrepancies were identified in the responses on the year of entry into international markets and the number of employees in the firm. The inconsistencies were compared with other documents from the case firms in order to ensure trustworthiness. Cross-checking the discrepancies provided a more complete picture of the firms under investigation (Bonoma, 1985; Riege, 2003). In the analysis, a strict procedure of investigation was used to guarantee the study's quality which included within-case and cross-case analysis of interpretation through representation schemes, matrixes including themes and quotations, and a web of linkages between emerging themes in order to find and compare emerging patterns in the data (Miles and Huberman, 1994). Moreover, the interview transcripts were also shared with the study's participants for consistency and accuracy, which the researcher could check and clarify for consistencies and can also enhance the trustworthiness of the findings (De Massis and Kotlar, 2014).

3.6 Data analysis process

All the interviews were collected in the form of audio-recorded while notes were taken. The interviews were then transcribed verbatim, which is the process of

(re)presenting original verbal communication into written form (Saunders et al., 2015). I focused not only the verbal communication but also the non-verbal communication. For example, the tone and pause of the interviewees when they talked about particular topics were also included because they might affect how data was conceptualised (Oliver et al., 2005). As interviews were conducted in Thai, I checked the accuracy of an English transcript via a back translation technique recommended by previous studies (e.g., Birslin, 1970; Marschan-Piekkari and Reis, 2004; Reuber and Fischer, 2022). By comparing the original transcription, translated and back-translated interviews suggested that the majority was consistent. Once the transcriptions were finalised, they were sent to the interviewees to recheck and adjust where they needed. This also ensured that the transcriptions were reliable by receiving confirmation from the interviewees.

Thematic analysis technique was applied in analysing the research data, which is the technique used in previous studies to investigate the firm internationalisation and the impact of network ties (e.g., Kampouri et al., 2017; Daszkiewicz, 2019; Shi et al., 2019). According to Clarke and Braun (2017 pp. 297), state that “the thematic analysis offers a method, a tool or technique unbounded by theoretical commitment.” The thematic analysis discovered underlying themes through coding, categorisation, and organisation across multiple data points (King et al., 2019). The thematic analysis enables the study to identify and interpret key aspects of a large set of data guided by the research questions; therefore, it helps the researchers to structure and organise data in order to produce a clear final report (Clarke and Braun, 2017; King and Brooks, 2018). The thematic analysis is a flexible approach that provides access to generate codes and themes for qualitative data and can be adjusted to the need of each study to provide rich and detailed data (Nowell et al., 2017). Codes can generate themes and patterns of meaning supported by a key concept, and then the themes can provide a guideline to organise and report the researcher’s analysis (Clarke and Braun, 2017). The thematic analysis is also useful for investigating different views and perspectives to understand participants’ experiences and behaviour (Clarke and Braun, 2017). The following Table 11 illustrates the process the present study

followed in order to thematise the study's findings and analyse the data. The study first identified common words mentioned during all the interviews and labelled them as codes. Then the codes were categorised to search for common themes that summarised the content of the codes.

Codes	Sub-themes	Themes
<ul style="list-style-type: none"> • Target foreign market • Choosing foreign market • Foreign market entry • Follow business partners • Entry modes • Locations • Channels 	Improving making decision	Benefits of business networks
<ul style="list-style-type: none"> • Learn from business partners • Market insights • Local know-how • Market knowledge • Market information • Partners' expertise 	Providing market information	Benefits of business networks
<ul style="list-style-type: none"> • Spend less time (to internationalise) • Enter foreign market in a short time • Save time 	Enhancing the speed of internationalisation	Benefits of business networks
<ul style="list-style-type: none"> • Market opportunities • Market introduction • Requested from customers in foreign markets 	Opportunity identification	Benefits of business networks

<ul style="list-style-type: none"> • Introduce to business partners • Refer to new connections 	International connections	Benefits of business networks
<ul style="list-style-type: none"> • Family support • Family members' advice • Family members' consultant • Family members' presence at the company 	Advice-emotional support	Benefits of social networks
<ul style="list-style-type: none"> • Family Funds • Family investments 	Financial support	Benefits of social networks
<ul style="list-style-type: none"> • Market information • Market insight 	Providing market information	Benefits of social networks
<ul style="list-style-type: none"> • Refer friends 	International connections	Benefits of social networks
<ul style="list-style-type: none"> • Introduce to foreign markets • Take the founder/owner of the company to visit foreign markets • Personal trust 	Opportunity recognition	Benefits of social networks
<ul style="list-style-type: none"> • Introduce to partners • Business matching • Trade fairs • Trade exhibitions • Roadshows • Refer connections • Find customers 	Opportunity identification	Benefits of intermediary networks

<ul style="list-style-type: none"> • Market information • Market regulations • Training • Seminars • Consultants (with trade associations, research centres, Thai Embassy) 	Providing knowledge and information	Benefits of intermediary networks
<ul style="list-style-type: none"> • External funds • Bank loan 	Financial support	Benefits of intermediary networks
<ul style="list-style-type: none"> • Lock in the same relationships • Over-reliance on one partner • A balance between giving and taking • Honesty • Fairness 	Over-embeddedness	Drawbacks of business networks
<ul style="list-style-type: none"> • Only know a few friends • Hard to find new business partners • Not many friends (in foreign markets) • No connections 	Limited connections	Drawbacks of social networks
<ul style="list-style-type: none"> • Do not understand foreign markets • They (friends of the founder/owner of the company) only lived in foreign markets • Not an expert in foreign markets 	Limited knowledge	Drawbacks of social networks

<ul style="list-style-type: none"> • Too much emotion between family members • Personal behaviour • Relationships between family members • Too much family involvement • Too much family legacy 	Emotional effect	Drawbacks of social networks
<ul style="list-style-type: none"> • Too expansive • Cannot afford • Costly • No support from government agencies 	Extra costs	Drawbacks of intermediary networks
<ul style="list-style-type: none"> • Preparation • Identify problems • Consult with research centres, trade associations and the Thai Embassy • Prepare products • Find new business partners • Find new customers • Channels • Foreign market information 	Identify opportunities and seek foreign market information	Pre-engagement phase of internationalisation
<ul style="list-style-type: none"> • Environmental changes • Culture differences 	Market entry	Initial phase of internationalisation

<ul style="list-style-type: none"> • Market adaptation • Product modification • New products for new foreign markets • Solving problems 		
<ul style="list-style-type: none"> • Penetrating • Accelerating • Finding new markets • Extending relationships (with business partners) • Expansion • Maintaining and strengthening collaboration 	Market expansion	Advanced phase of internationalisation

Table 11 Themes and coding

The thematic analysis is also a suitable method to identify similarities and dissimilarities and highlight unanticipated insights (Nowell et al., 2017; King and Brooks, 2018). Therefore, the thematic analysis can produce trustworthy and insightful findings (Clarke and Braun, 2017). The common themes are derived from conducting literal replications and different experiences regarding firm internationalisation and the impact of network ties. Categories and subcategories were also identified based on literature, including firm internationalisation, network ties, network utilisation and network development. Data analysis was followed and based on the following steps. First, each case was analysed and identified the key themes of the data and selected the core and recurrent statements and/or events (King and Brooks, 2018) that characterised how the case firms utilised their network ties, how the drawbacks of networks, if any, affect the case firms' internationalisation process and how the roles of network ties influence each phase of the case firms' internationalisation. Secondly, the

study divided the themes into groups and compared the findings to the existing literature. This study extracted codes and concepts by going back and forth between the study's data and existing theory. Therefore, the present study utilised existing literature as a guideline to review existing knowledge and interpret the data from the study. Then, a cross-case analysis was conducted. Finally, a case report was written by identifying the family-owned SMEs' internationalisation process and how network ties positively and negatively influence this process. The study was guided by existing theory to develop interpretation and explanation. In this final step, the statements that showed the family firm's internationalisation and the impact of network ties were also highlighted. Then the data's contextualisation was undertaken by highlighting events regarding the family firm internationalisation process, followed by the impact of network ties, including both benefits and drawbacks of the network ties and the relationship between the firm internationalisation and networks' impact.

- **Categorisation**

The categorisation step in qualitative data analysis involves dividing the collected data into categories based on the study's theoretical framework and identified as codes when grouping the data. In this study, the categories mainly consisted of the phases of the internationalisation process, the role of the network ties and their benefits, and how they influence one another. Through data categorisation, it was possible to understand, manage, and integrate research data. The major themes and patterns were established for extensive examination in a more structured manner. The interview responses were developed in a chronological manner with reference to the life story of each company represented in the study and further incorporated into three mini-cases. The samples of this present study were selected considering specific criteria that would allow an easier comparison of the internationalisation process and networks used. The categorising data process aims to decompose and aggregate information into groups to help the study compare and distinguish the data sets (De Massis and Kotlar, 2014). For the purpose of a cross-case comparison, the study minimised and ensured the control of factors that might influence how case firms internationalised and their

network impacts. Therefore, the study categorised the case firms into three mini cases and facilitated the grouping companies with similar features. The study identified key characteristics, which all twenty firm cases commonly shared into three categories (Table 9), including business sectors, location, and firm size. However, the present study's sample was chosen by using purposeful sampling, which enabled the study to select information-rich cases in order to answer research questions (Patton, 2015; Bell et al., 2019). This study also selected informants based on their ability and willingness to provide detailed information about the case and participate fully (De Massis and Kotlar, 2014; Welch and Piekkari, 2017; Saunders et al., 2019). Therefore, the study could not control the number of informants that could be divided into groups evenly. Moreover, some case firms could be fallen into two groups because most of the informants in this study were easily divided by locations and their firms' sizes. However, few case firms could be divided by business sector due to the limited number of case firms available. Therefore, in order to avoid repetitive results by putting one case firm into two different groups, the present study first divided the common features of business sectors and then categorised other groups. Thus, the firm cases were divided into three mini cases as follows:

a) Business sector

The common two business sectors among the twenty case firms were rice producer and snack and biscuit manufacturer. Firm A, B, C and D were in the rice producer sector, while Firm E, F, G, and H operated in the snack and biscuit manufacturer business (Table 12).

Firm	Type of business
A	Rice producer
B	Rice producer
C	Organic rice producer
D	Rice producer
E	Snack and biscuit manufacturer
F	Snack and biscuit manufacturer
G	Snack and biscuit manufacturer
H	Snack and biscuit manufacturer

Table 12 Mini case 1: Business sector

b) Location

One of the common aspects throughout all twenty case firms was the firms' location: in the capital city "Bangkok" or cities outside Bangkok. The firm I, J, and K were situated in Bangkok, while Firm L, M, and N were outside the capital city (Table 13).

Firm	Location
I	Bangkok
J	Bangkok
K	Bangkok
L	Nakorn Pathom
M	Nonthaburi
N	Samut Prakarn

Table 13 Mini case 2: Location

c) Firm size

Another common characteristic throughout all twenty cases was firm size: small or medium-size firm. According to Thai Law, the new definition of SMEs defines small-size firms as a firm with between 6 to 50 employees, while medium-size firm has more than 50 employees but less than 200 employees. Thus, Firm O, P and Q were small-sized firms, while Firm R, S, and T were medium-sized firms (Table 14).

Firm	Number of employees
O	35
P	40
Q	50
R	120
S	180
T	200

Table 14 Mini case 3: Firm size

- **Recognising relationships and developing categories**

Based on the interviews and written documents, this study arrived at a detailed case history of each firm; in line with Pettigrew (1990) on the organisation of aspects in chronological order to determine the causal relationships between events, the study achieved a comprehensive history of each firm. When analysing the data, the data was (re) organised based on the established categories. This study used a matrix for the classification of data suggested by Miles and Huberman (1994) to conduct cross-case analysis and identify similarities and differences between cases. The process of reorganisation lasted until the themes and patterns were identified. Then, the pattern matching techniques developed by Yin (2009) were applied to identify distinct patterns for each case. With reference to the interviews, unique patterns were identified for each case and categorised under the subtopics linked to the research questions and the literature review that developed the theoretical model. Thereby, identifying the final theoretical themes was generated by the patterns that emerged from the

cross-case analysis (Corley and Gioia, 2011). Additionally, checklists and event listings were applied in the identification of important elements linked to the concept of networks and internationalisation (Miles and Huberman, 1994).

3.7 Ethical Considerations

The research study had notable ethical concerns. One of the ethical concerns was the well-being and safety of the respondents since the firms selected in the study included SMEs that had a challenging position in the market hence the need to protect the participants. According to Saunders et al. (2015), study participants should not suffer harm as a result of the research study. Therefore, confidentiality was applied as a protective approach in this study where the actual firm names and specific details were not used or published. Further, pre-analysis transcripts and non-coded data were not published. Moreover, the interview sessions were conducted in a private setting, specifically the firms' headquarters or factories, in order to ensure that business practices and sensitive company information were not disclosed in an uncontrolled environment.

In addition to the well-being and safety of the respondents and the protection of sensitive company information, researcher bias was a major ethical concern. An extensive evaluation of the researcher bias issue indicated that by adopting the interpretivism research paradigm, the study findings are most likely based on the researcher's interpretation of the data, viewpoints, and preformed ideas on the research situation. Therefore, in this study, researcher bias is likely to affect the data selection and analysis process. Therefore, it is necessary to clearly outline how the data was retrieved and accessed to reduce the probability of researcher bias affecting the research results. Notably, the study should involve the provision of clear information on the source of the research data and the factors contributing to the selection of the data sources and the data collected. However, it is important to note that providing clear information to reduce researcher bias is not designed to offset the confidentiality challenges.

Chapter 4 Findings

This chapter aims to present the findings of the case study firms that comprised the collecting data on the benefits and drawbacks of network ties in family-owned SMEs' internationalisation and the networks used in the internationalisation phases. This will form a basis for the thematic analysis in the analysis session, which will be shown later in the chapter. Twenty Thai family-owned SMEs participated in this study, and three small groups of firms were divided by identified common aspects from primary codes (see chapter 3: methodology). According to the primary codes, some key characteristics are collectively shared across cases, including business sectors, location, and company size. This study's primary aim is to explore how family-owned SMEs utilise network ties to facilitate and affect their internationalisation process. Each case study included general information about their business and operations related to internationalisation, networks used to facilitate their internationalisation, the values and pitfalls of networks in the internationalisation process, and networks used at each phase of the internationalisation process.

Based upon the above-mentioned, the following sections are divided according to the primary codes (business sectors, locations, and firm sizes). Each session will consist of six parts, and the data about background information, generational characteristics, drivers of internationalisation, benefits of network ties, drawbacks of network ties and the networks used in internationalisation phases will be presented. In the first part, the background information will show the overall about the Thai family-owned SMEs, including the industry the company is present in, the year of establishment and internationalisation, the number of employees, share of international sales, the number of foreign markets served and the location where the firm located. In the second part, generational family-owned SMEs' characteristics will provide the personal information of the owners and managers of the firm cases, including their educational background, language skills, and professional experience in the industry. The third part, the drivers for internationalisation, will provide the initial motivation for foreign expansion, the internationalisation pace, the entry mode, the internationalisation strategy, and

the internationalisation scope. In the fourth part, the benefits of network ties will present resources that family-owned SMEs access through their network relationships. The fifth part will show the drawbacks of network ties which prevent and impede family-owned SMEs' internationalisation process. In the final part, network ties at each phase of internationalisation will show how these firms utilised networks throughout the three phases of their foreign expansion: pre-engagement, initial, and advanced.

4.1 Business sectors

4.1.1 Background

Eight firms from twenty case firms are commonly from two sectors: rice producers, one of the most dominant sectors in terms of numbers of businesses in the country, and snack/biscuit manufacturers; is one of the most growing sectors in the country. Firm A, B, C and D are running in the rice producer business, while Firm E, F, G and H operate in the snack/biscuit manufacturer business. Table 15 summarises the background of the internationalising family-owned SMEs in this session. The oldest firm in the rice producer business was founded in 1985 (Firm C). Most of the firms in this business had long been established in the domestic market before internationalising (Firm A, B and C). An exceptional of Firm D was the youngest, founded in 2001 and managed to engage in international activities within one year from its inception. Whereas the oldest firm in the snack/biscuit manufacturer business (Firm E) was built in 1993, the youngest firm was established in 2016 (Firm H). Firm E and Firm F had well-positioned in the domestic markets before starting their internationalisation, while Firm G and Firm H were involved in international activities within five years from their establishment. From both sectors, all of the firms were well positioned in the domestic market (Firm A, B, C, E, and F) and were relatively bigger in size. In the rice producer sector, the firms (Firm A, B and C) had between 80 to 100 employees, while the Firms in the snack/biscuit manufacturer sector (Firm E and F) had 200 employees.

Firm	Type of business	Year of establishment	Year of internationalisation	Number of employees	Share of international sale	Number of foreign markets served	Location
A	Rice producer	1992	2000	90	80%	32	Nakorn Pathom
B	Rice producer	1980	1998	80	40%	50	Ayuthaya
C	Organic rice producer	1985	2000	100	40%	35	Bangkok and Nakorn Pathom
D	Rice producer	2001	2002	15	30%	25	Ayuthaya
E	Snack and biscuit manufacturer	1993	2011	200	40%	40	Samut Sakorn
F	Snack and biscuit manufacturer	1994	2010	200	30%	35	Nakorn Pathom
G	Snack and biscuit manufacturer	2010	2015	60	20%	20	Nonthaburi
H	Snack and biscuit manufacturer	2016	2017	45	25%	15	Nonthaburi

Table 15 Background of companies

Whereas most of the firms which managed to internationalise within a year from their inception (Firm D in the rice producer sector and H in the snack/biscuit manufacturer sector) were relatively smaller in size, with only 15 employees for Firm D and 45 employees for Firm H. There is an exception with Firm G operating in the snack/biscuit manufacturer sector, which had been established only five years before internationalising. However, Firm G had a slightly bigger size with 60 employees. In terms of the location, all of the firms in the rice producer sector have their factories outside the capital city; Bangkok is easy to access their raw material, only Firm C, which also has its office in Bangkok. Similarly, all of the firms in the snack/biscuit manufacturer sector are located outside Bangkok, where they are able to build bigger factories.

4.1.2 Characteristics of generational owners and managers

Table 16 summarises the characteristics of the founder/owner and the successive generation who owned and/or managed the case firms in this session. All of the firms from both sectors are owned by the founder/owner generation. In terms of management which involves decision-making in taking on internationalisation, in rice producer sector is equally managed either by only the successive generation who has some professional experience (Firm B and C) or both the founder/owner and the successive generations, especially when the subsequent generation was lack of experience in management (Firm A and D), however, these successors had a better educational background and better foreign language skills. While in the snack manufacturer business, most of the firms (Firm E, G and H) are managed by both generations because the successive generation had no working experience when they started working at the companies. With an exceptional of Firm F, which is only managed by the successive generation who has strong experience in management from previous work. Table 14 also demonstrates that most of the founders/owners from both sectors lack foreign language skills and/or strong education background, which led some of them to have to wait until the successive generation who have better skills worked at the companies before internationalising:

Firm	Generation of owner	Managing generation	Top manager characteristics		
			Higher education	Language skills	Professional experience
A	1st	1st and 2nd	2nd	2nd	1st
B	1st	2nd	2nd	2nd	1st
C	1st	2nd	2nd	2nd	1st
D	1st	1st and 2nd	1st and 2nd	2nd	1st
E	1st	1st and 2nd	2nd	2nd	1st
F	1st	2nd	1st and 2nd	2nd	1st and 2nd
G	1st	1st and 2nd	1st and 2nd	2nd	1st
H	1st	1st and 2nd	2nd	2nd	1st

Table 16 Characteristics of generational owners and managers

“I do not know any English, so I refused to accept the offer. I knew I could use an interpreter, but how much can I trust them. They might write what they want in the contract, but not what I want.” (The founder/owner generation of Firm G).

However, most of the successive generations from most of the firms in both sectors had insufficient experience and still relied on the founder/owner generation’s expertise in the industry:

“My father has been in the industry for over 40 years; he used to work for a distributor company. He is one of the business’s experts, so my father always decides on most of the decisions, especially regarding production.” (The successive generation of Firm E).

When the successive generation of Firm E started to work at the company after graduation from the university. The successive generation of E had no working experience; thus, she learned from her father, who was seen as an expert in the industry. On the other hand, the founder/owner of Firm E had worked in the business for a long time and had plenty of experience and knowledge.

4.1.3 Behaviour of firms

Table 17 summarises an overview of the identified triggers and describes case firms’ internationalisation processes in this session. From table 15, most of the firms in the rice producer sector (Firm A, B, and C) mentioned that their key motivation to be engaged in international activities is to respond to international

Firm	Trigger/Motivation	Internationalisation pattern/pace	Mode of entry	Internationalisation strategy	Scope of internationalisation
A	Responded to international requests from existing networks	First establishment of a strong position in the domestic market, then initially slowly expanded in key markets in South Asia, then rapid internationalisation in Asia, Europe and Australia after the successive generation joined the firm	Used various entry modes depending on business partners, including distributors, joint ventures, export or sale agents	International opportunities rising by networks	Expanding beyond a psychic distance
B	Responded to international requests from existing networks	Establish a generally strong domestic market position, then initially slow-paced internationalisation to China and nearby markets. Later accelerated into Asia, Europe, Australia and the US after the successive generation joined the firm	Depending on business partners, but mostly used export, local representatives, joint ventures and built distributors only in key markets	International opportunities rising through networks	Expanding beyond a psychic distance

C	Responded to international requests from existing networks	Establishment of a strong position in the domestic market; then slowly expansion to nearby markets, later accelerating to Asia, Europe and Australia after the new management team	Depending on business partners, mostly joint ventures and export	Initially, a fellowship of the key suppliers and in other markets, international opportunities rising through networks	Expanding psychic distance
D	The successive generation who graduated from higher education entered the firm's management team and looked to foreign expansion from its inception	Very cautious internationalisation due to the firm's size and limited resources	Depending on business partners, mostly used joint ventures and export to enter markets	Initially, planned then became opportunistic, rising through intermediary networks	Expanding beyond a psychic distance
E	The successive generation who had just graduated from higher education joined the firm's management team and looked for foreign expansion, and responded to international requests from existing networks	First strong position in the domestic market, then strong expansion into Asia, later active in many foreign markets in all continents except Africa	Used various entry modes depending on business partners, including export, joint ventures or sale agents. Also, built new factories in nearby markets to deal with packaging	Opportunistic rising by networks then becoming more planned to cover as many markets as possible; their industry potential selected the markets	Highly dynamic expansion. Beyond psychic distance

F	The succession of the next generation with strong international backgrounds took over the management team and looked for international expansion, then suddenly changed from domestic to global through new product development	Established on the domestic market for years; then rapidly internationalised to Asia, Europe and America after the successive generation stepped into the company and developed new lines of products	Used various entry modes depending on business partners, including export, distributors or joint ventures	International opportunities rising through networks, then becoming more planned	Expanding beyond a psychic distance
G	The succession of the next generation had language skills, joined the company, and responded to international requests from existing networks	Very cautious due to limited capabilities	Export mainly was used to enter foreign markets	International opportunities rising through networks	Expanding beyond a psychic distance
H	The owner/founder generation had got a strong background and international experience from a previous job in the same industry looked for international opportunities from its establishment	Vary cautious due to limited resources	Joint ventures and export were used as a mode of entry depending on the firm's business partners	Initially, planned then became opportunistic, rising through intermediary networks	Limited to psychically close markets due to small size firm

Table 17 Behaviour of Firms

requests from their existing networks. One interviewee described his first foreign expansion with his friend:

“My friend has got a logistic company in China, told me about the popularity of Thai rice in the market. This helped me to decide to go there, not only because there is an opportunity, but also because my friend lives in the market as well.” (The founder/owner of Firm A).

Only Firm D stated managerial change as their main trigger for internationalisation. Firm D, which operated in the rice producer business, managed to internationalise after the successive generation with higher education degrees worked at the company. The successor of Firm D came across the potential of Thai rice in foreign markets and started to pursue international opportunities:

“When I studied abroad, there were not many companies selling premium rice, so I came back and talked to my dad about it because he already has a rice mill business. So then we established this company to sell premium rice.” (The successive of Firm D).

Whereas most of the firms in the snack manufacturer business (Firm E, F and G) stated that they internationalised after changing their management teams. These firms’ successive generations had a better education, language skills, and/or working experience than their predecessor, which encouraged them to control their management and engage in international activities. Moreover, Firm E and G also mentioned responding to international requests from their existing networks. An exceptional of Firm H mentioned their trigger to internationalise because the founder/owner generation had international experience from a previous job and looked for foreign expansion since the firm was established.

In terms of the pace of internationalisation, most of the firms in the rice producer industry (Firm A, B and C) established a strong position in the domestic market before slowly entered to the markets nearby, later accelerated their pace when

they moved to other regions after the successive generation was in charge of the companies' management teams. In contrast, Firm D's internationalisation pace was very cautious from the beginning of its foreign expansion due to resource scarcity. On the other hand, Firm E and F, which operated in the snack/biscuit business, had established a strong domestic market position before rapidly internationalising after the successive generation started working at the company. In contrast, Firm G and Firm H had very cautious internationalisation paces because they were small and had limited resources.

The firms' entry modes in both sectors (Firm A, B, C, E, F and H) were mostly affected by their business networks in foreign markets. This is because these firms can access their business networks' expertise and market insight which help them to decide the best options in order to enter each foreign market:

Firm E's successor stated, "They know the markets and how they work there, helping us choose the best possible way to take us to the markets."... "and we can get in the markets with less time and expenses." (The successive generation of Firm C).

However, Firm D and G use only export as their mode of entry because they were still too small and not ready to increase their international commitment. The most common entry mode for companies operating in the rice industry was export, which every firm used. Another option was building distributors in the firms' key markets (Firm A, B, and C). The sale agent (Firm A), the local sales representatives (Firm B) and joint ventures (Firm D) were deployed by some of the firms in this sector as well. Similarly, all of the firms in the snack/biscuit sector commonly used export as an entry mode. Joint ventures were another entry mode used by the firms in this sector (Firm E, F and H). Firm E also used direct investment and sale agents in some foreign markets, which mostly Firm E decided on the mode of entry depending on their business partners' expertise. While Firm F also used distributors to enter markets.

In terms of international opportunities, the firms operating in both rice producer and snack/biscuit manufacturer sectors have risen through their companies' network ties. The geographic expansion varies depending on opportunities increasing by their network ties. All the firms in the rice sector (Firm A, B, C and D) expanded beyond a psychic distance where they could identify opportunities and/or have international requests. On the other hand, most of the snack/biscuit sector firms mostly internationalised beyond the psychic distance (Firm F and G). In contrast, Firm E had a very dynamic scope of internationalisation beyond the psychic distance. These firms select their market destinations where they can identify the opportunities and/or build new business networks that assist them in entering the markets. However, Firm H was exceptional because its geographic expansion was limited to only psychically close markets due to its small size.

“We managed to enter only 15 markets in Asia where a good transportation was available because our products needed specific protection. We still had to develop new packaging to be able to go further.” (The founder/owner of Firm H).

Firm H only managed to enter foreign markets with boundaries connected to the domestic market due to its products. In addition, the products of Firm H needed extra protection and specific types of containers for transportation which were more expensive. Thus, Firm H decided not to enter markets where there were far from Thailand because they could not afford the transportation costs.

4.1.4 Benefits of network ties

4.1.4.1 Benefits of business networks

Table 18 summarises the benefits of business networks perceived by the case firms in this session. All of the firms from both sectors highlighted the importance of business networks as a source of information. Some barriers for these family-owned SMEs are lack of information, local market insight and knowledge of

foreign markets. Thus, these firms rely on their business networks to overcome these constraints before engaging in international activities:

The successive of Firm A mentioned, "Our local business networks can help us, especially when we face complicated issues in foreign markets. They know how to do business in their countries, especially where there is something like unwritten rules or norms that we cannot ignore and have to follow to enter the markets" and "their experience and local knowledge in the markets is very useful especially when we have problems without them, we cannot go this far." (the founder/owner generation of Firm H).

Benefits of business networks	Firm case
Providing market information	A, B, C, D, E, F, G, H
Opportunity identification	E, G
Improving making decision	A, B, C, D, E, F, G, H
Enhancing speed of internationalisation	C, D, F, G, H

Table 18 Benefits of business networks

Moreover, being able to access business networks' knowledge enable the firms in the networks to exchange and share technologies and skills, which enhance their abilities and capacities to develop new products for their foreign expansion:

"We work closely with our business partners in the foreign markets in order to develop new products to serve in each market. Our product development in foreign markets is possible because of our partners' expertise in the markets [...] without them, we would not have been there, or it would have taken some time to sort things out." (the successive generation of Firm F).

Equally important as the information source, all firms from both sectors also mentioned that business networks play a crucial role in improving their internationalisation decision-making, including market selection and/or entry

mode. These firms' market selection, especially when entering new foreign markets, depends on opportunities arising from their existing networks. Moreover, business networks also provide these firms with valuable expertise, which helps them decide on the markets' entry modes. For example, Firm E set up new factories to deal with packaging in Laos and Vietnam because their business networks helped them overcome the language barrier and local laws and policies.

Another attribute of the business network mentioned by most of the firms from the snack/biscuit manufacturer sector (Firm F, G and H) and two of the firms from the rice producer sector (Firm C and D) also emphasised that business networks have influenced their internationalisation speed. Being able to access their business networks expertise and local know-how enables the family-owned SMEs to overcome the problem faced in a short time which helps them to reduce the time spent when entering new foreign markets:

“We have to adapt to new markets which we might take longer time without our local partners to help us because they have more experience and know-how to do business in the markets.” (The successive generation of Firm C).

In addition, two firms in the snack and biscuit manufacturer business (Firm E and G) also stated that their business networks could trigger them to pursue internationalisation. For example, Firm E used to be an OEM for various companies because the products of Firm E had different recipes, then Firm E got an offer from one of its customers to sell their products in one of the foreign markets:

“We used to be an OEM making products for various global brand names before, so we knew our products have high standard and quality. So when my customer asked us to do business with them in Singapore, I did not hesitate at all.” (The founder/owner generation of Firm E).

Through the Original Equipment Manufacturer (OEM) contracts, Firm E had to make similar products that Firm E was selling in the domestic market to its contractor, but Firm E was able to learn and obtain new technologies from its contractor. Firm E then developed and renovated its factories with new technologies; thereby, Firm E did not need to modify their products when entering its first foreign market.

4.1.4.2 Benefits of social networks

Table 19 demonstrates the benefits of social networks perceived by the case firms in this session. All of the firms in the rice producer business and two firms from the snack and biscuit manufacturer business mentioned that their social networks, especially their family ties, can provide valuable advice (emotional support). Family-owned SMEs usually have more than one family member working at the companies, and these members can share values and knowledge that pass through generations. Moreover, the founder/owner generation has spent more time and has gained more experience in the business than their successors, who can supervise other family members working at the companies.

The successive generation of Firm D mentioned, "it is only my dad who works with me here, and sometimes he can give me some advice on how to run a business because I started working here after finished my study."

Benefits of social networks	Firm case
Providing market information	A, B, C
Opportunity identification	A, B, C
Advice/Emotional support	A, B, C, D, E, G, H
Financial support	A, B, C, D, E, F

Table 19 Benefits of social networks

Social networks are also a source of funding for family-owned SMEs. All of the firms from the rice producer sector and two firms from the snack and biscuit manufacturer business (Firm E and F) relied only on their family funds, especially when they started their foreign expansion. For example, the firms in the rice producer sector had to improve their products' quality, which required them to invest in new technologies. Similarly, Firm E, which operated in the snack/biscuit manufacturer business, had to build new factories with the latest technologies in order to make products with international standards.

The founder/owner generation of Firm E stated, "Our company was still small at that time, and it was difficult to borrow money from elsewhere."

Moreover, most of the firms in the rice producer business (Firm A, B, and C) also highlighted the importance of social networks as a source of information and a trigger for international opportunities. This information also influenced the founders/owners' intention to internationalise their businesses:

"I was my friend who has lived in China for a long time told me about the opportunity in the market. I then decided to do business with him because at that time, if you go there without locals, they just shut the door to you and your products." (the founder/owner generation of Firm A).

Through social networks, SMEs could identify international opportunities and be able to enter foreign markets, especially at the beginning of their foreign expansion, through information from friends of the founder/owner generation who usually lived or worked in the foreign markets. Therefore, social networks based on personal trust could provide firms with valuable information and encourage these firms to internationalise.

4.1.4.3 Benefits of intermediary networks

Table 20 shows the benefits of intermediary networks perceived by the case firms in this session. The firms have mentioned various intermediary organisations

from both sectors, including the DITP, the industry associations, the Thai rice exporter association, and research centres. All the firms from both sectors emphasised the importance of intermediary networks as a primary source of information, enabling them to overcome their knowledge shortage, especially when they attempted to enter new foreign markets:

The successive of Firm B mentioned, “I think the DITP is very helpful, especially when we try to enter new markets. We can learn about market regulations, rules and laws which are very important for our products to meet all standards and regulations.”

In addition, intermediary networks also enhance firms’ knowledge and technologies. For example, these firms operate in the food industry, which requires them to develop and improve their product standards and qualities for foreign markets. Thus, these firms, especially in the rice producer sector, have to actively search for the latest technologies in order to improve their products:

“They (the Thai rice exporter association) have specific information for us, and they can tell us what we should do to deal with these problems.” The successive generation of Firm D.

Benefits of intermediary networks	Firm case
Providing knowledge and information	A, B, C, D, E, F, G, H
Opportunity identification (indirect ties)	A, B, C, D, E, F, G, H
Financial support	G, H

Table 20 Benefits of intermediary networks

Equally important to the information provider, intermediary networks were reported by all the firms from both sectors to provide international opportunity recognition, especially when the firms seek new opportunities in new foreign markets. These firms could access wider networks through their intermediary networks, which helped them identify opportunities in foreign markets. Also, they

were able to find and build new business networks. In addition, all the firms from both sectors viewed export promotion programmes such as trade shows and business matching schemes which were organised by the various intermediary organisations, as an essential activity:

The successive generation of Firm C stated, "You can reduce much time to find your markets and your business partners", and "there are already people who already want to take us there." (the successive of Firm F).

In addition, only two firms from the snack/biscuit manufacturer sector (Firm G and H) mentioned that intermediary networks are their primary source of funds. Thai SMEs are the backbone of the country's economy. Thus, various intermediary organisations are part of the Thai government agencies that provide these SMEs with some loans with low-interest rates:

"Our firm is too small to ask for some loan because we do not have enough credit. However, the DITP told us to contact the EXIM bank to search for some help. There are many schemes which are designed to help small firms like ours to be able to get some loans." (The founder/owner generation of Firm H).

4.1.5 Drawbacks of network ties

Table 21 summarises the pitfalls of network ties perceived by the case firms in this session. For example, two of the firms in the snack and biscuit manufacturer business (Firm E and F) identified one of the drawbacks of social networks was the emotional close effect from their family members, which sometimes dispirited their intention to engage in foreign expansion:

The successor of Firm F mentioned, "Sometimes the suggestion from our family members is useless and discouragement because not everyone in the family will understand what we are doing at the company."

Drawbacks of network ties	Firm case
Business networks: Over-embeddedness	B
Social networks: Limited knowledge	A
Social networks: Limited connections	B
Social networks: Emotional close effect	E, F
Do not perceive any drawbacks of network ties	D, G, H

Table 21 Drawbacks of network ties

While Firm B, which operated in the rice producer sector, could perceive that their social networks had limited connections that sometimes did not help their foreign expansion. Also, their business networks could hinder the firm's internationalisation because sometimes they were over-embeddedness.

The successive of Firm B stated, "We used the same supplier both in China and Taiwan (a friend of the founder) where we received quite a large volume of orders, and when we had to renew the contract, our partner always asking for more benefits because we only got one partner and he knew we needed them which eventually we had to disband this partnership."

Only Firm A from the rice producer business found that their social networks did not have sufficient knowledge and information in foreign markets, which sometimes slowed their internationalisation process.

"My family members might know a few people who want to do business, but they do not really know whether these people have got knowledge or expertise or skills that our firm needs or not. We need to be able to meet many people outside our family and friend circles if we want to enter more markets," says the successive generation of Firm A

On the other hand, Firm D (from the rice producer sector), G and H (from the snack/biscuit manufacturer sector) mentioned that they did not find any

drawbacks of any network ties. However, they found that they could not enter foreign markets without network ties.

The successive generation of Firm D stated, "Without them (network connections), I do not think I can sell our rice in any market except in the domestic. Their expertise and experience help us through any challenges, especially when I started."

4.1.6 Networks at internationalisation phases

Table 22 illustrates the summary of network ties used and their evolution at each phase of case firms' internationalisation for both business sectors; rice producer and biscuit/snack manufacturer. **For the rice producer sector**, most of the firms that were run by the founder/owner generation used social networks in the pre-engagement phase (Firm A, B and C). Firm A and B's intentions to internationalise were triggered by their social networks, especially with friends of the founder/owner generation who lived and worked in foreign markets. Eventually, Firm A and B developed their social networks into their business partners to facilitate their foreign expansion. These firms highlighted the importance of foreign market information gained from their personal relationships, which they had a mutual trust, which was one of the key factors that affected their decision to internationalise. Firm A and B recognised their international opportunities through their social networks, which were important for their foreign expansion during this internationalisation phase. As a result, Firm A managed to enter China and then Taiwan and Hong Kong, respectively, with the same business partners. Similarly, Firm B entered the Chinese market after forming the business with their friend, then entered the Taiwanese market through their personal relationship, which was their interpretation in the Chinese market who introduced them to their business partner.

The founder/owner of Firm B mentioned, "I do not even know I can sell there. It is my friend who lives there telling me about the market." and "In these markets at that time, if you could not speak their language, they just closed the

door and walked away from you even your products were really good. We needed someone who lived there and knew how to deal with cultural issues. I could trust my friends to represent our company there.” stated the founder/owner of Firm A.

Moreover, Firm C also mentioned that social networks could be a source of information in foreign markets. Firm C’s international activities started when their existing customers in foreign markets usually bought Firm C’s products through the borders of Thailand. However, the founder/owner generation of Firm C did not have enough experience in foreign markets; thus, he asked his friends who worked in nearby foreign markets for some information before deciding to enter the markets.

The founder/owner generation of Firm C stated, “My friend lives in Singapore and helps me understand the market. They cannot grow rice there; thus, it is a good opportunity for our business to get there.”

However, there is an exceptional of Firm D, which looked for foreign expansion since they established the company. Both the founder/owner and the successive generations of Firm D started working at the company from the beginning. The founder/owner generation of Firm D had another business that only bought rice from farmers and sold it to the wholesaler in the domestic market. After the successive generation who had just graduated from higher education realised international opportunities for Thai rice, both generations decided to open a new business to sell premium rice in foreign markets. Thus, Firm D started looking for opportunities by heavily relying on intermediary networks, including the trade organisation, the industry association, and research centres, to seek information and knowledge in order to improve products’ quality to meet international standard requirements and to prepare their company to be ready before engaging in international trade.

Firm	Pre-engagement phase	Initial phase	Advanced phase
A	Social networks then evolved into Business networks	Heavily relied on intermediary and limited interaction with business networks	Intermediary networks interacted with business networks
B	Social networks then evolved into Business networks	Heavily relied on intermediary and limited interaction with business networks	Heavily relied on business networks and limited interaction with intermediary networks
C	Heavily relied on social networks and limited interaction with business networks	Heavily relied on intermediary networks and limited interaction with business networks	Intermediary networks interacted with business networks
D	Heavily relied on intermediary networks	Heavily relied on intermediary networks and limited interaction with business networks	Intermediary networks interacted with business networks
E	Heavily relied on intermediary networks and limited interaction with business networks	Intermediary networks interacted with business networks	Heavily relied on business networks and limited interaction with intermediary networks
F	Heavily relied on intermediary networks	Intermediary networks interacted with business networks	Heavily relied on business networks and limited interaction with intermediary networks
G	Heavily relied on intermediary networks and limited interaction with business networks	Intermediary networks interacted with business networks	Intermediary networks interacted with business networks
H	Heavily relied on intermediary networks	Intermediary networks interacted with business networks	Heavily relied on intermediary networks and limited interaction with business networks

Table 22 network evolvement at internationalisation phases

“We walked to the DITP by ourselves and asked them for some guidelines and all the procedures. [...] The research centre is a pivotal part of our success. They are experienced in the business and can tell us how to improve our products immediately.” (the successor of Firm D)

For the initial phase, all firms in the rice producer sector heavily relied on intermediary networks with limited interaction with their business. Most of the firms in this sector (Firm A, B and C) had been joined by the successive generation who had higher degrees of education and/or better language skills at this phase of their internationalisation. However, Firm A, B and C faced various problems, including law/regulation differences and lack of product quality, when they tried to expand their internationalisation to further markets. Thus, these firms heavily established intermediary networks, including the trade association, the Thai rice exporter association, the Thai rice association and research centres. These intermediary organisations provide family-owned SMEs with valuable information and knowledge, which help them expand to various foreign markets, especially the new markets with high regulations.

The successive generation of Firm C mentioned, “We could not sell our rice anywhere except in Thailand and few nearby markets, but with their knowledge and experience we can develop our rice in a short time which can sell in Asia and Europe. They also help us develop new products like brown and organic rice, with few competitors in the market.”

All of the firms in this sector also reached out to richer networks and eventually managed to establish their business networks through various export promotion programmes arranged by their intermediary networks, including business matching schemes and trade fairs. Thus, these firms managed to find new foreign markets and build new business networks through opportunities arising from their intermediary networks. For example, Firm B heavily used trade fairs to build new business networks to enter other markets because they could sell their products only to the nearby markets where the markets’ regulations were not different from the domestic ones. In addition, while Firm B tried to develop its

products' quality to meet a higher standard, they were also actively forming new business partners.

The successive generation of Firm B stated, "We always join these programmes because there are always some opportunities for us to find someone who can take us to new markets."

Moreover, all of the firms in this sector also utilise business networks to facilitate their foreign expansion in this phase. Business networks' expertise and local market insight are among the most important sources of the firms' information, which help them successfully and quickly enter foreign markets. For example, Firm B had difficulties moving toward European markets, including cultural differences and logistics. This led Firm B to build new business networks to enter foreign markets. Firm B could access local knowledge and market insight through their business networks in order to help them adjust to the new business environment. However, Firm A and B were not able to expand any further through their social networks because they were too small and had limited knowledge; thus, these two firms depended more on their intermediary networks to find new international opportunities.

"My family does not have friends whom we can trust in every market. We do not know many people who can take us to the markets." (the successor of Firm B).

In the advanced phase, all of the firms in the rice producer business relied on the combination of intermediary and business networks. These firms mostly used their intermediary networks to access wider networks, leading them to find new international opportunities and meet new business connections in new markets. However, business networks could help them gain market insight, especially in terms of different regulations due to high restrictions against rice products in most foreign markets that were required these firms to follow strictly and sometimes, they need to make some adjustments. In addition, Firm B mentioned that they still depended on business and intermediary networks; however, they

tended to utilise their intermediary networks less than in previous phases as they gained more experience.

The successive generation of Firm B stated, "Trade fairs are always arranged at the same places every year, and mostly we meet the same people, we do not want to spend too much money on them. Of course, we prefer to expand to new markets sometimes by ourselves, but we still keep the contact with them (the DITP) for new opportunities in new markets."

Furthermore, all of the firms in this sector also stated that they normally maintained relationships, especially with their business and intermediary networks, throughout their internationalisation process in order to smoothly run their business overseas and always seek new business networks when entering new markets.

"We are doing the business together, and it is going well. It is better to keep it the professional way. We might be getting closer, but nothing in a personal matter [...] We run a business in the food industry and understanding local customer eating habits is crucial for us as well as local business partners. This leads us to build new connections when we try to enter new places." (the successive generation of Firm C).

In contrast, all of **the firms in the snack/biscuit manufacturer business** (Firm E, F, G and H) emphasised the importance of intermediary networks in the pre-engagement phase (Table 22). These firms were established with various intermediary networks, especially with the DITP and Thai Embassies in foreign markets, in order to seek advice, information, connections, and international opportunities. Most of the firms in this sector (Firm E, Firm F, and Firm G) started their internationalisation after the successive generation of working at the companies. While Firm H, which the founder/owner generation looked for foreign expansion since the firm was established. Intermediary networks act as an assistant for these firms by providing export guidelines, advice, and opportunities to meet their potential business partners. These firms also mentioned that trade

fairs and business matching schemes were the most important activities for them to seek international opportunities and to create chances to establish new business networks. For example, Firm F, which the successive generation had a strong international experience from the previous job, decided to spend most of the time in this phase attending various trade fairs and business matching schemes in various countries to find international opportunities and connections:

“If you want to find markets to sell your products in a short time, these trade fairs are like a shortcut. You will find markets and business partners there if your products are what they are looking for”, stated the successive generation of Firm F

Moreover, the founder/owner generation of Firm H, who had some professional experience from his previous job, also stated that intermediary networks could develop personal skills which help the firm’s managers and employees to understand the internationalisation process through various training and seminars:

“They (the DITP) taught us from step one until we could do it by ourselves. We had not got any experience when we started through a seminar, we could see the whole picture and knew what to do.” (the founder/owner generation of Firm H).

Two firms in this sector (Firm E and G) also emphasised the importance of business networks in this phase of internationalisation. These firms’ intention to internationalise was triggered by their existing business networks, which identified international opportunities for them. For example, Firm E used to produce their products under other global brand names, then got an offer from their business networks to internationalise their products to other foreign markets. Thus, Firm E decided to build a new factory to meet a global standard and to prepare before engaging in international activities. Firm E also got an offer from their competitor in the domestic market to expand to other foreign markets together. Firm G also received a request from their existing customer; however,

the founder/owner generation refused because he had no experience and language skills. Thus, Firm G had to wait until the successor joined the company to expand to foreign markets.

“It was our competitor in the domestic market who told us about the opportunity in Laos. They got an offer from their existing customer but could not make the products they were asked to do. Thus, they asked us to collaborate with them to enter the market.” (the founder/owner generation of Firm E).

In the initial phase, all of the firms in the snack/biscuit manufacturer business made use of the combination of intermediary and business networks. All of the firms in this sector heavily relied on intermediary networks, especially through various trade fairs and business matching schemes for identifying new opportunities in new foreign markets and new connections. These firms mentioned that the export promotion programmes were one of the effective ways to find new foreign markets and information.

“We cannot find opportunities every time we go to the trade fairs, but we can collect data and information in those markets to help us develop and improve our products. Also, we can meet people who might be able to help us in the future.” (the successor of Firm G).

Moreover, Firm H also stated that intermediary networks could be a source of financing. As a result, Firm H built new business networks through a trade fair. However, Firm H faced a major problem regarding the shortage of financial funds, which hindered its foreign expansion. Thus, the information received from the DITP introduced Firm H to the EXIM bank (the Export and Import Bank of Thailand), a state-owned specialised financial institution for supporting the export, import and investment of Thai businesses. Firm H then managed to get some loans for investing in their business and entered new markets.

All of the firms in the snack/biscuit manufacturer business also highlighted the importance of their business networks at this initial phase of the

internationalisation process. These firms mentioned that their business networks provided them with solutions to overcome problems faced in foreign markets, reducing their time spent in their internationalisation process. Establishing business networks enables family-owned SMEs to access local market insight and expertise, which helps them adjust their strategies and businesses in foreign markets. For example, Firm E faced problems, especially in logistics which the firm could not deliver to some markets that took a long time because their packaging did not look sturdy, and their biscuits were damaged. However, Firm E was able to access local knowledge, in-depth information in the markets and valuable expertise shared by their business networks. Thus, Firm E and their business networks tried to solve this problem together and discovered new packages to protect their products.

“We have to change our packaging to be more protective when we go abroad. We also have to make sure that the new package does not reduce our product quality. We have to work with our business partner, who is the expert, to develop new packaging.” (the successor of Firm E).

Moreover, most of the firms in this sector (Firm F, G, and H) also mentioned that exchanging knowledge and skills within the business networks can help the internationalising firms enhance their speed of entering new foreign markets. For example, Firm F managed to enter foreign markets with the business partners whom they found at the trade fairs. However, Firm F did not have enough understanding of the market’s demands. This led Firm F to work closely with their business networks to develop new product lines to serve each foreign market. By doing this, Firm F was able to share knowledge, information and technology with their business networks and reduced time, especially when they tried to develop new products to suit local customers’ eating habits.

“When we first entered the Vietnamese market, our products were too sweet for them. They prefer a healthy snack, but we did not know how to make it. Finally, our business partner who also had a bakery business just helped us out, and we came up with a new recipe.” (The successive generation of Firm F).

In the advanced phase, all of the firms in the biscuit/snack manufacturer sector still utilised the combination of business and intermediary networks at this phase of internationalisation. All of the firms still relied on the intermediary networks to identify new international opportunities, access wider connections and gain information regarding foreign markets, especially for Firm H, which planned to accelerate its internationalisation at this phase. Firm H still considered intermediary networks important at this phase of internationalisation because the accessibility to wider networks allowed Firm H to reduce the time to establish new business networks. Furthermore, by participating in trade exhibitions, especially in foreign markets, Firm H was enabled to increase international opportunities and also promote their products in foreign markets.

“They (the DITP) are like the middleman who helps us to meet our potential business partners. This can help us to get into the markets quicker than searching for the partners by ourselves.” (the successor of Firm H).

While Firm E and F were less dependent on intermediary networks and tended to build new business networks by themselves, they still maintained their relationships with their intermediary networks for new opportunities. Firm E and F still relied on their intermediary networks but only limited interaction in this phase. They only contacted their intermediary networks when they sought new international opportunities in new foreign markets by only attending trade exhibitions where they had never been.

The successor of Firm F mentioned, “We do not go to trade fairs that much these days (compared to previous phases) because they always organise them at the same places and we want to go somewhere we have not been there before”, and “we never cut the ties, in case there are new opportunities in the future.”

All of the snack/biscuit manufacturer business firms also highlighted the importance of their business networks at this advanced phase. These firms

considered their business networks were one of the key parts which helped their firms successfully operate in various foreign markets. Business networks provided these firms with local knowledge and insight, which enabled them to improve their understanding of foreign markets and penetrate more in the existing markets. For example, Firm E mentioned that they heavily relied on business networks in this internationalisation phase. They used their business networks to penetrate geographically by accessing business networks' expertise, market insight and knowledge. For example, Firm E managed to penetrate every region except Africa due to the difficulties of transportation:

"We cannot go to South Africa because sending our products there takes a long time. So when our products arrive at the market, our products' expiration date has already been shortened. So our partners and we are still working on it to try to find the solution." (the successive generation of Firm E).

While Firm F managed to enter various foreign markets by modifying its products to meet local markets' preferences for each market:

"Our strategy is to make our products to suit the local customers' preferences. We have to work with them (business partners) in every market to come up with new recipes." (the successor of Firm F).

Moreover, all of the firms from this sector also mentioned that they always maintained their relationships with their business networks throughout their internationalisation phase and always built new business networks when they attempted to enter new markets.

"Local partners are knowledgeable in their markets. It will not take much time if you have local partners with you because, with their local insight, they can help us fix all of the problems." (the successive generational of Firm G).

These firms built new networks for each foreign market because local knowledge and market insight seemed to play a vital role in their international operations.

Specifically, these firms operated in the food industry, which had to adjust their products to meet local customers' eating habits in most markets. Local market knowledge and insight seemed to be important for these firms.

4.2 Location

4.2.1 Background

There are two locations where the family-owned SMEs in this study commonly established their companies inside Bangkok and in cities around the boundary of Bangkok (Figure 11). Bangkok is the capital city of Thailand which is the centre of the country's economy and the principal port. However, Bangkok has limited space due to its congestion, so the firms might not be able to expand their factories in the future. While the cities around Bangkok, such as Nonthaburi, Nakorn Pathom, and Samut Prakarn provinces, are easy to access the capital cities and/or are near the firms' raw material. Moreover, Samut Prakarn has been the hub of transportation in the country, which links all logistic systems in the city. Firm I, J, and K are located in Bangkok, while Firm L, M and N are situated on the outskirts of the capital city.

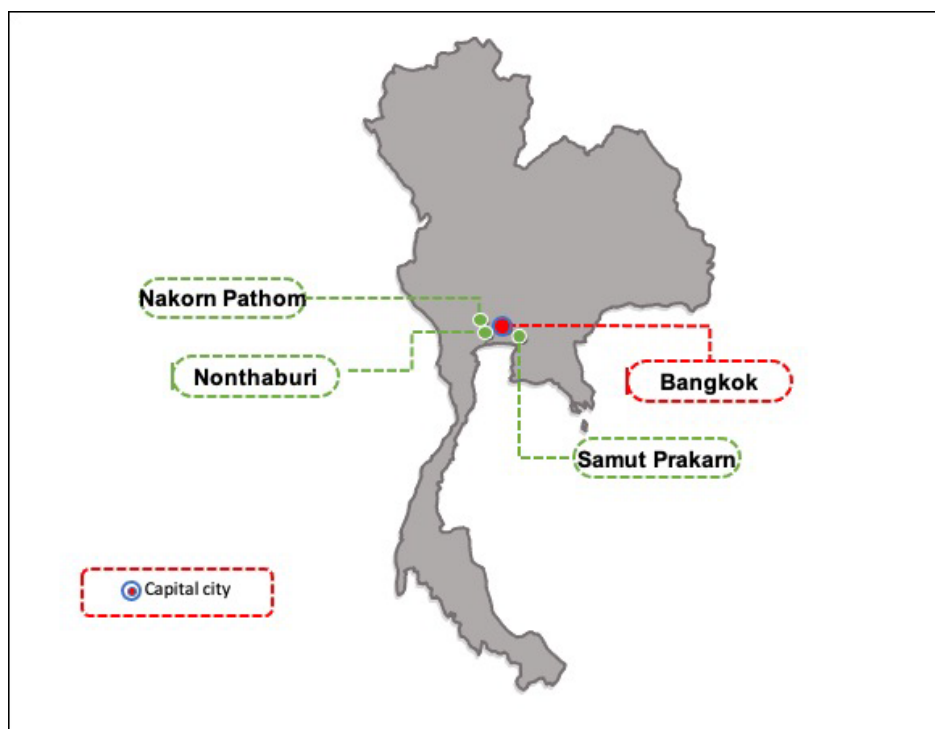


Figure 11 Map of the family-owned SMEs' location

Table 23 summarises the background of the internationalising family-owned SMEs in this session. The oldest firm in Bangkok (Firm J) was built in 1979 and had well-positioned in the domestic market before internationalising in 2011. While most of the firms inside the capital city (Firm I and K) managed to internationalise within five years of their establishment. On the other hand, all of the firms located outside Bangkok (Firm L, M and N) had a well-positioning before their foreign expansion, and the oldest firm (Firm L) was established in 1989. Moreover, most of the firms inside Bangkok (Firm I and J) were medium-sized with 80 employees, and only Firm K was small-sized with only 50 employees. In contrast, all of the firms outside the capital city were medium-sized, with between 70 – 200 employees.

4.2.2 Characteristics of generational owners and managers

Table 24 summarises the characteristics of the founder/owner and the successive generation who owned and/or managed the case firms in this session. Most of the firms from Bangkok (Firm I and K) were still owned by the founder/owner generation. Only Firm J, which had the longest establishment, completely transferred the ownership to the second generation. While all of the firms located outside Bangkok (Firm L, M and N) were still in the founder/owner generation's hands.

Regarding the management of the firm cases, most of the firms inside Bangkok (Firm J and K) were managed by both the founder/owner and the successive generations with a higher educational background and better language skills. Moreover, these firms (Firm J and K) also had the founder/owner generation who had a strong experience background because they worked in the business for a long time:

The founder/owner of Firm K mentioned, "I worked in the instant coffee business as a sales manager for a long time before I opened my own business. So I know what customers like and not, which helps me to discover our own coffee favours."

Firm	Type of business	Year of establishment	Year of internationalisation	Number of employees	Share of international sale	Number of foreign markets served	Location
I	Soy milk and almond milk producer	2011	2016	80	30%	20	Bangkok
J	Rice and products from rice producer	1979	2011	80	30%	30	Bangkok
K	Instant coffee and biscuit producer	2012	2016	50	20%	20	Bangkok
L	Coconut milk and products from coconut producer	1989	2000	200	80%	45	Nakorn Pathom
M	Dried fruit and frozen fruit processor	2007	2013	70	20%	20	Nonthaburi
N	Seaweed and fish snack manufacturer	2001	2009	120	80%	40	Samut Prakarn

Table 23 Background of companies

Firm	Generation of owner	Managing generation	Top manager characteristics		
			Higher education	Language skills	Professional experience
I	1st	1st	1st	1st	none
J	2nd	2nd and 3rd	2nd and 3rd	2nd and 3rd	2nd
K	1st	1st and 2nd	1st and 2nd	1st and 2nd	1st
L	1st	2nd	2nd	2nd	1st and 2nd
M	1st	1st and 2nd	1st and 2nd	2nd	1st
N	1st	1st and 2nd	1st and 2nd	2nd	1st

Table 24 Characteristics of generational owners and managers

With the exception of Firm I, which was still owned and managed by the founder/owner generation who established the firm with his partner after he graduated from the university and had not got any professional experience:

“I love drinking soy milk, but in Thailand, you can buy it only in the market every early morning. I just came up with the soymilk products that you can buy anytime.” (The founder/owner of Firm I).

While all of the firms located outside Bangkok (Firm L, M and N) were still in the founder/owner generation’s hands.

Regarding the management of the firm cases, most of the firms inside Bangkok (Firm J and K) were managed by both the founder/owner and the successive generations with a higher educational background and better language skills. Moreover, these firms (Firm J and K) also had the founder/owner generation who had a strong experience background because they worked in the business for a long time:

The founder/owner of Firm K mentioned, “I worked in the instant coffee business as a sale manager for a long time before I opened my own business. I know what customers like and not, which helps me to discover our own coffee favours.”

With the exception of Firm I, which was still owned and managed by the founder/owner generation who established the firm with his partner after he graduated from the university and had not got any professional experience:

“I love drinking soymilk, but in Thailand, you can buy it only in the market every early morning. I just came up with the soymilk products that you can buy anytime.” (The founder/owner of Firm I).

Whereas most of the firms outside the capital city (Firm M and N) were managed by both the founder/owner and the successive generations, both had higher

educational degrees. Moreover, these firms' founder/owner generation (Firm M and N) also had experience in the industry, while their successors had better language skills.

With the exception of Firm L, which had the longest establishment, completely transferred the management to the successive generation with better education and language skills. Both generations had some professional experience because they worked at the company for a long time:

“Since our family has run this company for a long time, we are growing up knowing that we have to take care of our business. I have been working with the company since I was 15 years old; working from the coconut farm, then in the factory until now on the desk.” (The successor of Firm L).

The founder/owner generation of Firm L had a plan for their successive generation to take over the company for a long time. Thus, the founder/owner generation prepared their successors to be ready to run the company by providing education and experience since they were young.

4.2.3 Behaviour of firms

Table 25 summarises an overview of the identified triggers and describes the case firms' internationalisation processes in this section. The firms inside Bangkok mentioned that their key motivation to internationalise is either the change of management team and/or to respond to international requests from their networks. Firm I did not look for any foreign expansion until their customers who bought their products from Firm I's suppliers contacted them in the first year of its inception. However, Firm I could not accept any offers at that time because the firm faced various problems, including limited capacities, product quality control and heavy packaging. Firm I had to wait for five years until the firm could export to nearby markets:

Firm	Trigger/Motivation	Internationalisation pattern/pace	Mode of entry	Internationalisation strategy	Scope of internationalisation
I	Responded to international requests	Very cautious internationalisation, then slowly continue internationalised to various markets	Mostly used joint ventures and export	International opportunities rising by networks	Beyond a psychic distance
J	The successive generation took over the management team and looked for foreign expansion through new product development	Strong established on the domestic market for years; foreign expansion to mostly Asian and European markets started after the change of management team	Mostly used joint ventures and export depending on market regulations and business partners	Initially, planned then became opportunistic, rising through intermediary networks	Beyond a psychic distance
K	The successive generation and new international manager entered the management team, then responded to international	Moderate and cautious internationalisation	Export was used to enter the markets	International opportunities rising by networks	Geographic expansion following psychic distance factors

	requests, later developed new lines of products for foreign markets				
L	Responded to international requests from existing networks	First establishment of a strong position in the domestic market, then cautious internationalisation and later increasingly accelerated the US, UK, Canada, and throughout Asia after the new management team took control of the firm	Mostly used joint ventures in key markets and export to nearby countries	International opportunities rising by networks	Highly dynamic expansion. Beyond a psychic distance
M	The owner/founder generation who has got strong international experience looking for foreign expansion from its establishment	Very cautious internationalisation due to limited resources	Export was used to enter the market	Initially, planned then became opportunistic, rising through intermediary networks	Highly limited to psychically close markets

N	Responded to international requests from existing networks and the entry of the successive generation who also looked for international expansion	Established in the domestic market; then very cautious about internationalising due to lack of international experience in the beginning, then increased after gaining more international experience	Joint ventures and export were used to enter foreign markets depending on business partners in the markets	International opportunities rising through the company's networks	Highly dynamic expansion and beyond a psychic distance
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Table 25 Behaviour of Firms

The founder/owner of Firm I stated "There is no competition in the markets. We can say we are the first one who came out with sterilised soymilk products not only in the domestic market but in the market nearby as well. Our suppliers told us about the market in Singapore; then we decided to enter the market after meeting with our partner there."

While Firm J started their foreign expansion when the successive generation discovered opportunities in foreign markets and developed its product quality in order to prepare for internationalisation:

"At that time, many of our domestic competitors were able to sell their rice in foreign markets, but we could not because our rice did not have any certificates. So we had to improve our rice quality to meet all regulations and obtain the certificates." (the successive generation of Firm J).

Similarly, Firm K started their internationalisation after the successive generation joined the management team and wanted to respond to international offers from their existing networks:

"At that time, my dad did not want to export because he could not speak English, and no one could help him. Moreover, he had no experience, so he did not want to do it. Moreover, the company was too small to deal with a large number of orders, and we did not even own the factory we were still renting." (The successor of Firm K).

While the firms located outside the capital city stated various intentions, encouraging them to internationalise. For example, Firm L acquired their international opportunities through the friend of the founder/owner who wanted to import Firm L's products to China:

The founder/owner of Firm L mentioned, "My friend owned the distributor hubs in the market. He asked me to work with him to send coconut milk to the market."

While Firm M's the founder/owner generation looked for a foreign expansion since he built the company. The owner of Firm M contacted his friend who lived in the market nearby to ask for some information and seek opportunities in the market:

"I have known him for a long time because we used to work at the same company. I heard that he moved back to Singapore to open his own business, so I went there to meet him and looked for the opportunities out there." (the founder/owner generation of Firm M.)

Similarly, Firm N accepted an offer from one of the founder/owner generation friends who wanted to bring Firm N's products to Vietnam. Firm N also changed its focus from the domestic market to foreign expansion after the successive generation who had better language skills joined the management team:

"I got an offer from my friend who had a business in the market, but I could not deal with both the domestic and the foreign markets at the same time. However, we could not do it right from the start because we were not ready, and it was too much to do by myself. I had to wait until my daughter came and helped me." (the founder/owner generation of Firm N).

In terms of the pace of internationalisation varies depending on the firms from both locations. Firm I's internationalisation was very cautious due to its limited resources and problems in the company, especially at the beginning of its internationalisation. Then slowly expand to various foreign markets after developing their products and packaging to be more suitable for foreign markets. While Firm J had a very strong establishment in the domestic market, then rapidly internationalising after the management team had changed. Moreover, Firm J also changed its focus to foreign markets after improving its products and developing new product lines. In contrast, Firm K's internationalisation was at a moderate and cautious pace due to its limited capabilities. Moreover, Firm K also developed new product lines for foreign markets to be more suitable for local customers' eating habits. On the other hand, mostly the firms outside the capital

city (Firm L and N) established a position in the domestic before their internationalising. Then Firm L accelerated their internationalisation pace after the change of management. While Firm N rapidly increased foreign expansion after gaining more international experience. In contrast, Firm M's internationalisation pace was very cautious because of its small size.

All of the firms in Bangkok used to export as entry mode with joint ventures and export for Firm I and J. Moreover, Firm J also mentioned that the firm selected its entry mode depending on markets' regulations and its business networks:

“In a country like China, there are so many restrictions towards foreign firms which might cause us a lot of time and money to spend. Thus, for us we always export to the market like this.” (The successor of Firm J).

While Firm K only used export as an entry mode due to its limited resources. Similar to all the firms outside Bangkok, the common way to enter foreign markets was through export. In addition, Firm L and N also used joint ventures in some markets that were key markets for Firm L and, depending on its business networks' expertise for Firm N:

“Our local partners usually help us. to go through this issue. They give us information which helps us to select the best possible option to enter the markets.” (The founder/owner of Firm N).

In terms of international opportunities, the firms operating in both locations have risen through their companies' network ties. Moreover, Firm J, which is located in Bangkok and Firm M situated outside the capital city, also mentioned that they planned their foreign expansion in the beginning, but as time passed by, it became opportunities for their networks:

“I have a plan to sell my product outside the domestic market from the beginning because I could see the opportunities since I worked at my previous job.” (The founder/owner of Firm M).

For the scope of internationalisation, most of the firms in Bangkok (Firm I and J) expanded beyond a psychic distance. In contrast, Firm K’s geographic expansion followed psychic distance factors. Firm K targeted the foreign markets where local customers had similar eating habits as the domestic market because they could not afford to tailor their products to meet all local markets’ demands. In contrast, most of the firms established outside Bangkok (Firm L and N) had a highly dynamic internationalisation scope beyond the psychic distance. However, there was an exception in Firm M that its foreign expansion scope was highly limited to psychically close markets due to its limited financial fund and lack of international markets experience.

4.2.4 Benefits of network ties

4.2.4.1 Benefits of business networks

Table 26 summarises the benefits of business networks perceived by the case firms in this session. All of the firms from both locations emphasised the importance of business networks as information providers. In addition, these companies can gain market knowledge through their business networks, which are essential for foreign expansion. For example, Firm I had problems regarding their packaging, which was made of glass and was too heavy for transportation. This led Firm I and their business partner to develop new packaging which does not reduce the products’ quality:

“The glass bottle can keep our soymilk for a long time, but it is difficult to ship to other markets. Our partner, an expert in the packaging business, helped us develop new packaging made of plastics that can keep our products for 18 months.” (The founder/owner of Firm I).

Benefits of business networks	Firm case
Providing market information	I, J, K, L, M, N
Opportunity identification	I, K
Improving making decision	I, J, K, L, M, N
Enhancing speed of internationalisation	J, K, L, M
International connections	I

Table 26 Benefits of business networks

Moreover, embedding in the business networks allows the firms to exchange and share their knowledge, which enhances their knowledge accumulation and understanding of local demands. This also helps them to develop products and technologies:

The successor of Firm J mentioned, "Rice is not the main dish in Europe. When we entered those markets in the beginning, we barely sold our products. It was our business partner in Italy who taught us how to make pasta" and "most of Thai food contains coconut milk, but not other when we entered European or American markets our sale was too small. Our partners suggested that we should make other products from coconut, including the coconut flake and dried coconut, which are used in many Western desserts and food." (The successive generation of Firm L).

Equally important as a source of information, business networks were also mentioned by all firms from both locations to help them improve their decision-making towards their internationalisation process. Business networks influence the firms' market selection and entry mode, which mostly depends on opportunities arising from their business networks:

"When they (business partners) approach us, they already know that our products have potential in the markets. Then we just follow them there." (The founder/owner generation of Firm N).

Business networks are also reported by two firms located inside Bangkok (Firm J and K) and two firms situated outside Bangkok (Firm L and M) that can accelerate the internationalisation process's speed. Furthermore, being able to access their business networks' knowledge and insight into foreign markets help the family-owned SMEs to overcome various problems faced and reduce the total time spent in order to enter the foreign markets:

"When we tried to enter Chinese and Korean markets where the competitions were crucial, we had many problems to sort out. They (business networks) have more experience in the markets and know the shortcut; they know how to deal with things. They are there to help in the end we could enter the markets quicker than our main competitor from Thailand." (The successor of Firm M).

Moreover, two firms in Bangkok (Firm I and K) also mentioned that business networks had influenced their intention to internationalise. Furthermore, Firm I also stated that business networks could provide connections:

The founder/owner generation of Firm I stated, "We did not even know we could sell this in Singapore until my supplier told me that there is no ready-to-drink soymilk in the market and introduced me to his partner in the market."

Firm I enables access to their business partners' networks which also helps them acquire new opportunities in foreign markets. Firm I did not plan to expand to any foreign market. The founder/owner discovered the opportunities through the firm's business networks

4.2.4.2 Benefits of social networks

Table 27 summarises the benefits of social networks perceived by the case firms in this session. The table shows that all three firms outside Bangkok (Firm L, M and N) mentioned that social networks influenced their intention to internationalise. Moreover, these firms also highlighted that social networks could

be a source of information in foreign markets. The firms enable to access market insight and information from their social networks who usually live or work in foreign markets. They also described their first foreign expansion with the friends of the founder/owner generation:

“When my friend asked me to work together, I just jumped to the opportunity immediately. Because he lives in the market and can give me much information and help me when I have problems as well.” (The founder/owner of Firm M).

Two firms in Bangkok (Firm I and K) mentioned that their social networks, especially their family ties, can be a source of financial funds. However, these firms mentioned that their firms were relatively small, and sometimes it was difficult to get investment from an outsider:

“Our company is very small; getting loans from the bank will take some time to get approved. This might delay our foreign expansion, so using our family money is another way to put more investment into the company.” (The founder/owner generation of Firm I).

Benefits of social networks	Firm case
Providing market information	L, M, N
Opportunity identification	L, M, N
Connections	L
Advice/Emotional support	J, L
Financial support	I, K

Table 27 Benefits of social networks

One of the firms located in Bangkok (Firm J) and one of the firms from outside Bangkok (Firm L) also highlighted the importance of social networks, especially from family members and friends of the family as an advisor. Family businesses

usually have more than one family member working at the same company. Thus, the family members can access the family's advice, especially from the predecessors who typically have more experience and have worked in the business for a long time:

"My father has many friends who are in the same industry and managed to expand to foreign markets before our company. When we started, I just asked them for some advice and guideline." (The successor of Firm J).

Only one firm positioned outside Bangkok (Firm L) also stated that social networks could provide connections that can help for further expansion in new foreign markets:

"My friend who lives in the Chinese market knows many people there. He brought me to meet his friends who took our company to Taiwan." (The founder/owner generation of Firm L).

Therefore, the personal networks of Firm L provide them to find international opportunities in foreign markets, which eventually facilitate Firm L to enter the markets. Therefore, social networks based on personal trust could provide firms with more connections, enabling them to further their expansion to other markets.

4.2.4.3 Benefits of intermediary networks

Table 28 summarises the benefits of intermediary networks perceived by the case firms in this session. Intermediary organisations have been mentioned by firms from both locations, including the DITP, the industry association and various research centres. All firms from both locations emphasised the importance of intermediary networks as a source of information and can also act as a trigger for new international opportunities. Furthermore, the intermediary networks, especially with research centres in the food industry, provide updated knowledge

and technologies on products which can be a pivotal part for the firms to sell their products in foreign markets:

The founder/owner generation of Firm I stated, “I just got an idea what I wanted to sell, but I did not know how to make it. I ran to the research centre to ask them to help us develop our products” and “it is easy these days to ask them (the DITP) for help. They will come up with information that can help us recognise opportunities in various markets. My son usually contacts them when we search for new market destinations, especially where we are not familiar with.” (the founder/owner of Firm L).

Benefits of intermediary networks	Firm case
Providing knowledge and information	I, J, K, L, M, N
Opportunity identification (indirect ties)	I, J, K, L, M, N
Financial support	M

Table 28 Benefits of intermediary networks

In addition, only Firm M, situated outside Bangkok, mentioned that intermediary networks could provide financial support. Family-owned SMEs usually lack resources, including insufficient funds, which sometimes hinder their internationalisation. Intermediary organisations, especially government agencies, can help these firms overcome this problem:

“Using only our family fund is not enough to help us go that far and fast. If we want to enter more market, we need to use external funds.” (The successor of Firm M).

4.2.5 Drawbacks of network ties

Table 29 summarises the pitfalls of network ties perceived by the case firms in this session. Three firms outside Bangkok (Firm L, M and N) utilised social

networks to facilitate their foreign expansion, especially at the beginning of their internationalisation process, and mentioned that their social networks had limited connections. Personal relationships with friends, family members and relatives are small size and limit connections which sometimes can hinder the foreign expansion of the firms:

“I went there because my friends live there, but that is all we could not enter other markets. We have to change our approach if we want to enter more markets.” (The founder/owner of Firm N).

Drawbacks of network ties	Firm case
Social networks: Limited connections	L, M, N
Social networks: Emotional close effect	M
Intermediary networks: Extra costs	K, M
Do not perceive any drawbacks of network ties	I, J

Table 29 Drawbacks of network ties

While Firm M which is located outside Bangkok, also mentioned that social networks, especially with family ties, can dishearten their intention to internationalise and run the business:

The successor of Firm M stated, “Sometimes their advice is not on points and useless for our business these days. We have to be more active, and sometimes I do not think everyone in my family understands that. They also question my move toward internationalisation.”

Moreover, one firm located in Bangkok (Firm K) and one firm situated outside the capital city (Firm M) mentioned that their intermediary networks, especially the export promotion programme, can cost extra money to firms. One of the useful and popular activities for family-owned SMEs to find markets is trade

fairs in various countries. They also cost the firms much money to be able to participate as well:

“Trade fairs are essential activities for us, but each time we join them, we have to pay for the registration fees, travel expenses, setting up expenses and many more. In one year, we have not been only one time, but we participate frequently, so these days we have to find an optional way to find our potential partners like contacting the Thai Embassy in the markets.” (the successive generation of Firm K).

However, two firms located inside the capital city (Firm I and J) could not identify any drawbacks of network ties. On the contrary, these firms mentioned that their networks provide them with valuable resources and mutual beneficiaries for every actor in the networks, which facilitate them to run their businesses in foreign markets:

The founder/owner of Firm I “without these connections, we cannot go this far, or our company might not be able to stay in this business at all. I did not have any experience when I started but being able to link with them helped me to overcome many challenges” and “when we try to enter a new market where we have to adjust to a new environment, our partners can give us some insight which helps us to get into the markets in a short time.” (The successive generation of Firm J).

Therefore, network relationships play a key part in the firms’ internationalisation; these firms could not manage to enter foreign markets without them. In addition, foreign market knowledge and information seem to be important for these firms to operate in international markets.

4.2.6 Networks at internationalisation phases

Table 30 summarises network ties used and their evolution at each phase of case firms’ internationalisation for both locations where these family-owned SMEs are

situated inside and outside Bangkok. All **the family-owned SMEs in Bangkok** (Firm I, J and K) heavily relied on intermediary networks during the pre-engagement phase. All of these firms highlighted the importance of intermediary networks as their primary source of knowledge and information. These family-owned SMEs mentioned that a lack of market insight and expertise prevented their internationalisation. Establishing networks with various intermediary organisations can help these firms to overcome this barrier. These firms established various intermediary networks, especially the DITP and industry associations, to seek advice and information regarding foreign markets to prepare their companies to be ready before internationalising. Moreover, the case firms in this study operated in the food industry to enter foreign markets. Sometimes, these firms have to adjust and modify their products to meet standard requirements and/or local customer eating preferences. One of the intermediary organisations which can help the firms to develop their products is research centres. These seem to be more important for small-sized firms which cannot afford to build their own R&D department:

The founder/owner generation of Firm I mentioned, "We asked them (research centres) for help since we had an idea for our business. There was no one using non-GMO soybeans and sterilised with the technology we developed before."

Similarly, Firm J, which started its foreign expansion after the successive generation joined the company, faced additional foreign regulations and requirements for their products before their internationalisation. This required Firm J to improve their product quality, Firm J then contacted various intermediary organisations, including the Thai rice exporters association, the Thai rice mills association and research centres for knowledge and technologies:

"When I studied in America, I saw many rice products from Asia, including Thailand. So after I returned and started working here, I began searching for information and talked to the Thai rice exporter association to look for some opportunities and information." (The successive generation of Firm J).

Firm	Pre-engagement	Initial	Advance
I	Heavily relied on intermediary networks and limited interaction with business networks	Heavily relied on intermediary networks and limited interaction with business networks	Intermediary networks interacted with business networks
J	Heavily relied on intermediary networks	Heavily relied on intermediary networks and limited interaction with business networks	Heavily relied on business networks and limited interaction with intermediary networks
K	Heavily relied on intermediary networks and limited interaction with business networks	Heavily relied on intermediary networks and limited interaction with business networks	Heavily relied on business networks and limited interaction with intermediary networks
L	Heavily relied on social networks and limited interaction with business networks	Heavily relied on intermediary networks and limited interaction with business networks	Heavily relied on business networks and limited interaction with intermediary networks
M	Social networks then evolved into Business networks	Heavily relied on intermediary networks and limited interaction with business and social networks	Intermediary networks interacted with business networks
N	Social networks then evolved into business networks with limited interaction with intermediary networks	Heavily relied on intermediary networks and interacted with business networks	Heavily relied on business networks and limited interaction with intermediary networks

Table 30 network evolvement at internationalisation phases

In addition, most of the firms inside Bangkok (Firm I and K) also mentioned that their business networks triggered their first intention to internationalise. However, these firms did not focus on any foreign markets until their existing business networks, especially their suppliers and/or existing customers, came across international opportunities for these firms through the borders of Thailand:

“They (existing customers) used to buy our products at the border of Thailand and sell in Myanmar. Then they wanted to order a larger volume of product because our coffee taste is suitable for the local customers.” (The successive generation of Firm K).

For the initial phase, all the firms positioned in the capital city (Firm I, J and K) utilised the combination of intermediary and business networks. These firms heavily relied on intermediary networks, especially when they looked for international opportunities in new foreign markets. In addition, most of these firms (Firm J and K) extensively attended trade fairs and business matching schemes within and outside Thailand. Thus, these firms were able to identify opportunities and reach out to wider networks with new business connections:

The successor of Firm J stated, “We know that we are going to meet someone who can help us enter foreign markets at Trade fairs. Even if this does not guarantee, at least we will get some information and/or contacts for the future expansion” and “trade fair can create opportunities to meet potential business partners. It can help us to enter foreign markets quickly.” (The successive generation of Firm K).

While Firm I also relied on their intermediary networks to seek new international opportunities and develop their product quality. In the beginning, Firm I used only soybeans imported from overseas with high costs. Thus, their products were expensive compared to similar products in the markets. Firm I then decided to develop new products that used soybeans grown in Thailand to cut costs and sell their products at a lower price. This led Firm I to work with the research centres to come up with new products in this internationalisation phase:

“We received offers from a few markets, but we could not sell to them because the price of our products was too high because we imported our soybeans from overseas. So we had to develop new products made of Thai soybeans to sell at a lower price, but we had to maintain the quality. The research centre helped us to develop this new product.” (The founder/owner of Firm I).

Moreover, all of the firms situated in Bangkok (Firm I, J, and K) also mentioned that their business networks provided them with valuable information to identify problems faced and find solutions. For example, Firm I had problems with their packaging, which was made of glass, and it was difficult to ship their products to other countries. Having an excellent logistic partner offered Firm I expertise, which helped Firm I change their packaging to a lighter weight. While Firm K, which normally produced only instant coffee and tea, came across that in the Southeast Asian markets, customers always had these drinks with biscuits. One of Firm K’s business partners used to work with another biscuit producer in Vietnam, who eventually worked together with Firm K to develop new product lines. Moreover, accessing their business networks’ knowledge and expertise enabled Firm K to reduce the time spent in their internationalisation process:

“When we went there for the first time, we sold only instant coffee and tea, and it was our partner in Vietnam suggested that the company should make biscuits to sell with our drink because it is the way they drink tea and coffee in the market.” (The successive generation of Firm K).

In the advanced phase, all of the firms inside Bangkok (Firm I, J and K) relied on the combination of intermediary and business networks. These firms still looked for further foreign expansion in this phase. They still used their intermediary networks to increase opportunities to meet new business connections, especially in new foreign markets. At the same time, business networks are still vital, especially to find solutions in foreign markets. For example, Firm I and its business networks continued to develop new packaging which not only to ease their transportation but also to maintain their product quality:

“We still cannot sell our products to many markets because the plastic packaging can keep our products only for 12 months which is still too short if we have to ship them to further markets. Our partners found the perfect packaging solution and technology, which is made of aseptic carton packs that can keep our products for 18 months.” (The founder/owner of Firm I).

In addition, Firm J and K also stated that they heavily relied more on their business networks at this advanced phase of internationalisation. These firms’ business networks provided them with valuable information, which helped them to have a better understanding of local demands to penetrate the existing markets. For example, Firm J, which was able to access their business networks’ knowledge, developed new product lines made from rice for markets in Europe, such as pasta and cooking oil:

“Rice is not the main dish everywhere, so our sales at that time were too small. My Italian partner just came up with the idea of making pasta from rice. Moreover, we got feedback from other partners in Europe to make other products which are popular and more suitable for local preferences in the markets, including quinoa, rice vinegar and rice flour.” (The successor of Firm J).

Furthermore, all of the firms positioned in Bangkok also stated that they normally maintained their relationships, especially with their business and intermediary networks, throughout their internationalisation process, in order to facilitate their foreign expansion:

The successive generation of Firm J mentioned, “We might become closer with the internet and technologies these days, but we are not like close friends because we still have to work together. I think it is better to keep our professional side in mind.”

The connections in their networks have become closer over a period of time. These firms never change or dismiss any networks because their networks might

be able to provide them with valuable information and knowledge in the future. These firms still seek new opportunities in the markets.

In contrast, all the **firms located outside Bangkok** (Firm L, M and N) run by the founder/owner generation utilised social networks during the pre-engagement phase. These firms mentioned that their intentions to internationalise were triggered by their social networks, especially with friends of the founder/owner generation who lived and worked in foreign markets (Table 30). Later, Firm M and N developed their social networks into their business partners in order to expand to foreign markets. These firms (Firm L, M and N) emphasised the importance of foreign market information they gained from their personal relationships. As a result, they had a high level of trust which provided them with information that influenced their decision to internationalise. For example, Firm L began their foreign expansion after a friend of the founder/owner introduced them to their business partner in a few Southeast Asia markets. Firm L eventually managed to establish new business connections in these markets with the help of their social networks in foreign markets and then started to export to these nearby markets. In contrast, the founder/owner of Firm M visited his friend, who lived and worked in Singapore, to find opportunities in the market, eventually forming the business together.

The founder/owner of Firm L stated, "at that time, I never thought or planned to sell our products outside Thailand until my friend introduced me to our partner, who showed me an opportunity in the market."

In addition, Firm L also mentioned that their business networks provided them with market insight which enabled them to understand local regulations and overcome problems faced in the markets:

"There were many things we had to do to adjust our products at the beginning. For example, we used the tin for our domestic market, but in some markets, we could not use it without putting the lid opener on the tin because of the health and safety issue in the markets. Thus, our local partners would tell us

from the start what we should do to put our products to the markets” (The founder/owner generation of Firm L).

Whereas Firm N, which also had the successive generation work at the company, also relied on intermediary networks during this internationalisation phase:

“When we first decided to expand to foreign markets, my mother and I had been to many seminars and training at the DITP to prepare ourselves and our company before the expansion. [...] At the trade fairs, we met many connections which not only took us to the markets but also fed us with much information which helped us to modify our products to meet local regulations and local eating habits.” (The successive generation of Firm N).

Both the founder/owner and the successive generations of Firm N lacked experience in international trade; thus, they decided to contact the DITP to seek advice and information. Later, they participated in various training and seminars in order to learn how to do business in other countries. In addition, Firm N managed to access broader networks through the help of its intermediary networks.

For the initial phase, all firms outside Bangkok heavily relied on intermediary networks. Most of the firms in this sector (Firm L and M) had been joined by the successive generation who had higher degrees of education and/or better language skills at this phase of their internationalisation. All of the firms situated outside Bangkok (Firm L, M and N) emphasised the importance of intermediary networks as an opportunity provider. These firms extensively participated in various export promotion programmes, including trade fairs and business matching schemes to identify new opportunities in new foreign markets and access new connections. For example, the successor of Firm L realised that Firm L could not manage to expand further than the nearby markets. Thus, they decided to invest heavily in intermediary networks to seek new markets:

“It is essential for us to be part of these trade fairs because we can find new markets and partners there which we can save much time.” (The successor of Firm L).

Moreover, Firm L also mentioned that their intermediary networks could be a source of knowledge. Firm L came across a major problem that their products had a shorter expiration date in relation to their competitors. Firm L then contacted the industry association and food research centre to seek advice in order to develop their products and packages. Moreover, through various trade fairs, Firm L received feedback from various participants. These also helped Firm L to discover that the Western market rarely uses coconut milk to cook their food but prefers to have it as a drink because it has high nutrition without any cholesterol and lactose. This also helped Firm L identify a new market target for customers who want a healthy product and/or those who are allergic to lactose. Thus, this led Firm L to work with the food research centre to develop new product lines:

“We have been in this business for so long, and we need to adjust to the markets and analyse more thoroughly because customers’ behaviour has changed over time. We discovered the coconut milk drink, which has received well responses in many foreign markets.” (The successive generation of Firm L).

All of the firms located outside Bangkok (Firm L, M and N) also highlighted the importance of business networks, providing them valuable market insight and helping solve problems in foreign markets. For example, Firm L also had problems with their packaging, which was not suitable for many foreign markets and transportation. Thus, Firm L’s business networks developed a new technology which helped Firm L to change its packaging with innovative and differentiated products:

The founder/owner generation of Firm L mentioned, “They helped us change from the metal can which was difficult to open to this new carton box that was very new in the market and easy to open because no one used it at that

time. This helped us to secure a stronger business and to meet constantly changing consumer demands.”

Only Firm M still utilised social networks at this phase of internationalisation. The personal relationships of the founder/owner of Firm M still enabled Firm M to access information, especially within the industry. However, Firm M could not expand any further because its social networks were small and little in number and knowledge.

“My friend still gave me some information when we tried to enter Malaysia because the market is similar to Singapore, but we also had to find other options to try to create our chance to meet new connections.” (The founder/owner of Firm M).

Lastly, in the advanced phase, all firms situated outside Bangkok (Firm L, M and N) utilised the combination of intermediary and business networks. Firm L still participated in trade fairs but only when these happened in foreign markets where Firm L had not been able to put products into the markets:

“These days, we want to push new products in the existing markets, so we do not often go to trade fairs anymore, but we still keep in touch with them (the DITP) in case there are new international opportunities, especially in new markets.” (The successive generation of Firm L).

Therefore, these firms still looked for further foreign expansion in this phase. In addition, they still used their intermediary networks to increase opportunities to meet new business connections, especially in new foreign markets. However, all of these firms relied less on trade fairs in relation to the prior phase.

While Firm M’s social networks were too small and limited in number, they had to rely more on intermediary networks to reach out to wider networks. However, Firm M could not manage to be part of many trade fairs because they could not afford it; thus, mostly, they had to contact their potential business connections

by themselves. Whereas Firm N still used trade fairs only when they were organised in new foreign markets. Firm N also contacted the Thai Embassy in foreign markets in order to access new business connections Firm N preferred to approach these contacts by themselves through emails and/or phone calls:

The successor of Firm N mentioned, "Trade fairs usually arrange at the same place every year, but we want to go somewhere else as well, so we contact them (potential partners) by ourselves through the Internet search" and "we usually contact the Thai Embassy in foreign markets where we can identify international opportunities to seek for the lists of business who might be interested in our products and contact them." (The successive generation of Firm M).

Moreover, Firm M also stated that intermediary networks could be a source of financing. Firm M faced a major problem regarding a shortage of financial funds, which hindered its foreign expansion. Thus, the information received from the DITP introduced Firm M to one of the banks that had a scheme to help SMEs in the country do business in foreign markets. Firm M then managed to get some loans for investing in their business, allowing them to expand to new foreign markets.

All of the firms located outside Bangkok (Firm L, M and N) also highlighted the importance of business networks as a resource provider. Especially, Firm L and N also stated that they heavily relied more on their business networks at this advanced phase of internationalisation. These firms' business networks provided valuable information that helped them do business in foreign markets. For example, Firm L started their advanced phase by developing new products with its business networks, such as dried coconut, coconut flake and coconut juice. Firm L and their business networks discovered that coconut milk was not popular in various markets, including the US, Turkey, Australia and some European markets; thus, they developed new products which were more suitable for local markets:

“They know what the local customers are looking for because they live there and closer to the customers. We never thought about dried coconut before because we rarely use them in Thailand.” (the successive generation of Firm L).

While Firm N had to work closely with their business networks, especially when moving towards European markets, the markets’ regulations were different from Asian countries. Firm N’s products were mostly made of seafood, seaweed and fish, which in some markets in Europe had high restrictions against these products from Thailand. This led Firm N to work with their business networks who obtained market insight and information to adjust their products to each foreign market:

“In many markets in Europe, where particularly discriminatory barriers toward Thai seafood products are posed by the local government, are our main obstacles. These also vary depending on the market, so our local partners’ expertise and insight can help us to easily overcome because they know their local regulations better than us.” (The successive generation of Firm N).

Moreover, any of the firms positioned outside Bangkok utilised social networks for their foreign expansion in this advanced phase. These firms mentioned that their social networks were limited connections that did not help them enter any markets to expect those nearby.

“These days, many institutions provide us with valuable connections, encouraging us to engage in international activities because it is easier than searching for connections by ourselves. (The successor of Firm L).

Personal relationships provide various benefits; however, they might have a limited number of actors in the networks, which restricts new international opportunities. Thereby, these firms tend to rely on intermediary networks, which usually consist of a large number of organisations and institutions.

4.3 Size of the company

4.3.1 Background

The firms in this study can be divided by the size of the firm according to the definition of the OSMEP (see Chapter 2: Literature review). Thus, the small-sized firms have less or 50 employees (Firm O, P and Q), and the medium-sized firms have more than 50 but do not exceed 200 staffs (Firm R, S and T).

Table 31 summarises the background of the internationalising family-owned SMEs in this session. The oldest small-size firm was established in 1998 (Firm O), and most of the small-size firms (Firm O and Q) had a well-positioning in the domestic market before internationalising. While Firm P was the youngest, which was founded in 2011 and spent only three years from its inception to internationalise. Whereas the oldest medium-sized firm was built in 1982 (Firm S), and most of the medium-sized firms (Firm S and T) had well-establishment in the domestic market before their foreign expansion. While Firm R was the youngest firm and founded in 2009 and managed to engage in international activities within five years from its inception.

4.3.2 Characteristics of generational owners and managers

Table 32 summarises the characteristics of the founder/owner and the successive generation who owned and/or managed the case firms in this session. The small-sized firms (Firm O, P and Q) are owned by the founder/owner generation. While most of the medium-sized firms (Firm R and T) were also still owned by the founder/owner generation, only Firm S, the longest establishment firm, had already transferred the ownership to the second generation.

Regarding management, most of the small-sized firms (Firm O and Q) were run by both the founder/owner and the successive generations. The founder/owner generation of these firms had strong experience in the businesses, which could

Firm	Type of business	Year of establishment	Year of internationalisation	Number of employees	Share of international sale	Number of foreign markets served	Location
O	Dried fruit and healthy snack producer	1998	2015	35	20%	20	Sukhothai
P	Fruit juice manufacturer	2011	2014	40	30%	15	Ratchaburi
Q	Dried fruit producer	2001	2013	50	20%	15	Chiang Rai
R	Fruit processor	2009	2014	120	90%	30	Bangkok
S	Food ingredients and ready-to-eat meal producer	1982	2000	180	60%	60	Samut Prakarn
T	Corn and healthy snack producer	1994	2013	200	40%	35	Samut Sakorn and Nakorn Pathom

Table 31 Background of companies

Firm	Generation of owner	Managing generation	Top manager characteristics		
			Higher education	Language skills	Professional experience
O	1st	1st and 2nd	2nd	2nd	1st
P	1st	1st	1st	1st	none
Q	1st	1st and 2nd	1st and 2nd	1st and 2nd	1st
R	1st	1st and 2nd	1st and 2nd	2nd	1st
S	2nd	2nd and 3rd	2nd and 3rd	3rd	2nd and 3rd
T	1st	1st and 2nd	1st and 2nd	2nd	1st

Table 32 Characteristics of generational owners and managers

support their successors. However, only Firm P is still owned and managed by the founder/owner generation, a young entrepreneur who found the company after graduating from university. Moreover, the founder/owner of Firm P has no experience; thus, Firm P had to recruit a professional manager, the founder/owner's brother, when the firm decided to engage in international activities. Similarly, most of the medium-sized firms (Firm R and Firm T) were managed by both the founder/owner and successive generations since the successors still lacked professional experience. Only Firm S, which had the longest establishment, was already transferred the firm's management team to the second generation of ownership and his successor, who has worked at the company for a long time and has plenty of experience.

4.3.3 Behaviour of firms

Table 33 summarises an overview of the identified triggers and describes the internationalisation processes of the case firms in this section. Most of the small-sized firms (Firm O and Firm Q) started that their key motivation to be involved in international activities is the change of the management team. Moreover, Firm Q also wanted to respond to international requests from their existing networks. Except for Firm P, the founder/owner generation, a young entrepreneur, looked for a foreign expansion since the firm was established.

On the other hand, most of the medium-sized firms (Firm S and Firm T) mentioned that their main intention for internationalisation is to respond to international requests. Only Firm R stated that their motivation to expand to their first foreign market was because they wanted to reduce costs. Firm R had a financial problem that nearly went bankrupt. Thus, the company had to relocate its factory to Myanmar to keep its business:

The founder/owner of Firm R mentioned, "we had to reduce costs, and Myanmar is a perfect place for us because everything is cheaper there labour, land, and other expenses."

In terms of the pace of internationalisation, all of the small-sized firms' internationalisation was very cautious due to their limited capabilities despite most of the firms (Firm O and Firm Q) having a long establishment in the domestic market. Whereas most of the medium-sized firms (Firm S and Firm T) managed to establish strong positions in the domestic market before their foreign expansion, these firms rapidly accelerated their international activities after the successive generation took over the management team. While Firm R only established its management office in the domestic market, then built a new factory to cut costs in a nearby foreign market, then active throughout Asia and Europe.

The most common entry mode used by all small-sized firms (Firm O, Firm P and Firm Q) only used export because these firms were still small and had limited resources. Similar to most of the medium-sized firms (Firm S and Firm T), in which the common entry mode was also exported, Firm S might change to sale representatives or joint ventures depending on their business partners in foreign markets. While Firm T chose its foreign entry mode based on its business partners' expertise, mostly export or joint ventures. There was exceptional for Firm R, which used the direct investment to enter the first foreign market and then might opt to use export, sale agents or joint ventures depending on the foreign markets' regulations and the markets' size:

"Our business partners have a huge impact on our decision in foreign markets because they provide us with information and local market insight. They are like our teachers, especially in the beginning, who can guide us through every step of our foreign expansion." (The founder/owner generation of Firm T).

In terms of international opportunities, most small-sized firms (Firm O and P) planned their foreign expansion, and these firms looked for foreign expansion by themselves. However, their international opportunities eventually became rising through their networks. Only Firm Q did not plan their foreign expansion; however, they were invited by their intermediary networks to join the trade fair, which Firm Q could meet their potential business connections:

Firm	Trigger/Motivation	Internationalisation pattern/pace	Mode of entry	Internationalisation strategy	Scope of internationalisation
O	The successive generation entered the management team, then changed from domestic to international markets through new lines of products	Established on the domestic market, then very cautious internationalisation because of the limited capacity of the firm	Export was used to enter foreign markets	Initially, planned then became opportunistic, rising through networks	Highly limited to psychically close markets due to limited resources
P	The owner looked for foreign expansion from its inception	Very cautious internationalisation because of the limited capability of the firm	Export was used to enter foreign markets	Initially, planned then became opportunistic, rising through networks	Highly limited to psychically close markets due to limited resources
Q	The successive generation entered the management team and responded to international requests from existing networks	Established on the domestic market, then very cautious internationalisation because of the limited capacity of the firm	Export was used to enter foreign markets	International opportunities rising through networks	Highly limited to psychically close markets due to limited resources

R	The founder reinvested into the company after the previous business went bankrupt and wanted to reduce costs.	Established its management office in the domestic market, then built a new factory to cut costs in the neighbouring market, then active throughout Asia and Europe	Depending on the markets' regulations and the markets' size. Direct investment was used in the first foreign market. For other foreign markets mostly used export, sale agents or joint ventures	Initially, planned then became opportunistic, rising through networks	Dynamic expansion and beyond the psychic distance
S	Responded to international requests from existing networks	Establishment of a generally strong position in the domestic market; then very cautious to internationalise to Australia. Later, increasingly rapid foreign expansion to Europe, Asia, and the US after the company was in the hand	Used various entry modes depending on business partners' expertise, including sale representative, joint ventures and export	International opportunities rising through networks then became more planned	Highly dynamic expansion. Beyond psychic distance

		of the successive generation			
T	Responded to international requests	Strongly established on the domestic market, then very cautious to internationalise to nearby markets. Later started accelerating international expansion to Asia, Europe and the US after a new management team stepped in	Depending on business partners' expertise but mostly used JVs and export	International opportunities rising through networks	Dynamic expansion and beyond the psychic distance

Table 33 Behaviour of Firms

"Our products are the most popular in our city and among foreigners who visit Thailand. Thus, the DITP asked us to join the trade fair in Bangkok, and a lot of people were interested in our products." (The founder/owner of Firm Q).

Whereas most of the medium-sized firms' international opportunities (Firm S and T) rose through their companies' network ties. However, only Firm R, which initially planned its foreign expansion, eventually became opportunistic, rising through its networks.

The geographic expansion varies depending on opportunities increasing by their network ties. All the small-sized firms (Firm O, P and Q) could not expand to further markets. Their expansion was still limited to psychically close markets because their firms were small and had resource scarcity:

The successor of Firm O stated that "We want to acquire every opportunity that we have been offered. However, we cannot do that yet because our factory is still small and limited in capacity." and "we enter only the markets where already have some offers for us at the moment. Our company is growing but still small, and we do not want to take any risks, so we carefully consider entering a new market." (The founder/owner generation of Firm P).

Whereas most of the medium-sized firms (Firm R and T) expanded beyond the psychic distance and Firm S had a very dynamic internationalisation scope beyond physical and psychic distance:

"We have already entered about 60 markets around the world, and we still keep seeking new international opportunities. Our company has a broader range of products which we believe that we can offer to different markets." (The successive generation of Firm S).

Therefore, networks' assistants in foreign markets were essential elements for these firms' internationalisation. These firms select their foreign markets where

they can identify the opportunities and/or build new business networks that assist them in entering the markets.

4.3.4 Benefits of network ties

4.3.4.1 Benefits of business networks

Table 34 summarises the benefits of business networks perceived by the case firms in this session. All small and medium-sized firms highlighted the importance of business networks for providing information. However, these firms lack knowledge and market insight, especially in foreign markets that highly differ from the domestic market in terms of culture and regulations.

"We sold the same products in every market in the beginning without understanding local eating habits. Our partners have helped us to modify our products to be more suitable for local customers' taste." (The founder/owner generation of Firm S).

Benefits of business networks	Firm case
Providing market information	O, P, Q, R, S, T
Opportunity identification	Q
Improving making decision	O, P, Q, R, S, T
Enhancing the speed of internationalisation	O, Q, R, T
Connections	P

Table 34 Benefits of business networks

Moreover, these firms equally emphasised the influence of business networks on market selection and entry modes. Market selection, especially at the beginning of their internationalisation, occurred through opportunities from their business networks. Moreover, business networks' expertise in foreign markets helps these firms decide on their entry mode.

Two small-sized firms (Firm O and Q) and two medium-sized firms (Firm R and T) also mentioned that business networks could reduce time spent entering foreign markets. Being able to access market knowledge and information through business networks allows these firms to solve problems faced in the foreign markets in a short time which also helps them to enter the markets faster:

The successor of Firm O stated, "They are more experienced, while we have to take time to get used to a new environment, social and norm" and "our business partners can help us save some time especially when we enter new places. We can feel more secure if we have someone who can help us in the markets because they know how they do things there." (The founder/owner generation of Firm R).

Only one small-sized firm (Firm Q) stated that their business networks helped them to identify new international opportunities in new foreign markets:

"I think meeting the right people is very important for small firms like ours. Our distributor in Malaysia told us that he could sell our products on the border between Malaysia and Singapore. Thus, he suggested that we should enter the market because the customers are similar to the domestic market, and we do not have to change our products." (The successive generation of Firm Q).

While one small-sized firm (Firm P) also mentioned that their business networks provided them with more network connections. Establishing large business networks that comprise various actors enables the firms, especially small-sized businesses, to access wider contacts through their business networks. This also enables the firms to create more opportunities to internationalise to various destinations.

"It was our supplier in Thailand who introduced us to his connections in the nearby markets. So we met them and decided to enter the markets because products from Thailand are popular in the markets like Laos and Cambodia." (The founder/owner of Firm P).

4.3.4.2 Benefits of social networks

Table 35 demonstrates the benefits of social networks perceived by the case firms in this session. All three small-sized firms (Firm O, P and Q) and one of the medium-sized firms (Firm T) mentioned that the importance of their social networks, especially from their family members, could be a source of advice and emotional support. For example, the successive generation of Firm O, Q and T and the young founder/owner of Firm P had not experienced management before working at the companies. Thus, their family members who worked at the companies can give them valuable advice and support because they might have more experience.

"When I started to engage in foreign expansion, I had no experience. So I had to ask my brother, who worked at a big company as a sales manager, to work with me. I have learned a lot from him in terms of management." (The founder/owner of Firm P).

Benefits of social networks	Firm case
Providing market information	R, S, T
Opportunity identification	R, S, T
Connections	R, S
Advice/Emotional support	O, P, Q, T
Financial support	R

Table 35 Benefits of social networks

All of the medium-sized firms (Firm R, S, and T) mentioned that social networks could act as information a provider and opportunity triggers. However, as mentioned earlier, family-owned SMEs lacked information, market insight and knowledge of foreign markets, which hindered their internationalisation. Moreover, the founder/owner generation's characteristics, lacking foreign language skills, led these firms to utilise their personal relationships to seek information and opportunities in foreign markets because of the mutual trust

comprised within the closed network ties. Moreover, these medium-sized firms (Firm R, S, and T) also stated that their intention to internationalise was triggered by friends of the founder/owner generation who provided local market information. This led the firms to recognise opportunities in foreign markets, especially where psychically distanced from the domestic market.

"When we started to enter the Australian market, my mother had no idea or experience of doing business in another country. I think because of her friend helped her because he lived in the market so that we could enter the market." (The founder/owner generation of Firm S).

In addition, the two medium-sized firms (Firm R and S) also mentioned that their social networks provided them with extra connections, enabling them to expand further to other foreign markets. These firms were managed by the founder/owner generation who lacked language skills, especially at the beginning of the internationalisation process; this also prevented their foreign expansion. These firms could identify international opportunities in various markets; however, they managed to enter only the markets where they had their social networks to help them in the markets:

"Personal connections were very important for us in the beginning when we tried to search for information in the market, and we also tried to use our personal connections to recruit our employees to work for our new factory in Myanmar." (The founder/owner of Firm R).

Moreover, only one medium-sized firm (Firm R) stated that their social networks, specifically their family ties, provided them with financial support. Firm R had to reinvest in order to maintain its business, and the founder/owner generation could not get any loan from an external source. This led Firm R to sell its factory in Thailand and use its family fund to rebuild its business.

4.3.4.3 Benefits of intermediary networks

Table 36 shows the benefits of intermediary networks perceived by the case firms in this session. The firms from both sizes have mentioned various intermediary organisations, including the DITP, the industry associations, the Thai rice exporters association, and research centres. All the small and medium-sized firms highlighted the importance of intermediary networks as a primary source of information and opportunity providers. The intermediary networks, especially the DITP, provide updated information on market trends, regulations, and the export promotion programme, which can help the firms expand to foreign markets. All small and medium-sized firms also mentioned that trade fairs were the most important activity for them to reach richer networks and meet their potential business partners:

The successor of Firm R stated, "We contacted the DITP for the first time when we started to move away from our home region. They can give us valuable information which also helps us to be prepared for the expansion" and "I think that they (the DITP and the Thai Embassy) are the most important agencies when we try to exploit new international opportunities because they provide us knowledge and connections that we can easily access." (The successive generation of Firm S)

Benefits of intermediary networks	Firm case
Providing knowledge and information	O, P, Q, R, S, T
Opportunity identification (indirect ties)	O, P, Q, R, S, T
Financial support	P, Q

Table 36 Benefits of intermediary networks

In addition, two small-sized firms (Firm P and Q) mentioned that intermediary networks could provide financial support:

The founder/owner of Firm Q mentioned, "We only sold our products at the airport, and they were popular among the tourists. So they (government

agencies) invited me to join this SMAE scheme which helped us not only with the financial support but everything marketing, management."

Family-owned SMEs usually lack sufficient funds, which sometimes hinders their foreign expansion. As a result, intermediary organisations, especially government agencies, have launched various schemes that provide SMEs with low-interest rates loans.

4.3.5 Drawbacks of network ties

Table 37 summarises the pitfalls of network ties perceived by the case firms in this session. All of the medium-sized firms (Firm R, S and T) which used social networks to facilitate their foreign expansion, especially at the beginning of their internationalisation process, mentioned that their social networks had too small. These firms were not able to expand to many destinations because their social networks had limited connections. It appeared to these firms that being embedded in small networks with limited numbers of actors can prevent the firm from finding new opportunities in new foreign markets. Moreover, Firm S also mentioned that their social networks did not have sufficient knowledge and information in foreign markets, which made their foreign expansion in various markets fail:

"In the beginning, we could enter only three foreign markets where my mother's friend, who lived in Australia, bought us to the market. It took us a long time to get into the markets because my mother's friends had insufficient knowledge and were not experts in this type of product. Eventually, we had to leave the market because we could not sell anything there." (The second generation of ownership of Firm S).

Drawbacks of network ties	Firm case
Social networks: Limited knowledge	S
Social networks: Limited connections	R, S, T
Intermediary networks: Extra costs	O, P
Do not perceive any drawbacks of network ties	Q

Table 37 Drawbacks of network ties

On the other hand, the two small-sized firms (Firm O and P) stated that the drawbacks of the intermediary networks, especially participating in the export promotion programmes, were too expensive. Trade fair is one of the most powerful tools to find new international markets and business connections but can cost the firms extra expenses which the small-size firm might not be able to afford:

"It is too expensive to be part of trade fair each time. We have to find an alternative way to create our opportunities to find our business partners." (The founder/owner of Firm P).

However, one small-sized firm (Firm Q) mentioned that they did not see any drawbacks to their network ties. However, they felt that their connections provided them with opportunities to do business successfully in foreign markets:

The founder/owner of Firm Q stated, "They are part of our company; without them, we cannot even think about selling our products outside Thailand."

Network relationships are important for SMEs because these small firms can acquire various benefits which allow them to expand to foreign markets. Thereby, SMEs tend to maintain and nurture their relationships, which might provide them opportunities in the future.

4.3.6 Networks at internationalisation phases

Table 38 summarises network ties used and their evolution in each internationalisation phase of case firms' internationalisation for both small and medium-sized firms. During the pre-engagement phase, all small-size firms (Firm O, Firm P and Firm Q) emphasised the importance of intermediary networks. These firms were established with various intermediary networks, especially with the DITP, the Thai Embassies in foreign markets and research centres, in order to seek advice and information, connections, and international opportunities.

Firm	Pre-engagement	Initial	Advance
O	Intermediary networks	Intermediary networks interacted with business networks	Intermediary networks interacted with business networks
P	Intermediary networks	Intermediary networks interacted with business networks	Intermediary networks interacted with business networks
Q	Intermediary networks	Intermediary networks interacted with business networks	Intermediary networks interacted with business networks
R	Heavily relied on social networks and limited interaction with business networks	Heavily relied on social and business networks and limited interaction with intermediary networks	Intermediary networks interacted with business networks
S	Social networks then evolved into business networks	Intermediary networks interacted with business networks	Heavily relied on business networks and limited interaction with intermediary networks
T	Social networks then evolved into business networks	Intermediary networks interacted with business networks	Intermediary networks interacted with business networks

Table 38 network evolution at internationalisation phases

Most of the small-sized firms (Firm O and Q) started their internationalisation after the successive generation worked at the companies. While Firm P, which the founder/owner generation was a young entrepreneur, looked for foreign expansion since the firm was established. These firms mentioned that their intermediary networks act as facilitators to provide export procedures, advice, knowledge, and opportunities to prepare their companies before internationalising. For example, Firm O used to sell only dried fruits; however, these products had a short expiration date and could not last a long time when they had to sell in foreign markets that were physically far from the domestic market. Thus, Firm O sought advice and knowledge from various intermediary organisations such as the DITP, the industry association, and research centres to improve their products and prepare for expansion.

Whereas Firm P, the founder/owner without professional experience, decided to register the company with the DITP and attended various training and seminars. Firm P also contacted the Thai Embassy in different foreign markets not only to access wider networks but also to learn about regulation differences:

"I think networking with the DITP plays a crucial role in our company. In the beginning, I had been in various training and seminars to learn about foreign expansion. They are very experienced and know many people who can help us in foreign markets. (The founder/owner generation of Firm P).

While Firm Q's products are among the most popular in Chaing Rai province, especially among tourists. Firm Q then got an invitation from the trade association in the city to participate in various trade fairs, leading Firm Q to meet many connections and receive many offers. However, Firm Q could not accept any requests because the company was too small and did not have the capacity to produce a large volume of products. Moreover, Firm Q was lack of sufficient funds; thus, Firm Q was invited to join the SMAE scheme, which is organised by one of the government agencies which provided Firm Q with financial, marketing and management support:

"They taught us everything; how to do business, marketing and branding. My daughter and I had no international experience, so they assisted us in every single step until we were strong enough to do it by ourselves." (The founder/owner of Firm Q).

In the initial phase, all small-sized firms (Firm O, P and Q) used the combination of intermediary and business networks. All small-sized firms emphasised that intermediary networks provided them with opportunities to find new foreign markets and meet potential business partners, primarily through various trade fairs and business matching schemes. For example, Firm O, which already developed new lines of products for a healthy snacks made of fruits, also invested heavily in intermediary networks. They also took part in several trade fairs and business matching programmes. This led Firm O to form various collaborations in foreign markets and helped them to expand to new foreign markets:

"The most effective way to find international opportunities is to take part in trade fairs to create our chance to meet potential business partners who can take us to a new market." (The successive generation of Firm Q).

Moreover, Firm Q also stated that intermediary networks, especially research centres, can help them overcome a lack of knowledge. For example, Firm Q started to depend on intermediary networks in order to seek advice. As a result, firm Q joined the SMAE scheme, which helped them get some loans, but this program also provided various consultancy, including branding and packaging. This helped Firm Q to improve and prepare their products to be ready for foreign markets.

Moreover, Firm P also mentioned that intermediary networks could be a source of financing. Firm P could not participate in many trade fairs because they could not afford it. However, Firm P wanted to expand to various foreign markets due to the popularity of the firm's products in foreign markets. Therefore, Firm P decided to consult with their intermediary networks and got some loans from the

EXIM bank, a state-owned specialised financial institution for supporting the export, import and investment of Thai businesses.

All small-sized firms (Firm O, P and Q) also highlighted the importance of their business networks at this initial phase of the internationalisation process. These firms mentioned that their business networks' market insight, information, and expertise helped them overcome various problems in foreign markets. For example, Firm Q had no international experience and had many problems regarding local regulations towards fruit products. As a result, firm Q was able to enter only nearby markets where regulations were similar to the domestic market, and Firm Q did not need to modify their products. This led Firm Q to work closely with their business networks to understand foreign regulations. Thereby, local knowledge and expertise from business networks played a vital role in Firm Q's internationalisation:

"When we try to enter foreign markets, which are very different from our country, having local partners with you is crucial. Because they are in the markets, so when we have some problems or need anything, they can help us." (The successive generation of Firm Q).

Moreover, Firm O and Firm Q also emphasised the importance of business networks to enhance their internationalisation speed. These firms are in the dried fruit producer business, which has high restrictions in some markets and requirements, which often vary country-to-country. Moreover, these firms need to understand local customer eating habits, which differ depending on the markets. These require Firm O and Firm Q to either develop new products and/or modify their existing ones, which might take time. However, the firms' business networks provide them with local knowledge and information, which accelerates their product development and market entry:

"For example, in some countries, dried durian is very popular, but in some, we cannot even bring it into the countries because they do not know what it is.

Without them (business networks), it will take us a long time to understand the markets." (The founder/owner generation of Firm O).

Moreover, Firm P also mentioned that their business networks enable them to access larger networks that provide connections for further expansion. Firm P, whom the founder/owner looked for foreign expansion since its inception; however, the founder/owner generation did not have any experience, which limited their ability to internationalise. However, Firm P's suppliers who sold their products through Thailand's borders notified the firm regarding opportunities and introduced the suppliers' connections in foreign markets. This led Firm P to actively seek international opportunities through their business networks' connections.

In the advanced phase, all small-sized firms (Firm O, P and Q) emphasised that the most beneficial networks for them are the combination of business and intermediary networks. All of the small-sized firms still had limited resources and could not aggressively expand to foreign markets, which led them to rely on their business networks to enter the markets. Local market knowledge and insight from business networks are still crucial for all small-sized firms to improve their understanding of local regulations and local customer preferences to penetrate their existing markets and/or enter new markets:

"In a market like Vietnam, dried fruit snack is trendy, but we could not sell many products because they were too sweet. It was our partner there who told us to make a healthy snack with less sugar and/or sugar-free for a new segment." (The successive generation of Firm O).

Moreover, all small-sized firms (Firm O, P and Q) also highlighted the importance of intermediary networks that provide opportunity recognition in new foreign markets. These firms cautiously sought new opportunities due to their limited resources. However, they still relied on trade fairs to find a new information and meet potential business partners for further expansion. In addition, all of the small-sized firms (Firm O, P and Q) also mentioned that they always maintained

their relationships with their business networks throughout their internationalisation phase. These firms also always built new business networks when they attempted to enter new markets in order to access local knowledge and expertise:

"We never break any relationships, and we always keep in touch with them regularly because there might be new opportunities in the future for us. [...] usually, we build new business partners for a new market because we think that local knowledge is very important for our business. We have to understand local preferences." (The successor of Firm O).

On the other hand, all **the medium-sized firms** (Firm R, Firm S and Firm T) were run by the founder/owner generations who did not have any international experience during this pre-engagement phase. These medium-sized firms' intentions to internationalise were triggered by their social networks, especially with friends of the founder/owner of the firms who lived and/or worked in foreign markets (Table 38). These firms (Firm R, T and S) also mentioned that their personal relationships played a pivotal role in their foreign expansion networks as their primary source of information and opportunity at this beginning phase. For example, Firm R nearly went bankrupt; this forced them to find a new production base to reduce costs. The founder/owner of Firm R then contacted his friend who worked in Myanmar to ask for some advice and information on the market. Later, Firm R decided to move its production base to the market. While an Australian friend of the first generation of founder/owner of Firm S notified them about the increasing popularity of Thai food in the market where there was no competitor at that time. Similarly, Firm T was also introduced to their first foreign market through their personal relationship, which used to work with the founder/owner of Firm T in his previous job:

"It was my mother's friend who told her about the Australian market where many Asians live in the country, and Thai food is also one of the most popular cuisine there." (The second generation of ownership of Firm S).

Most of the medium-sized firms (Firm S and T) developed their social networks into business partners in foreign markets in order to operate their businesses abroad. These firms highlighted the importance of foreign market information that they gained from their personal relationships in which they had a mutual trust, which had influenced their decisions to enter foreign markets:

"My friend and I have known each other for nearly 30 years, and he has business there. He told me about the opportunity in the market, so I decided to follow his suggestion, and eventually, we formed the business together." (The founder/owner generation of Firm T).

In addition, most of the medium-sized firms (Firm R and S) also emphasised that their social networks provided them with connections. As a result, these firms are able to access their personal connections' networks which enable them to find new business partners. For example, the friend of the founder/owner of Firm R introduced a business partner who later formed a collaboration with Firm R to build a new factory. While the friend of Firm S founder/owner also introduced his business partners, whom he knew in the US and the UK, to Firm S. Later, Firm S managed to export their products to these markets after establishing new business networks:

"My mother's friend took us to Australia. He also knew some distributors in the UK and the US, so he introduced him to my mother. With her friend's help, my mother then decided to send our products to those markets." (The second of ownership of Firm S).

However, a lack of knowledge in foreign markets and international experience forced Firm S to dismiss its collaboration with its partners later in this phase. Firm S and their partners did not have enough understanding of local market demands, which led Firm S to offer the same products they were selling in the domestic market in the foreign markets. However, their products were too spicy and did not suit the local consumer's lifestyle. This led Firm S to stop exporting to these markets:

"My mother's friend just wanted to help her to sell the products in the markets. But he and my mother did not realise that, for example, making Thai curry needs a lot of ingredients and has many steps that are too complicated. Moreover, our products at that time were spice for the local customers, so we barely sold our products there." (The second generation of ownership of Firm S).

In addition, only Firm R stated that their social networks, especially from their family member, can be a source of financial support. Firm R mentioned that the situation in the company did not allow them to seek external funds.

For the initial phase, most of the medium-sized firms (Firm S and T) utilised the combination of business and intermediary networks to facilitate their internationalisation process. Only Firm R relied on all network ties at this phase of expansion. During this phase, all of the medium-sized firms were also joined by the successive generation who held higher degrees of education and/or better language skills. These firms emphasised that their business networks provided market insight to overcome barriers, especially cultural differences. For example, Firm R built a new factory in Myanmar and had to recruit new employees. Firm R heavily relied on their business networks to gain a better understanding, especially in business practice which differed from the domestic market. While Firm S and Firm T had to work closely with their business networks to enhance their knowledge of local consumer eating habits and market demands. These firms worked with their business networks to develop their offers to be more appropriate for foreign markets:

"They do not know how to cook Thai food, but in the beginning, our products were designed only for Thai people. Our local partners helped us a lot at this stage and provided us with a lot of information that helped us understand local eating habits quickly. After that, we had to make our products to be easier to use." (The successor of Firm S).

Moreover, Firm T also mentioned that accessing local market insight through their business networks helped them quickly overcome barriers. As a consequence, Firm T was able to enhance its speed of internationalisation to enter foreign markets:

"There are so many things that we cannot do by ourselves. By the time we get used to the markets and the new environment, our competitors might already be in the markets and have a well-position. With our partners who provide us with insight, we can prepare before getting into the markets. If we have some problems, we know that they are always in the markets to sort things out." (The founder/owner generation of Firm T).

Most of the medium-sized firms (Firm S and T) also emphasised the importance of intermediary networks as an opportunity trigger. Therefore, these firms were established with various intermediary networks, especially with the DITP and Thai Embassies in foreign markets, in order to seek international opportunities. Furthermore, these firms also mentioned that trade fairs and business matching schemes were the most important activities for them to seek international opportunities and to create chances to establish new business networks. Thus, they extensively attended trade fairs and business matching schemes in various countries at this phase of internationalisation:

The successor of Firm S mentioned, "I think they (the DITP and the Thai Embassy) are the most important when you try to exploit new opportunities in foreign markets because they are knowledgeable and have many connections that we can assess easily" and "We can go and meet new people there (trade fairs), and they can help us to enter new foreign markets faster than we do it by ourselves." (The successive generation of Firm T).

While Firm R built relationships with various intermediary organisations, for example, the Thai Embassy, consultants, and lawyers, to seek advice regarding laws and regulations. For instance, when Firm R entered Myanmar when the country had just opened for foreign investment, the laws and regulations were

not clear, which sometimes prevented them from setting up their new factory in the market. Thus, Firm R relied heavily on government agencies and lawyers in order to help them to overcome the problems:

"My friend might know some general restrictions, but not specific ones, especially when we built our factory there. Moreover, their legal issues were not well organised, so we needed to contact the Thai Embassy and a local lawyer to help us through everything." (The founder/owner of Firm R).

Furthermore, only Firm R highlighted the importance of social networks as a source of information for the workforce. Firm R built a new factory in the foreign market, which required them to recruit new employees. However, language differences seemed to be an issue between employees; thus, Firm R decided to hire only employees who could speak Thai. This led Firm R to rely mainly on social networks in order to seek qualified and competent employees through the founder/owner's acquaintances:

"To overcome the issues regarding language differences, we only recruit our staff who can speak Thai to work at our new factory. Thus, personal contacts are vital to us because we have to hire one staff and he/she will go and tell their friends who can speak Thai to come to work with us." (The founder/owner of Firm R).

Lastly, in the advanced phase, all of the medium-sized firms (Firm R, S, and T) relied on the combination of business and intermediary networks. All of the firms still relied on the intermediary networks to identify new international opportunities, access broader connections, and gain information regarding foreign markets. Trade fairs have been seen as an essential activity for these firms to explore new international opportunities and meet new potential business partners:

"It is important for our company to keep seeking new international opportunities. To be able to meet new connections help us to find new foreign

markets and increase our chances to do business there." (The successive generation of Firm R).

While Firm S were less dependent on intermediary networks, it actively built new business networks. However, they still keep their contacts with their intermediary networks for new opportunities in foreign markets and updates regarding laws and regulations:

"We do not go to trade fairs often these days (compared to previous phases). We try to plan where we want to enter at the moment because we want to go somewhere we have not been. But we still keep our contacts with them (the DITP) for new updated information and opportunities." (the successive generation of Firm S).

However, none of the medium-sized firms relied on their personal relationships, especially in seeking new opportunities in new foreign markets. These firms stated that their social networks were limited actors who did not help them at this stage of internationalisation:

"My friend cannot help me to enter new foreign markets, and I do not have many friends who run businesses in foreign markets. But, these days, it is easy to contact the DITP, and my son always takes our company to different trade fairs to meet new connections." (The founder/owner generation of Firm R).

All the medium-sized firms (Firm R, S and T) also highlighted the importance of their business networks at this advanced phase. These firms considered their business networks were one of the most critical parts which helped their firms successfully operate in foreign markets. Business networks provided these firms with local knowledge and insight, allowing them to improve their understanding of local customer preferences and markets. For example, Firm R faced problems when the firm tried to enter the European market. Firm R's packaging is made of a black-tin plate that might not be able to enter some markets due to standards and regulations in the markets protecting consumers' health and safety. Thus,

accessing their business networks, expertise, and technologies helped Firm R develop new packaging that met local regulations. While Firm S's strategy was modifying its products to meet local preferences and eating habits of local consumers. This led Firm S to work closely with their business networks who experience in the markets to develop and adjust their products to meet local demands. Whereas Firm T and their business networks were able to identify a new opportunity for their products due to the popularity of healthy snacks. Thus, Firm T and their business partners invested in the new lines of business. Therefore, these medium-sized firms are required to actively build new business networks because local knowledge and market insight is one of the keys to be successful in foreign markets:

"In this business, we have to know how local customers eat and cook their food because they do not eat the same way as we have in Thailand. So we have to work closely with our local partners to prepare our products before getting there. Their insight and expertise play a critical part in our business, so we have to meet new people in a new country to make sure that our preparation is right for the markets." (The successive generation of Firm S).

In terms of existing networks, all of the medium-sized firms (Firm R, S, and R) also stated that they always maintained their relationships with their business networks throughout their internationalisation phase in order to penetrate existing markets and/or to seek future expansion:

"We never dismiss any collaboration with our partners so far because we cannot even get into the markets without them. Having someone to work with you in the local markets makes complicated things easier because they are locals and familiar with the environment there." (The successive generation of Firm T).

Network relationships provide various opportunities and valuable resources in foreign markets, which help SMEs to overcome barriers. Thereby, SMEs seem to maintain their relationships in order to stay in the markets and identify more international opportunities.

4.4 Networks at internationalisation phases

Family-owned SMEs have limited access to resources; therefore, they rely on network ties in order to successfully expand into foreign markets (Fernandez and Nieto, 2005; Leppäaho et al., 2021; Kryeziu et al., 2022). Network ties enable family-owned SMEs to access various resources to facilitate their foreign expansion. Family-owned SMEs are required different types of resources at each internationalisation phase; therefore, network ties are significantly important for family-owned SMEs' internationalisation not only in the entry phase but also in the subsequent phases and throughout the firms' internationalisation process (e.g., Ibeh and Kasem, 2011; Udomkit and Schreier, 2017).

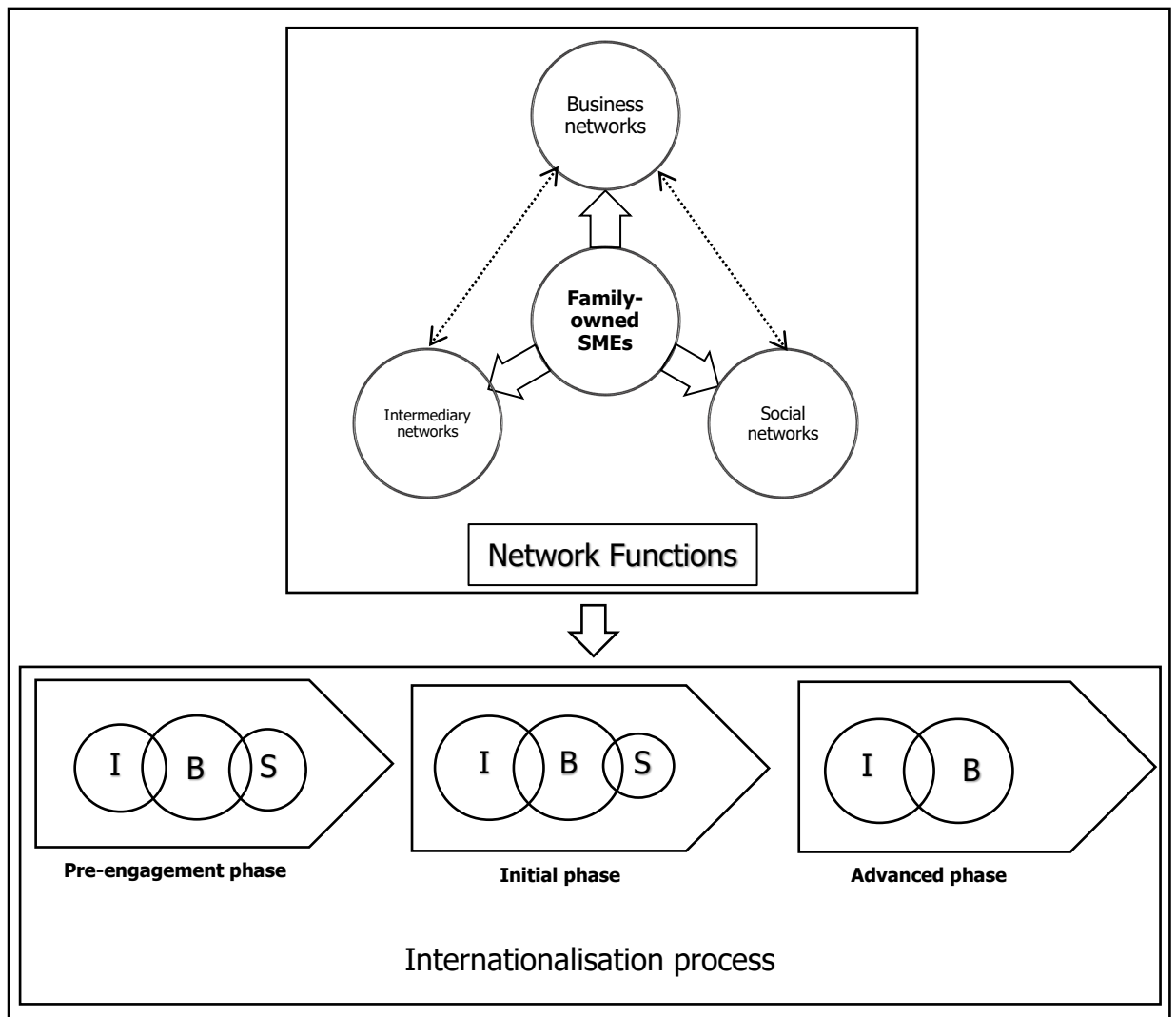


Figure 12 Applied conceptual framework

As shown in Figure 12, this present study developed a model which summarises the findings and how network ties evolve and change throughout the internationalisation process of family-owned SMEs.

The pre-engagement phase is when firms search for information and opportunities in foreign markets. One of the major obstacles is insufficient resources and knowledge, leading family-owned SMEs to seek external network relationships. This present study found that social and intermediary networks were sources of international opportunities. Social networks were sources of information, advice, and international opportunity recognition. In contrast, intermediary networks seemed to have been found in the present study that plays an important role when SMEs look for knowledge and technologies within the industry. Moreover, intermediary networks also provide valuable information, especially regarding laws and regulations, which vary depending on the markets when these family-owned SMEs prepare their companies for internationalisation. While business networks which either evolved from social networks or were existing customers of firms, provided family-owned SMEs with the critical and specific market knowledge and insight, especially specific regulations in the markets, to ease their internationalisation process and customer behaviour and preferences. Moreover, this present study also found that social networks were used for internationalisation only by the firms managed by only the founder/owner generation. While the firms that made use of intermediary networks were either in control of both the founder/owner and successive generation or only the successive generation.

In the initial phase of internationalisation, business and intermediary networks played more important roles. In contrast, at this phase, social networks had only a limited role for a few firms. Personal networks, which are too close to existing between family members and friends, restrict novel information and new international opportunities from external networks. However, through intermediary networks, SMEs have more potential to identify international opportunities because these network ties consist of various organisations and institutions. Therefore, intermediary networks seem to be an essential element

in helping family-owned SMEs reach unknown markets by providing local knowledge and information. More importantly, intermediary networks allow these small firms to access wider networks to make initial contact with new actors outside their existing networks. Trade shows have been seen as a tool to increase the international opportunity recognition for all the firms under this study. In this initial phase, business networks provide valuable local market knowledge to lessen barriers and facilitate market entry. When a firm attempts to enter a new foreign market, it might face unavoidable unwritten rules that require these firms to adapt their business practice. Knowledge and skills shared within the business networks can help SMEs adjust to a new environment and/or modify their products for each market.

In the advanced phase, all of these firms were in the hand of either the successive generation or both the founder/owner and the successive generation, where the prior generation only played supportive roles and decision making. Family-owned SMEs were already engaged in international operations at this advanced phase of internationalisation. The most beneficial network ties at the advanced phase are the combination of business and intermediary networks. These network ties provide different sets of resources that family-owned SMEs need in order to establish in foreign markets. Therefore, family-owned SMEs need to balance their network ties in order to maximise the benefits of their relationships. The family-owned SMEs were focused on penetrating existing markets that usually faced fierce competition and environmental turbulence. These circumstances require family-owned SMEs to work closely with their existing business networks to stay and/or survive in the markets. These small firms needed business partners who could provide them with the local market knowledge and insight to establish long-term relationships. Thus, business networks played an important part in delivering these firms with market insight and knowledge to family-owned SMEs' internationalisation which led them to seek and build new networks when trying to enter new foreign markets. Business networks provided local market knowledge and expertise, which affected SMEs' foreign expansion significantly. Therefore, these firms were actively seeking new networks through intermediary networks. Through intermediary networks, family-owned SMEs were able to

attend trade shows which were still valuable at this advanced phase, especially for the firms which intended to expand geographically. However, some firms with more international experience and generally were medium-sized might not heavily rely on trade shows in relation to previous internationalisation phases and actively search for new business connections by themselves.

Chapter 5 Discussion

The previous chapter presented the descriptive analysis of case firms and the themes derived. This chapter extends and deepens this analysis by interpreting the findings in light of the theories presented in the literature review chapter. This analysis aims to understand how the current findings may agree with and contradict the theories of internationalisation and networks presented in the literature review.

The present study explores how Thai family-owned SMEs utilised network ties at each internationalisation phase and identify benefits and drawbacks that influence the firms' internationalisation. The present situation on family-owned SMEs' network utilisation and internationalisation is based on the firms' management teams' views on how they see the network ties affecting the firms' performance at the internationalisation phases. Family firms differ from other types of firms due to their unique characteristics, which might influence their internationalisation behaviour. Therefore, this chapter begins by discussing the behaviour of internationalising family-owned SMEs. The chapter then discusses the benefits of network ties perceived by the case firms and is followed by the discussion of the drawbacks of network ties. Lastly, networks used at each phase of the internationalisation process will be addressed.

5.1 Behaviour of internationalising family-owned SMEs

5.1.1 Initial motivation for internationalisation

Family-owned firms traditionally established and operated their business in domestic markets but were gradually involved in foreign expansion in order to survive and be competitive in international markets. Family businesses differ from non-family firms in the ownership structure, which might differently influence their internationalisation behaviour (Bell et al., 2004; Graves and Thomas, 2004, 2006; Fernandez and Nieto, 2006; Daszkiewicz, 2019). Thereby, there is a need to explore family-owned firms' internationalisation process and identify their

unique characteristics in the context of internationalisation. This session demonstrated the internationalisation behaviour of the Thai family-owned SMEs investigated. This study's findings show that networks have influenced the internationalising firms' intention to expand to foreign markets. Figure 13 shows that most of the case firms' international expansion was not planned instead of acquiring through their networks. Most of the case firms in this study decided to engage in foreign expansion after accepting international requests from their networks. These firms were being found by their business and/or social networks in foreign markets, especially at the beginning of their internationalisation. They received international requests to enter foreign markets because their networks had already found opportunities within the markets. Therefore, these small firms seemed to internationalise only when they could identify and/or offer international opportunities through their networks. One interviewee described his first international involvement came from his friend, whom he had known for a long time:

"I do not even know I can sell there. It is my friend who lives there telling me about the market." (The founder/owner generation of Firm B).

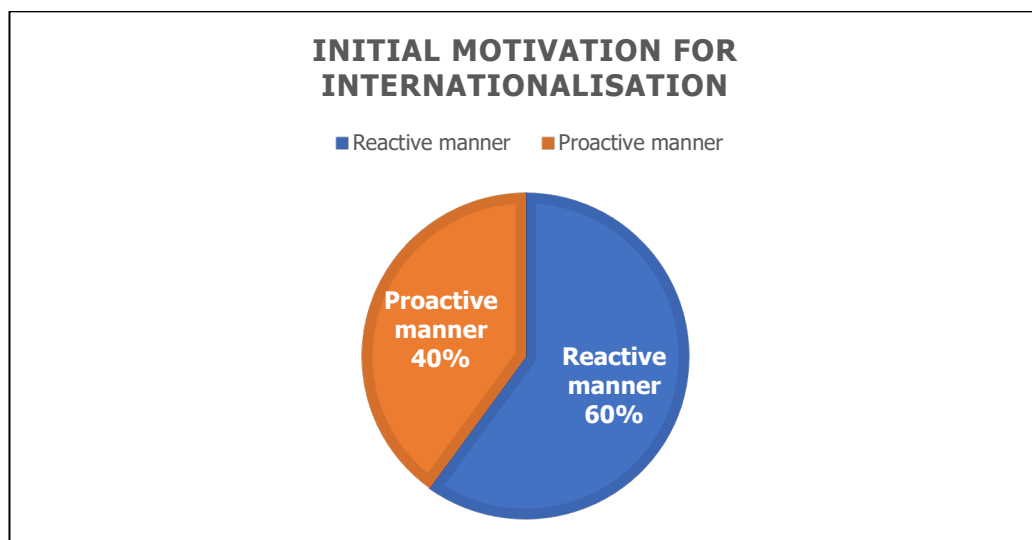


Figure 13 The initial motivation for internationalisation

While another interviewee mentioned that his existing customers identified his first international opportunity in foreign markets:

The founder/owner generation of Firm I stated, "We did not even know we could sell this in Singapore until my supplier told me that there is no ready to drink soy-milk in the market and introduced me to his partner in the market."

On the other hand, only 40% of the case firms investigated planned their internationalisation. These firms usually sought international opportunities from the establishment or after the managerial change. They actively searched for international opportunities by themselves through new network formation to search for information and support their internationalisation. One interviewee stated that he looked for foreign expansion since his firm's inception because he used to work for another company in the same business before:

"I used to work with to work for other company before so I know that products like ours can sell in other markets. I planned for the foreign expansion since I started my own company." (The founder/owner generation of Firm H).

Another factor that may significantly influence family-owned SMEs' intention to internationalise is network connections and business relationships held by a family member. This study found that mostly the firms investigated decided to expand to foreign markets because of their business and social networks. These business and social relationships played a crucial role in inspiring the founder/owner generation to undertake an international activity. Family-owned SMEs tend to have poorly appeared in foreign markets when the founder/owner generation still manages the firms. The founder/owner generation seems to have a traditional management style: an aversion to risk and a lack of necessary education and experience.

Generational change is also a significant trigger for internationalisation. Most of the firms under examined were able to accelerate their internationalisation after the successive generation joined the companies' management teams. The successive generation seemed to have better education and foreign language skills than the founder/owner generation. Mostly the founder/owner generation

appeared to be a more reactive approach to their foreign expansion opportunities. They usually wait for customers to approach them and have a long-term orientation, avoiding quick and risky decisions and fearing a loss of control as a consequence of their international activity. These might be one of the factors that impeded the rapid internationalisation of the family SMEs, which had only the founder/owner generation running the businesses and lacked international experience.

In addition, the successive generation is more aware of available possibilities of the support from government agencies which provide for internationalising firms. Moreover, the successive generation also has greater sensitivity to stimulators to take on internationalisation in the firm's environment. The incoming generations are usually younger and have a higher level of tolerance than their predecessors. Moreover, the possibilities in foreign markets might also encourage a successive generation to expand their firms to foreign markets. Therefore, most of these firms follow a different pathway from a traditional gradual stepwise towards internationalisation. Instead, these firms rapidly accelerated to foreign markets after transferring their international trade department into the hand of the successive generation and/or hiring professional managers.

5.1.2 Internationalisation pathways of family-owned SMEs

The findings of this study can identify three internationalisation pathways followed by the case firms. Of all twenty case firms, fourteen firms followed a born-again global pathway to internationalisation, five a born global pathway and one a traditional pathway (Table 39), and the factors influence these pathways (Table 40).

Pathway Case firm	Traditional pathway	Born global pathway	Born-again global pathway
	M	D, H, I, P, R	A, B, C, E, F, G, J, K, L, N, O, Q, S, T

Table 39 Patterns in the internationalisation pathways of family-owned SMEs

Most of the case firms in this study followed the born-again global pathway (Firm A, B, C, E, F, G, J, K, L, N, O, Q, S and T), which changed their focuses to international markets after changing their management teams. Whereas Firm D, H, I, P, and R had relatively rapid in the born global family-owned SMEs. In comparison, it was incremental and gradual internationalising for Firm M.

The study's analysis reveals that factors behind different pathways of these firms are characteristics of the founder/owner generation, characteristics of the successive generation, and international opportunity recognition. Table 39 summarises the factors influencing the case firms' internationalisation pathways. Regarding the characteristics of the founder/owner generation, there are slight differences between family-owned SMEs. When internationalisation was launched among the born-again global family-owned SMEs, the founder/owner generation mostly possessed strong experience because they had worked in the industry for a long time, and some had a higher educational background. However, they lacked foreign language skills which Udomkit and Schreier (2017) found in their study that it was one of the critical barriers to internationalising SMEs in Thailand. While the successive generations mostly owned better education and/or language skills.

In the born global family-owned SMEs, mostly the founder/owner generation had professional experience, especially from their previous jobs or companies with some higher education, while the successive generation got a better education and/or language skills.

Factors	Traditional pathway	Born global pathway	Born-again global pathway
The founder/owner generation characteristics	Strong professional experience with higher educational background	Higher educational background and some professional experience	Strong professional experience with some higher educational background
The successive generation characteristics	Higher educational background and better foreign language skills	Higher educational background and better foreign language skills	Higher educational background and better foreign language skills
International opportunity recognition	<u>Early internationalisation phase:</u> Through existing social networks	<u>Early internationalisation phase:</u> actively search for networks, specifically through trade fairs	<u>Early internationalisation phase:</u> Through existing social and business networks, also search for new networks through trade fairs
	<u>Later internationalisation phase:</u> Through intermediary networks; trade fairs	<u>Later internationalisation phase:</u> Through intermediary networks; trade fairs	<u>Later internationalisation phase:</u> Through intermediary networks; trade fairs

Table 40 Factors in the internationalisation pathways of the case firms

However, with exceptional Firm I and Firm P, the founder/owner generation who were young entrepreneurs did not have any experience because they established their businesses after graduating from universities. Moreover, these firms were still run by only one generation and hired professional managers to work for them because none of the family members had international experience. Firm M followed the incremental and gradual pathway as predicted in the Uppsala model (Johanson and Vahlne, 1977). Firm M had the founder/owner generation who owned strong professional experience from previous work and intended to internationalise; however, his company was too small and had limited resources, preventing the firm's foreign expansion. Therefore, Firm M had to wait until the firm had been well established in the domestic market before internationalising. While the successive generation of Firm M did not have any experience but had better language skills and was able to help the predecessor when the firm decided to engage in international activities

Among the born-again family-owned SMEs, the desire to achieve foreign expansion mostly depends on the successive generation's decision, especially in the later phase of the internationalisation process. These firms did not necessarily need to manage their resources carefully, but they were well-prepared to make decisions and investments at all times. However, only two small-sized firms were not ready to invest rapidly in foreign markets due to their scarce resources, especially financial capital. Whereas in the born global family-owned SMEs, both the founder/owner and the successive generation looked for new opportunities in order to expand to more destinations. While the traditional family-owned SMEs, the desire to guarantee the survival of the firm also came from both generations throughout all their thinking. Due to the firm's limited resources, the successive generation still did not gain enough experience.

In terms of international opportunity recognition, from the data analysis, this study finds that the use of different network ties depends on the firms' internationalisation phase and the generation in charge of the international trade of the firms. For the born-again global firms, the changes in the managerial team modified the internationalisation strategy of the firms. At the beginning of the

firm's internationalisation process, the born-again global firms with the founder/owner generation operated in the international trade department tended to use their existing social networks. Whereas the born-again global firms, which decided to internationalise after the successive generation joined the firm's management team, tended to rely more on their existing business networks when they had already received the offers. If the firms had not received international requests, they actively searched through intermediary networks, primarily through trade fairs. Therefore, the firms started to internationalise when they were provided with an international opportunity or to meet suitable business partners through their intermediary networks.

However, as time passed to the later internationalisation phase, these firms actively searched for international opportunities through their intermediary networks, especially by participating in trade shows. The born global firms, controlled by only the founder/owner generation (Firm H, I and P) and by both generations (Firm D), heavily relied on intermediary networks at the beginning of their internationalisation phase and continued utilising them through later internationalisation phase. With the exception of Firm R, the founder/owner generation was the only one who owned and managed the firm and depended extensively on their existing social networks at the beginning of the internationalisation process. Later, after the successive generation and the professional manager joined the company, they started to build new networks and acquired new contacts through intermediary networks, primarily through trade shows.

5.2 Question 1: How do networks play a role in order to facilitate Thai family-owned SMEs' internationalisation process?

Small businesses typically have scarce resources available for foreign market expansion (Kontinen and Ojala, 2011b; Pukall and Calabrò, 2013; Arregle et al., 2021); these firms tend to utilise networks to overcome their constraints (Loane and Bell, 2006; Kryeziu et al., 2022). Networks have been seen as an essential role in SMEs' internationalisation, and they can enhance the SMEs' abilities to

engage in international activities (Torkkeli et al., 2012; Pinho and Prange, 2016). The finding of this study corroborates previous research, which proposes that networks can be effective means to assist a firm's internationalisation process (Coviello and Munro, 1995; Zain and Ng, 2006; Udomkit and Schreier, 2017; Kryeziu et al., 2022). In the context of Thai family-owned SMEs, networks play a crucial role in their internationalisation because their ability to expand to foreign markets depends on their networks; thus, establishing networks seems to be the most critical step for these family-owned SMEs. Different ties of networks provide these small firms with various benefits (Lamin and Dunlap, 2011; Kryeziu et al., 2022), which can facilitate their internationalisation process. This section will discuss the benefits of different network ties, namely business, social, and intermediary networks, which have been perceived by the Thai internationalising family-owned SMEs in the food industry.

5.2.1 Benefits of business networks

Family-owned SMEs lack sufficient resources to internationalise; therefore, these firms build business networks to overcome barriers and survive in foreign markets. Business networks are "a set of two or more connected business relationships" (Anderson et al., 1994 pp.2). The present study refers to business networks as the relationship with other business connections, for example, customers, distributors, suppliers, competitors and business partners (e.g., Anderson et al., 1994; Kontinen and Ojala, 2011b; Jeong et al., 2017). The present study also considers that business networks are the more formal networks where relationships are established, including alliances, agreements, and contracts. The following are the benefits of business networks mentioned by the Thai family-owned SMEs in this study (Figure 14).

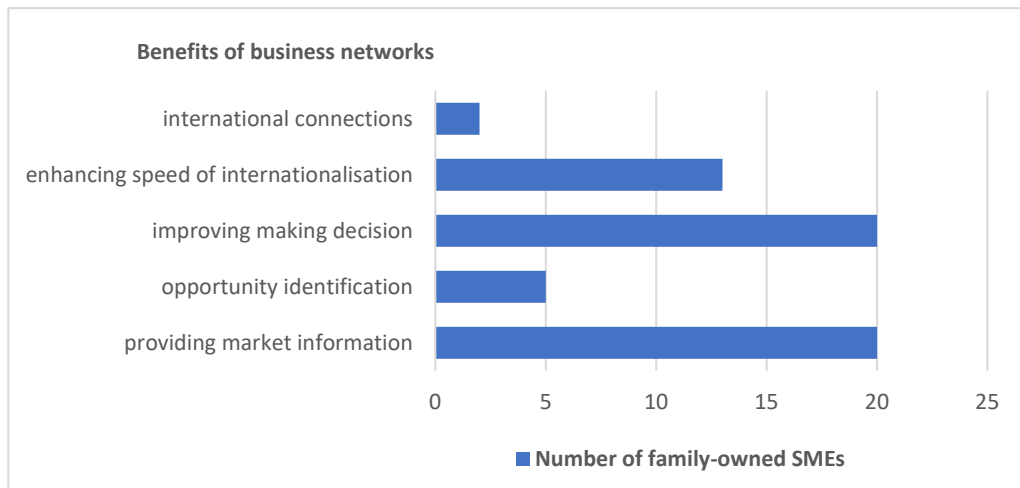


Figure 14 Benefits of business networks

One of the most important benefits that family-owned firms can gain from their business networks is information accessibilities and knowledge acquisition. SMEs are limited resources and often lack access to knowledge and information on foreign markets, and they tend to rely on business networks to assist their internationalisation (Hessels and Terjesen, 2010; Puthusserry et al., 2018). Firms can overcome knowledge and resource deficiencies through business networks. The international business networks usually have knowledge diversity and experiences, which are very helpful in building networks, especially in the early stages of new international expansion. Respondents from the cases indicated that their business networks in foreign markets are usually knowledge diverse and experiences which are very helpful when family-owned SMEs attempt to internationalise. The firms have to face new business practices and a hostile environment when entering new foreign markets. Therefore, the firms need to find the right business networks that can provide them with the resource required and help them overcome these obstacles quickly. Therefore, SMEs with a wide range of business networks in foreign markets seem to have more opportunities to engage with their business partners and learn from them (Jin and Jung, 2016).

Business networks, especially with local firms in foreign markets, enable family-owned SMEs to gain local know-how, market insight, and expertise (Huang et al., 2012; Kryeziu et al., 2022) which is crucial for firms, especially in the food industry. The food industry tends to have different legal and political frameworks,

which can be obstacles to a firm's internationalisation. These different legal frameworks also require Family-owned SMEs to develop new products and/or modify their existing offerings in the domestic market to meet each foreign market's standard requirements. Moreover, there are higher restrictions on the food industry in foreign markets, which require SMEs to strictly follow procedures and instructions and these rules can be changed over time. All case firms examined in this study were able to acquire market insight through their business networks in order to overcome challenges faced in foreign markets, especially in terms of laws and regulations, cultural and language differences, market characteristics and local demands. Business networks can be a source of information for family-owned SMEs to update regulations and adjust their companies and products in order to enter foreign markets. Usually, there are standard requirements for almost every foreign market; however, some countries have specific conditions. For example, in the organic rice producer business, to enter a country such as Japan, these firms' products need to pass the test to obtain certification from the Organic Japanese Agriculture Standard (JAS). In a case like this, accessing market insight from the firms' business networks enables the firms to develop their products' standards to precisely meet the requirements. Thus, the business networks provide family-owned SMEs with the necessary knowledge and support to compete in foreign markets. This finding is consistent with previous studies (e.g., Chen et al., 2015; Jeong et al., 2017; Ahimbisibwe et al., 2020) that found business networks provide valuable and helpful information about products, markets, and local customers' behaviour. Thereby, family-owned SMEs enable to internationalise by accessing their business networks' stock of knowledge.

Business networks also enable SMEs to gain technical knowledge and information regarding market trends which help them to develop new products for foreign markets (Coviello and Munro, 1997; Kryeziu et al., 2022). When family-owned firms attempt to enter new foreign markets, they must adjust to a new business environment in new countries and develop new products for foreign markets to meet local customer preferences. By exchanging their knowledge and skills with their business networks, these firms could develop new products for local

demand. For example, when the firms enter foreign markets and do not receive many orders from customers because they do not have enough understanding of local demands and customers' behaviour. Through business networks, especially local business partners are familiar with the markets and know market trends and local customers' behaviour, enabling SMEs to access local knowledge and identify market opportunities. Specifically, in the food industry, where the market trends have frequently changed, these require family-owned SMEs to either make some adjustments or develop new products to enter new foreign markets. Respondents from the case firms also indicated that their firms' ability to accelerate their internationalisation comes from knowledge exchange with their partners in the networks. For example, Firm F did not have enough understanding of the market's demands when it entered its first foreign market. As a result, firm F had to work closely with their business networks to develop new product lines to offer in the market:

"When we first entered the Vietnamese market, our products were too sweet for them. They prefer a healthy snack, but we did not know how to make it. Finally, our business partner who also had a bakery business just helped us, and we came up with a new recipe." (The successive generation of Firm F).

Firm F then was able to share knowledge, information and technology with their business networks and could reduce time, especially when they tried to develop new products to suit local customers' eating habits.

Business networks can also be a trigger of opportunity identification for family-owned SMEs to pursue foreign expansion (Figure 14). The findings indicate that the case firms in this study decided to engage in international activities because their business networks helped them discover opportunities in foreign markets. Furthermore, respondents from the case data mentioned that their business networks activated the firms' intention to internationalise. For instance, the owner of Firm I mentioned how his firm was able to recognise international opportunities in the foreign market through their existing business networks:

"We did not even know we could sell this in Singapore until my supplier told me that there is no ready-to-drink soymilk in the market and introduced me to his partner in the market." (The founder/owner generation of Firm I).

The preceding findings support Okoroafo (2010), who argues that business networks are one of the factors that significantly inspire family-owned firms to undertake foreign expansion. Business networks provide information that appears to be useful in opportunity recognition because local business networks familiar with the markets can motivate firms to internationalise. However, the family-owned firms with the control of the founder/owner generation in this pre-engagement phase decide to be involved in international expansion in a more reactive manner. The explanation might be that the founder/owner generation's characteristics are risk-averse and desire to maintain control over the company in the family's hands (Hadryś-Nowak, 2018). Thus, they do not intend to take any risks and tend to wait until their business networks provide them with opportunities in foreign markets.

The opportunity recognitions in foreign markets provided by family-owned SMEs' business networks also lead the firms to select foreign markets and entry options. Business networks are well known to influence family-owned SMEs' decision-making on how the firms choose a target market and entry mode, which have been shown by different authors (e.g., Bell, 1995; Coviello and Munro, 1997; Galkina and Chetty, 2015; Zhang et al., 2016; Udomkit and Schreier, 2017). Business networks help family-owned SMEs identify opportunities in foreign markets and inspire them to enter the markets. Information flows within the business networks impact a decision taken by the family-owned SMEs and encourage them to select the markets where they have built knowledgeable business networks that they can rely on (Altnaa et al., 2021). This study finds that business networks play a crucial role in market selection. All respondents confirmed that they primarily selected their foreign market destinations because they could access their business networks' market insight by accessing their business networks' information and knowledge, which also influence the firms' decisions on international activities, including market selection and entry modes.

These firms' market selection, especially at the beginning of the internationalisation phase, depends on opportunities arising from their business networks whom they met at the trade shows and/or got contacts directly from them, and then followed their business networks to the markets. Most of the firms from this study decided to engage in foreign expansion and selected their foreign markets because they received orders from foreign markets. Some of the firms decided on their market selection by responding to international requests from their existing customers in foreign markets, and then they followed their business networks to foreign markets. Thereby, the market selection of the family-owned SMEs depends on their business networks as their expansion is "very much relationship-driven" (Brydon and Dana, 2011, pp.216). In addition, these firms tend to choose the target markets where their business networks can provide information and support the implementation of international strategies (Galkina and Chetty, 2015b; Zhang et al., 2016; Altnaa et al., 2021).

Similarly, the findings of this study also indicate that the entry mode of family-owned SMEs is influenced by their business networks. Business networks in foreign markets usually possess market insight and experience; thus, family-owned SMEs tend to rely on their expertise, which helps them decide on the method used to enter the markets (Altnaa et al., 2021). Most of the case firms in this study have deployed various entry modes, including export, joint venture, and foreign direct investment. These firms tended to choose one entry mode in one market and use a different form in another depending on the opportunities coming from the firms' business networks through their expertise in the foreign markets. For example, Firm B entered the Chinese market by setting up a new distribution centre with its local business partner. Firm B's business partner helped them overcome various problems regarding cultural and regulatory differences. For example, when Firm B entered the market for the first time, it did not have any staff who could speak Chinese, leading to heavily relying on their business networks to expand their business there. Likewise, Firm E explained that choosing the best possible entry mode depends on their business networks, especially those who provide them with local information, influencing their decision. Firm E used foreign direct investment and joint ventures when

their local business partners have worked in foreign markets for a long time and have plenty of experience. Firm E also emphasised that having connections with business partners who had well-established businesses enabled Firm E to penetrate foreign markets and increase sales. Thereby, these firms seem to use various modes as their first step towards their foreign expansion, not being a gradual progression from exporting towards the local subsidiaries establishment and increasing commitment to expand geographically as predicted in the Uppsala Model (Johanson and Wiedersheim-Paul, 1975). This finding is supported by previous studies (e.g., Bell, 1995; Coviello and Munro, 1995; Sharma and Blomstermo, 2003; Ibeh and Kasem, 2011; Udomkit and Schreier, 2017) who posit that the entry mode of small firms usually is influenced by their business networks. In addition, the findings of this study show that most of the market selection and entry modes were not planned but arising by their business networks which tend to identify international opportunities for family-owned SMEs, especially at the beginning of their internationalisation process. This is also supported by Vasilchenko and Morrish (2011), who conclude that business networks in the local market have a significant impact on firms' decision-making to expand to foreign markets. In turn, this also affects the speed of internationalisation of family-owned SMEs and their performance in foreign markets (Ibeh and Kasem, 2011; Vasilchenko and Morrish, 2011; Hohenthal et al., 2014; Stieg et al., 2018).

Business networks can significantly influence the speed of the firms' internationalisation, one of the perceived benefits of Thai family-owned SMEs in this study (Figure 14). The firms have to adjust to a new business environment and practices when entering new foreign markets; thus, being able to access their business networks' expertise and insight can help overcome these problems quickly. Business networks, therefore, allow the family-owned SMEs to enhance their speed in entering new foreign markets. Respondents from the case firms indicated that their business networks in foreign markets have more experience and can provide them with the resource needed to internationalise. The family-owned SMEs can rapidly identify and mitigate perceived risks and potential barriers that can shorten their time spent solving problems and accelerate their

foreign expansion. Knowledge exchange between actors in networks also enables the firms to develop and modify their products to be ready for foreign markets, which in turn enhances the speed of the internationalisation process. For instance, the successor of Firm F expressed how his firm developed new product lines for foreign markets in a short time because the firm was able to learn from its experienced local business partners: "They (local customers) prefer a healthy snack, but we did not know how to make it. Our business partner who also had a bakery business helped us out." Likewise, in the case of Firm O, relying on the local market insight of their business networks helped them to understand local customer eating preferences and increased their internationalisation speed: "Without them (business networks), to guide us we might not be able to enter the markets yet." Thereby, business networks influence organisational learning and knowledge exchange to be more multidimensional, which can increase the company's knowledge (Huang et al., 2012; Arregle et al., 2021).

Through business networks, family-owned SMEs are able to absorb new information at a fast pace. The firms then can reduce processing time in their internationalisation process and increase efficiency. In addition, market-specific knowledge of the firms can accumulate through interaction in business networks where actors can exchange and share local knowledge and information. This is in line with Hohenthal et al., (2014), who posits that networks can affect the speed of the internationalisation of SMEs. However, as mentioned earlier, family-owned SMEs may be restricted by limited resources that delay and prevent them from internationalising rapidly. As a result, family-owned SMEs rely on business networks that provide the resources needed and positively impact their internationalisation (Johanson and Vahlne, 2003; Altnaa et al., 2021). Thus, building relationships with business contacts allows them to increase their foreign expansion speed, which can also influence the internationalisation pace and further expansion (Ibeh and Kasem, 2011; Stieg et al., 2018).

Family-owned SMEs' business networks also allow them to access international contacts who can assist their further internationalisation (Figure 14). The firms' business networks can introduce them to new networks and lead them to

establish new relationships. The findings indicate that family-owned SMEs gain new connections, which enable them to identify new international opportunities and/or enter new foreign markets. The firms can meet new customers through their existing business networks, including their existing customers, suppliers, distributors and sometimes their domestic competitors. Respondents from the case firms mentioned that their business networks, which usually had various connections in different markets, could be a credible source of referrals for new buyers. Being recommended by the business networks also enhanced the trustworthiness of the companies to potential business partners. For example, Firm E was introduced to a new business partner in Laos by their domestic competitor, who eventually formed the collaboration with Firm E to enter this foreign market. Likewise, in the case of Firm I, which did not plan for internationalisation, was introduced to a new buyer in Singapore by its supplier. Being referred by someone, the buyer could trust provided Firm I some advantages to form collaboration and enter the market: "We met our business partner because our supplier has worked with them for a long time. And when the buyer sought for soymilk products to sell in the market, then our supplier introduced our products to them. So, we managed to successfully enter the market because of our supplier."

Moreover, respondents also indicated that they tended to actively develop new business networks when they tried to expand to new markets. These firms sought local market insight, which enabled them to prepare their products and overcome problems in foreign markets. For example, local knowledge seems to be important for the firms in the food industry that have to adjust their products to meet local customer eating habits and local regulations. Wider business networks can provide SMEs with greater opportunities for entering foreign markets (Jin and Jung, 2016). This is partially consistent with the assumption in the earlier studies on small firms' internationalisation which investigate general entry patterns, indicating that these firms tend to reactively follow their existing networks to foreign markets (e.g., Bell, 1995; Coviello and Munro, 1995). This study argues that network building activities might differ depending on the firm's internationalisation phase and the influence of generational change, which will

be explained in detail later in section 5.4. The firm's internationalisation strategies change according to the generation that takes over the company's management because different sets of generations play essential roles in firms' international expansion.

To sum up, having contacts overseas and connections are crucial for family-owned SMEs as business networks help them with various aspects, including enhancing the ability to acquire valuable information, local knowledge, market insight and connections. These valuable resources and helpful information help SMEs mitigate perceived barriers and problems faced in foreign markets and identify international opportunities. Furthermore, business networks significantly impact firms' intention to internationalise and their decisions to select market and entry modes depending on opportunities provided by their networks. Thereby, being able to access knowledgeable business networks also affects the speed of the internationalisation process of family-owned SMEs and can lead to ultimate outcomes in foreign markets. In addition, business networks also enable family-owned SMEs to establish new networks because these firms can access their business networks' connections which can also help them discover new international opportunities and enter new foreign markets.

5.2.2 Benefits of social networks

Social networks are developed from personal relationships involving personal connections and social contacts with friends, family members, acquaintances, colleagues, and previous employment contacts (Kontinen and Ojala, 2011b; Vasilchenko and Morrish, 2011; Jeong et al., 2017). Social relationships play an important role in family-owned SMEs' success in foreign markets by providing various benefits for individuals within the networks. The following will be discussed social networks perceived by Thai family-owned SMEs in this study (Figure 15).

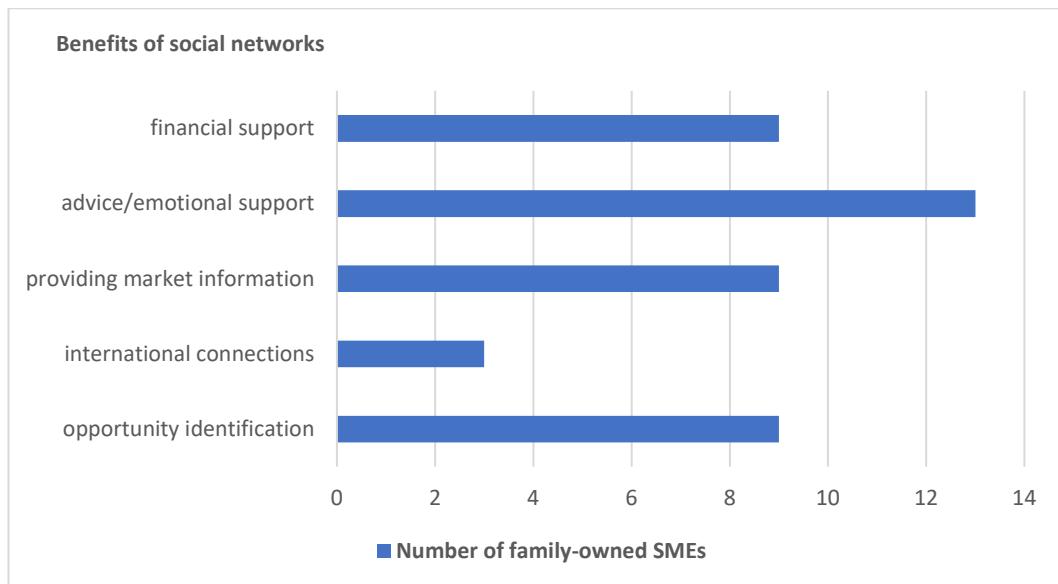


Figure 15 Benefits of social networks

One significant aspect of social networks is that personal relationships provide helpful advice and emotional support. The findings of this study indicate that social networks, especially family ties, can act as an advisor for other family members who work at the companies. One of the characteristics of the case firms is family governance which more than one family member works in the firm's management. The family attachment to the firms also is higher in family-owned firms. Thus, there are also greater emotional commitments and consequences in the firms. Moreover, respondents also emphasised that emotional factors influence their decisions to take on foreign expansion. For instance, in the case of Firm R, when the successor started working at the company, he had no working experience. In contrast, the founder/owner generation has worked in the business for a long time; thus, in the earlier phase of the firm's internationalisation, only the predecessor was responsible for foreign expansion. Likewise, in the case of Firm M, the successor mentioned that he learned how to run the company from his father, who has working experience: "My father already has a plan since he built this company, and I just follow it." Therefore, emotional commitment in family-owned SMEs seems to influence their decision-making.

In addition, the finding indicates that most of the firms in this study decided to pursue international activities by the founder/owner generation, especially in the beginning stage of their internationalisation. However, with the passage of time,

the successive generation tended to have more involvement. The founder/owner generation appeared to be seen as a supervisor or reviewer in the final decision on foreign expansion. The successive generation seems well prepared to expand their businesses into the international arena. The incoming generations usually have better education and language skills, which can help them better understand foreign business practices, as language barriers can hinder the firms' internationalisation (Udomkit and Schreier, 2017). The founder/owner generation only provides the necessary support to their successors because the founder/owner generation is seen as experts in the industry since they have worked in the companies for a longer period. The successive generations from the case firms show that they are well aware of the government agencies that can provide information and opportunities for internationalisation. Moreover, they seem to be more tolerant and flexible than their predecessors due to their younger age. They also want to continue their families' reputation because family firms usually have long-term survival plans and family control maintenance. Thus, the family members desire to pass the firms on to future generations. For example, the successive of Firm N expressed how her firm gained information and started engaging in foreign expansion through the government agencies: "I just searched on the internet and found them. I just contacted them and asked for help." Likewise, in the case of the successive generation of Firm F who has higher educational qualifications and language skills, he decided to work for a multinational company before working at his father's company in order to learn and improve his management skills. The preceding findings support evidence from previous research (e.g., Fernandez and Nieto, 2005; Okoroafo, 2010; Metsola et al., 2020; Arregle et al., 2021) that demonstrate the effect of generational change on the family business in international markets. This might be because successive generation who desires to enter foreign markets may stem from their individual entrepreneurial behaviour. They seem to be more aware of support from other network ties beyond their own family members to help them successfully manage their companies.

Another important benefit of social networks identified in the present study is financial support, mainly from family members (Figure 15). The case firms

mentioned that among the major factors restricting the firms' international operations is the lack of appropriate financial resources. The majority of firms in this study had internationalised using family pools. It is interesting that most of the firms also stated that their companies lacked financial resources, which is probably an important factor limiting investments, which may involve significant risk because they could endanger their survival. However, these firms still use their own capital fund for their foreign expansion because they emphasised that access to external sources was difficult because their firms were small and lacked credibility:

The founder/owner generation of Firm E stated, "Our company was still small at that time, and it was difficult to borrow money from elsewhere." and "[...] to get some loans from the bank will take some time to get approved. This might delay our foreign expansion, so my father used our family money to put more investment into the company instead." (The founder/owner generation of Firm I).

The preceding findings support the view of previous studies (e.g., Mustafa and Chen, 2010; Metsola et al., 2020; Arregle et al., 2021), which posit that family business tends to gain access to crucial resources in the development of their international market position through their family members. The explanation for this might be one of the attributes of family-owned SMEs, which is the family governance issue. The family members might fear a loss of control which impedes them from looking for external funds.

Family-owned SMEs can gain valuable information and knowledge on foreign expansion through their social networks, typically based on a close relationship and establishing loyalty and trust. The findings of this study indicate that Thai family-owned SMEs utilise social networks to access information that is attributed to their foreign expansion (Figure 15). Respondents from the case firms mentioned that knowledge gained from their social networks only came from friends of the founder/owner generation, which helped them decide to take on internationalisation. The founder/owner generation of the case firms have

worked in the industry for a long time and have built many personal connections. Personal contacts are often based on shared past experiences and mutual trust (Eberhard and Craig, 2013). Through networks, actors can develop relationships, and trust then increases, leading the actors in the networks to discuss issues and share sensitive data that might have the potential to increase benefits (Mudambi and Zahra, 2007). Most of the time, personal relationships are based on loyalty, trust, and connections between kinship groups, which build up a substantial amount of time.

Respondents also indicated that the close personal relationships also increased the confidence of the founder/owner generation to engage in international expansion because they were able to trust their personal networks who lived or worked in the foreign markets. These founders/owners were usually experts in the domestic market but lacked international experience, and they tended to be a risk-averse management style. This supports past studies (e.g., Zhou et al., 2007; Ibeh and Kasem, 2011; Udomkit and Schreier, 2017) that have shown that information benefits family-owned SMEs gain from their social networks can lead to improving performance in foreign markets. Personal contacts are often based on shared past experiences, and mutual trust encourages the founder/owner generation of family-owned SMEs to rely on information from their closed relationships to improve their decision-making for foreign expansion. Thus, personal relationships provide valuable information, which enhances the speed of internationalisation and leads to superior performance (Zhou et al., 2007; Ibeh and Kasem, 2011).

The findings of this study also show that social networks can act as a trigger for international opportunities for family-owned SMEs (Figure 15). Respondents indicated that their personal connections, especially the friends of the founders/owners of the firms, had influenced their intention to foreign expansion. Most of the personal connections initiated with the case firms were mainly the owners/founders' colleagues from previous jobs or long-time friends from the same industry. These firms acknowledged that their social networks allowed them to realise opportunities in foreign markets, eventually leading them to enter

foreign markets. However, respondents of the case firms also mentioned that the founder/owner generation did not have sufficient international experience and local market knowledge to engage in foreign expansion. Thus, these firms tended to follow their personal connection, which they associated with a higher level of trust in foreign markets when the founders/owners recognised international opportunities. This current study also found that the founder/owner generation of family-owned recognised international opportunities only through their friends, not their family ties. This finding supports the study of Kontinen and Ojala (2011b), which suggests that family members do not facilitate opportunity identification but limit the openness to new ideas and knowledge, restricting new opportunities in foreign markets. This might be because most family members work in the same companies, which usually have the same set of knowledge and information that might not help promote the firms' internationalisation.

The findings of this study also show that social networks can be sources of referrals for new connections (Figure 15). Respondents emphasised that the role of personal relationships, especially with friends of the firm's founders/owners, provided them with additional connections, which led them to further expansion. Personal connections also provide access to other networks and help family-owned SMEs meet new business connections in foreign markets to acquire new opportunities. Respondents from the case firms mentioned that in most instances, their firms' social networks tended to be limited to the friend of the founders/owners, but they still provided access to other network relationships. For instance, in the case of Firm S, relying on a friend of the founder to gain new customers for further expansion:

“My mother's friend took us to Australia. He also knew some distributors in the UK and the US, so he introduced him to my mother. With her friend's help, my mother then decided to send our products to those markets.” (The second of ownership of Firm S).

This finding supports evidence from previous studies (e.g., Granovetter, 1973; Vasilchenko and Morrish, 2011; Jeong et al., 2017; Udomkit and Schreier, 2017)

that social networks provide information regarding new network opportunities and are a foundation to connect to other ties of networks. However, what is surprising is that only the founder/owner generation reported in this present study using personal relationships to access business connections. In contrast, the successive generation who took over the companies, especially in the later internationalisation phase, did not find personal relationships providing any connections. One possible explanation is that the founder/owner generation usually has worked in the sectors for longer and is familiar with the industry. Therefore, they tend to have built various connections over a period of time.

This section has shown that social networks significantly contribute to the firms' pool of resources required for internationalisation. Personal relationships, especially with friends of the founder/owner generation, enable the firms to recognise international opportunities in the markets where their friends usually work or live. Due to the high level of trust in the social networks, the founder/owner generation receive helpful advice and information needed to internationalise from their close network connections; thus, the firms eventually follow their social networks to foreign markets. Social networks also provide access to other networks for family-owned SMEs to broaden their own connections in foreign markets. In addition, in the context of family-own SMEs, the firms also receive support from their family ties, including advisory and financial support from the family members.

5.2.3 Benefits of intermediary networks

Previous studies mostly focus on two ties of network mentioned above, and only a little attention has been paid to intermediary networks (Costa et al., 2017a, 2021). However, various available resources provided by intermediary networks can significantly benefit the internationalisation process of family-owned SMEs. Intermediary networks are a third party that connects with other actors who are not directly related to a firm's business activities and can provide resources to a firm's internationalisation, including business associations, government agencies,

research centres, consultants, and trade shows. The benefits of intermediary networks are discussed in the following section (Figure 16).

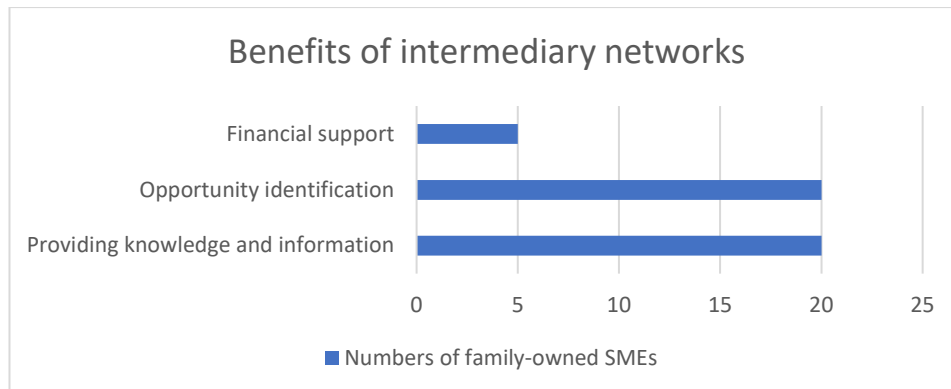


Figure 16 Benefits of intermediary networks

The findings of this study show that the intermediary networks' benefits that family-owned SMEs perceived in this study are resource accessibility. The intermediary networks significantly impact family-owned SMEs' internationalisation by providing vital resources, including valuable market information, international opportunity identification, business connections, and financial support. All of the respondents from the case firms indicated that the most common intermediary organisations that the family-owned SMEs could access were trade associations and industry associations. These organisations act as facilitators that supply family-owned SMEs with market information, including market trends, updated regulations, policies, new technologies and broader network accessibility.

Moreover, all respondents emphasised that the vital supports provided by intermediary networks were related to advisory and different activities, especially legal support, which can help family-owned SMEs reduce barriers in foreign markets. Embedding in intermediary networks with government agencies enabled the case firms to regularly update foreign markets' regulations and policies. As a result, these firms are to be able to prepare their products to meet local standards before internationalising. Especially the case firms examined in this study operate in the food industry, and the firms have to follow procedures and requirements in foreign markets rigorously. For example, Firm N, which sells

products from seafood, has faced barriers raised by the different legal and political frameworks in the foreign markets, which affect their foreign expansion. The European Union (EU) officially banned Thailand on fisheries products because the country did not take sufficient action against the illegal, unreported, and unregulated (IUU) regulations in 2015. Thus, this led Firm N to leave these markets. However, the EU lifted the banning in 2019 since the Thai Government had been working on improving laws and regulations following requirements from the EU. This also created new opportunities for Firm N to re-enter the European countries again. Thus, being updated by the firm's intermediary networks helped Firm N quickly adjust to new requirements and modify its products according to local standards. This is in line with previous studies (e.g., Oparaocha, 2015; Costa et al., 2017; Udomkit and Schreier, 2017), who posit that intermediary networks are critical for SMEs' foreign expansion and they provide the support needed for these firms to be able to enter international markets. Intermediary networks can be used to mitigate information asymmetry in a firm's internationalisation.

In Thailand, SMEs have various access to advice and support from many institutions especially trade associations such as the Department of International Trade Promotion (DITP) of the Ministry of Commerce, which serve as a vital facilitator of SMEs' internationalisation. The DITP provides consultation and information on regulations and procedures and helps SMEs connect to other government agencies. The DITP also provides knowledge support services such as training and seminar sessions to SMEs, addressing various issues including marketing, branding, logistics, and other topics that help SMEs' internationalisation. More importantly, intermediary networks especially trade associations like the DITP, provide SMEs with international opportunity information, leading them to access broader and richer networks through various export promotion programmes such as business matching schemes and trade fairs within and outside the domestic market.

The findings of this study also show that intermediary networks enable family-owned SMEs to access the latest technologies and innovative knowledge, which leads them to develop their products to meet international standards. For

example, industrial business associations can provide members resources needed, including information about products, foreign market requirements, and novel technologies in specific business sectors. Besides, research centres seem to be a key facilitator for firms in the food industry where they must develop their products to meet product requirements before internationalisation. These firms need to gain various food certificates depending on product types and foreign markets, leading the firms to build relationships with different institutions. For example, in the case of Firm C, which also sells organic rice products that are required various certifications, including Bio Suisse, Naturland, JAS, NOP and Fairtrade. This led Firm C to establish networks with various intermediary organisations to develop their products to meet requirements and gain these certifications before internationalising.

The findings of this study suggest that one of the most valuable points of intermediary networks mentioned by Thai family-owned SMEs was international opportunity recognition (Figure 16). All respondents emphasised that intermediary networks could serve as primary sources of international opportunity identification. Intermediary networks, especially with government agencies, provide connections in foreign markets that are interested in doing international business with each other. Family-owned SMEs can enhance their networks by participating in trade shows, seminars, business forums, and conferences within and outside the country. Moreover, all respondents from the case firms emphasised that trade shows are an essential activity for their businesses to identify opportunities in new foreign markets. Eventually, these firms managed to enter the markets. All respondents also mentioned that they regularly attended trade shows to keep finding new opportunities and building new networks. According to Kirchgeorg (2005), the term "trade show" refers to events including trade fairs, trade exhibitions and expositions. Taking part in trade shows provides them with opportunities to meet new potential business partners who are interested in their products and leads to initiate foreign expansion. The finding demonstrates that trade shows are the main initiatives of family-owned SMEs in this study to engage in foreign expansion. This is consistent with the findings of previous studies (e.g., Oviatt and McDougall,

2005a; Kontinen and Ojala, 2011a; Jeong et al., 2017) that intermediary networks provide recognition of opportunity through indirect ties. The intermediary networks can act as a bridge to enable family-owned SMEs to form new business networks in order to facilitate the firms' internationalisation. Trade shows have been seen as an essential tool for SMEs' internationalisation and to overcome their resource constraints (Gerschewski et al., 2020). In addition, According to Brown et al., (2017) emphasised that a firm with a management team that focuses on trade shows can have superior performance. Moreover, firms that proactively attend trade shows can gain insidership through access and establishing networks in foreign markets (Gerschewski et al., 2020). Therefore, trade shows provide SMEs to establish fundamental relationships to facilitate early market entry into foreign markets (Costa et al., 2017a, 2021). Moreover, through trade shows, SMEs also enable to extend their network connections and enhance the knowledge required for entering foreign markets and international growth (Gerschewski et al., 2020).

Export promotion programmes also provide family-owned SMEs with knowledge and information in foreign markets (Koladkiewicz, 2013; Costa et al., 2021). Trade shows and similar events such as business matching schemes where people share common interests are a context with a dense network and have a higher potential for network building (Coviello, 2006a). Therefore, SMEs are able to access critical knowledge and keep up with current trends and new technologies in foreign markets because other actors in the network often share vital information (Kontinen and Ojala, 2011b; Rexhepi et al., 2017). Moreover, intermediary networks also enhance the speed of the internationalisation process of family-owned SMEs. These family-owned SMEs typically have resource scarcity which might impede their internationalisation process. However, having contacts with intermediary networks enables these firms to increase their foreign expansion speed because they can access information quickly. Intermediary networks seem to have been found in the present study that plays a crucial role in firms looking for knowledge acquisition and establishing business networks. Accessing intermediary networks that generally have more experience and broader networks facilitates the internationalisation process of these family-

owned SMEs to happen faster. The case firms in this study seem to seek support from various intermediary networks, especially when entering new foreign markets. These firms can access information to prepare and adjust to the new business environment and access richer networks, increasing their opportunity recognition in foreign markets. Intermediary networks help the family-owned SMEs in this study significantly reduce time in their internationalisation process.

Another important benefit of intermediary networks identified in this study is financial support (Figure 16). Family-owned businesses usually tend to use their own capital funds. They are reluctant to seek external sources because the founders/owners of the firms fear of losing control over the companies. However, the findings of this study indicate that a lack of appropriate financial resources impedes a firm's internationalisation, which leads these firms to look for financial support from external sources. Intermediary networks, especially government agencies, can enhance resource availability (Chen et al., 2015; Costa et al., 2021). Intermediary networks provide family-owned SMEs with links to other agencies, including banks and financial institutions, that design various export promotion programmes to supply resources needed to support SMEs and encourage them to internationalise. This finding is consistent with previous studies (e.g., Oparaocha, 2015; Costa et al., 2017), which argue that intermediary networks significantly impact SMEs' internationalisation by providing vital resources such as financial support. One unexpected finding was that family-owned SMEs in this current study decide to seek capital resources from outsider sources after the firms' management is taken over by the successive generation and/or hiring new professional managers. This might be because the internationalisation process depends on the characteristics of the generation, which is responsible for the decision-making of the firms' foreign expansion. Previous studies (e.g., Koladkiewicz, 2013; Arregle et al., 2021) posit that the owner/founder generation tends to be more risk-averse owing to the need to maintain control of the firms. However, the successive generation seems to be well prepared for internationalisation and is more aware of government agencies' available support.

In summary, it has been shown that intermediary networks have significantly impacted family-owned SMEs' internationalisation and can be served as a facilitator for these firms. Intermediary networks provide the support needed for foreign expansion by providing resource accessibility. Furthermore, the intermediary networks, especially government agencies, offer the family-owned SMEs various export promotion programmes. These programmes enable SMEs to build new networks and provide international opportunities in order to extend their internationalisation process.

5.3 Question 2: How do networks play a role in order to impede Thai family-owned SMEs' internationalisation process?

Not surprisingly, the role of each network ties provides various benefits to assist family-owned SMEs' internationalisation, as has shown prominently in previous studies (e.g., Coviello and Munro, 1995; Senik et al., 2011; Udomkit and Schreier, 2017; Altnaa et al., 2021). Network ties can compensate for the lack of resources by providing access to actors' resources. Networks also enable firms to identify and exploit international opportunities. There is much evidence in the literature on the importance of networks and internationalisation. However, there are little studies that have paid attention to unproductive networks that might prevent the firms from internationalisation. Network ties can also generate negative influences on SMEs' international strategies. In every relationship, actors in networks have to invest time and resources in order to establish and maintain their positions in the networks and gain benefits to facilitate their internationalisation. However, the adverse effects can cause problems, difficulties, drawbacks, and challenges. For example, if the firms are in unprofitable networks, this might negatively impact the firms' foreign expansion and survival. Thereby there are some potential downsides of networks in the context of Thai family-owned SMEs' internationalisation that impeded these firms' foreign expansion. The following section will discuss the pitfalls of networks perceived by some firms investigated (Figure 17).

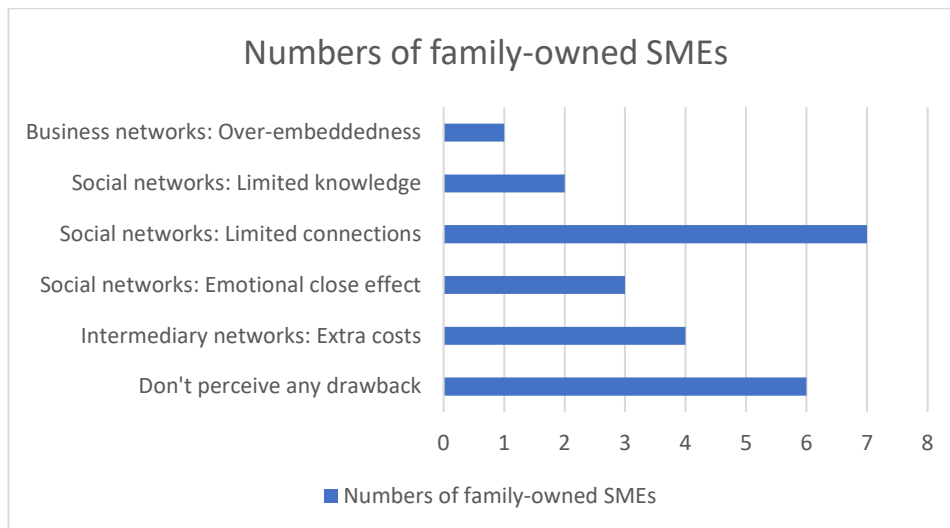


Figure 17 Drawbacks of network ties

5.3.1 Drawback of business network: Over-embeddedness

One of the drawbacks that family-owned firms might face in business networks is over-embeddedness (Figure 17). When SMEs rely too much on their business networks can lead to negative consequences in the long term. Over-reliance happens when the level of business networks reaches a specific point, and Family-owned SMEs only are restricted in their existing networks. Over-embeddedness also creates distortion in knowledge absorptions during the international development of SMEs, which limits access to new knowledge and other resources needed to compete in foreign markets. Existing networks of SMEs can prevent them from accessing new external networks and lead to blindness to new opportunities arising from outside (Jiang et al., 2018; Oliveira and Johanson, 2021). Therefore, SMEs might not be able to access novel knowledge and information, which might help them to find new international opportunities (Uzzi, 1997; Masiello and Izzo, 2019b).

The findings of this study show that over-embeddedness in business networks in various foreign markets prevents SMEs' international growth and exploiting new international opportunities in foreign markets. Respondents from the case firms indicated that embedding in small business networks limited their abilities to run their business in foreign markets. For instance, Firm B built the collaboration with only one business partner who was Firm B's distributor in China, and later in

Taiwan and Hong Kong which the successor of Firm B stressed how his firm could not penetrate deeper into the Chinese market:

“We had only one distributor for all markets. They (business partners in China) knew that we needed to find bigger distributors to deliver our products to every region. Every time we renewed our contracts, they always asked for more benefits.”

Despite many demands from local customers, Firm B had to leave the markets after dismissing their contracts. As a result, Firm B had to find new connections and enter the markets again, which delayed its foreign expansion and lost opportunities. This is consistent with previous studies (e.g., Uzzi, 1997; Yli-Renko et al., 2002; Jiang et al., 2018), which posit that over-reliance on a firm's existing relationships can be hampered by limiting novel knowledge and information and new international opportunities which prevent the firm's foreign expansion. The possible explanation is that family-owned SMEs are typically constrained by limited resources. Therefore, SMEs need to balance the use of business networks in order to prevent these negative effects because too weak relationships cannot generate leverage, but overly strong relationships limit their openness to new international opportunities (Jiang et al., 2018). In addition, business relationships between actors in networks, when they become too close, can lead to lock firms' relationships that are unproductive or establishing with one actor place constraints on ties with others (Gulati et al., 2000; Sedzinauskienė et al., 2019). The lock-in of existing relationships also causes opportunistic behaviour with existing partners and opportunity costs leading to underperformance (Abosag et al., 2016; Jiang et al., 2018). Consequently, SMEs might force to dismiss their existing relationships and leave their existing foreign markets. Moreover, over-reliance on existing network relationships can act as an obstacle when firms seek new opportunities in new foreign markets (Lindstrand et al., 2011; Oliveira and Johanson, 2021). This can occur when firms are forced to change their strategies, for example, their operation mode in international markets, competitive environment or organisational dynamics (Chetty and Agndal, 2007a).

5.3.2 Drawback of social networks: Limited connections (small networks)

One of the drawbacks of social networks mentioned by family-SMEs in this study is limited connections (Figure 17). Personal relationships are based on a high level of trust and shared norms which tend to be very limited in the number of connections (Burt, 1992; Masiello and Izzo, 2019b). The small networks also prevent SMEs from accessing new ideas and international opportunities, which leads to excessive trust (Masiello and Izzo, 2019b). The blind trust discourages innovation, information and opportunity search, and network building outside the existing personal networks and eventually prevents family-owned SMEs' internationalisation (Welter and Smallbone, 2011; Abosag et al., 2016). The case firms examined indicated that in most instances, their firm's social networks tended to be limited to only friends of the founder/owner generation and not with family members. Respondents from the case firms mentioned that limited actors in their social networks constrained their ability to recognise new international opportunities and develop new relationships. For example, the founder/owner of Firm R mentioned that the firm was not able to identify any opportunities in new foreign markets after building its new factories based in Myanmar because of the narrow circle of relationships the firm used to internationalise. Likewise, Firm S, which followed a friend of the founder/owner to foreign markets, only expanded to the markets where personal connections were available. This limited Firm S to present only in three markets at the beginning of their foreign expansion. This finding is consistent with previous studies (e.g., Kontinen and Ojala, 2011a; Scholes et al., 2016), who argue that family ties do not facilitate and limit the potential opportunity identification for new market development. These personal relationships, which are strong and appropriate personal relations with friends and/or prior colleagues who usually share the same experience and background, are important for the founder/owner generation to recognise opportunities in foreign markets.

A high level of trust in personal relationships tends to encourage the founder/owner generation to pursue internationalisation, especially in the

psychically closed markets where their friends live and/or do business in the markets. This might be because these foreign markets have similar regulations and policies to the domestic market and did not require many product modifications before entering the markets. However, social networks are limited actors and hinder the firms' further foreign expansion and other international activities. Moreover, network involvement can also restrict SMEs' strategic options when SMEs embed in small networks, which limits opportunities. Therefore, firms need to be proactive in building, developing and maintaining social networks beyond the pre-defined network boundary in order to continue their international growth (Adler and Kwon, 2002; Scholes et al., 2016; Masiello and Izzo, 2019b). The broader network relationships enable SMEs to penetrate their existing markets, identify new international opportunities, and build new networks (Jeong et al., 2017; Masiello and Izzo, 2019b; Altnaa et al., 2021). This finding suggests that a lack of relationship-building can further limit the opportunity recognition, and there is a need for an internationalising firm to continuously maintain and expand their networks in order to develop their foreign market expansion (Graves and Thomas, 2008; Kontinen and Ojala, 2010b; Mustafa and Chen, 2013).

5.3.3 Drawback of social networks: Limited knowledge

Another pitfall of social networks that can be identified in this study is limited knowledge because of the small networks (Figure 17). Personal relationships, especially with family members and friends, usually are limited actors and do not provide a diversity of market experiences and knowledge that enable family-owned SMEs to establish and develop networks, especially in the early phase of the internationalisation process. This might be because these social networks also have limited industry-specific knowledge (Kontinen and Ojala, 2011a). The findings of this study indicate that family-owned SMEs, which lack foreign market knowledge and international experience, especially at the beginning of their foreign expansion, are hindered from further foreign expansion. These firms' international opportunities can reduce; therefore, they cannot penetrate existing markets and/or expand to other markets because their social networks lack

experience and information in the local market. For example, Firm S, which followed the founder/owner's friend to foreign markets, sold their products without any modification at the beginning of its internationalisation because Firm S and their partners had not had enough understanding of local eating habits. The products of Firm S were too spicy for the Westerners and too difficult to cook. Firm S eventually had to dissolve their collaboration and left the markets. This is in line with Granovetter (1973), who emphasises that social networks, especially with close friends and family members, do not provide diverse knowledge and information supplied by business networks. Social networks provide family-owned SMEs to gain valuable resources and facilitate their foreign expansion. However, personal relationships can limit the flow of new and diverse information and knowledge and the openness to new opportunities beyond existing networks (Uzzi, 1997; Masiello and Izzo, 2019b; Shi et al., 2019a). Respondents from the case firms mentioned that their firm's social networks were limited to only friends of the founder/owner generation and not with family members, who also constrained their ability to identify new international opportunities and establish new relationships. This might be because personal relationships are trust-based and take a longer time to increase trust. Another reason might be the effect of generational change because the case firms' social networks limited only the founder/owner generation's friends. Personal relationships of the founder/owner generation might dismiss when the successive generation controls the management of the firms. Therefore, for SMEs to continue international growth, they need to have broader network relationships beyond their existing networks, which provide diverse knowledge, information and international opportunities (Jeong et al., 2017; Masiello and Izzo, 2019b; Altnaa et al., 2021).

5.3.4 Drawback of social networks: Emotional effects

Another downside aspect of social networks identified in this present study is the emotional effects of the relationships, especially from family ties (Figure 17). Family firms are usually risk-averse, owing to the need to maintain family harmony and are based on rich histories and memories; thus, they tend to rely

on family members' funding (Graves and Thomas, 2008; Gomez-Mejia et al., 2010; Kryeziu et al., 2022). Furthermore, personal relationships are often based on a certain level of trust, which supports mutual help and provide emotional support (Ledeneva, 2018). Therefore, there is a more emotional commitment and greater emotional consequences, which may limit new international opportunities, network building and business success in foreign markets (Delgado-García and De La Fuente-Sabaté, 2010; Hewapathirana, 2014; Kellermanns et al., 2014; Morgan and Gomez-Mejia, 2014). In addition, the management of the family-owned business is usually influenced by family involvement, family control, the number of generational involved in management, and the direction of the company's development (Koladkiewicz, 2013; Arregle et al., 2021). Thus, significant emotional involvement and emotions abound in the family-owned SMEs, usually involved with preserving a family legacy vital for family members. The emotional involvement in family-owned SMEs also influences the process of making decisions, including building new networks or selecting a business partner for their foreign expansion (Kampouri et al., 2017). The finding indicates that with passing time, the role of the founder/owner generation has become an advisor for the subsequent generation. However, the role of the founder/owner generation might impede the firms' internationalisation due to their risk aversion characteristics. As one of the respondents emphasised that the family members could negatively influence the firm's decision to engage in foreign expansion:

“Sometimes the suggestion from our family members is useless and discouragement because not everyone in the family will understand what we are doing at the company.” (The successive generation of Firm F).

The successive generation tends not to use social networks in the later phase of internationalisation because they are aware of the emotional effects which might influence their relationships and decision-making. This finding is consistent with that of Mustafa and Chen (2010), who highlight that family members do not always encourage SMEs' internationalisation because sometimes their past business experience can discourage their foreign expansion. One possible

explanation might be that some family members are risk-aversion and fear of losing control over the companies.

5.3.5 Drawback of intermediary networks: Extra costs

In this study, some firms could identify the negative side of the intermediary networks associated with trade fairs, which can be a facilitating instrument for family-owned SMEs to discover new foreign market opportunities (Figure 17). Many intermediary institutions usually provide various export promotion programmes to support SMEs' internationalisation process, including trade shows within and outside Thailand. To join these activities each time might be causing these SMEs to spend a lot of money on various expenses, including trade fair registration, foreign travel, accommodation, and promotional stands and materials. The extra costs, especially with trade associations that usually organise trade shows for firms to participate and find international opportunities, can cause such high costs. Attending these trade fairs within and outside the domestic market might be an extra expense for some firms. The firms have to spend extra money to participate in these exhibitions, including registration fees, other costs relating to setting up at the events, and travelling expenses. High costs of acquiring exhibition booths and insufficient funds to prepare exhibits are among the serious challenges hindering family-owned SMEs' participation in trade fairs. It has been noted that the fee charged by organisers to acquire exhibition booths is beyond the reach of many SMEs, ostensibly because they do not have financial powers (Ummulkulthoum and Jianhua, 2017). As a result, some firms, especially small-sized firms, might be unable to afford and miss the opportunities to meet new buyers and expand to other markets. For example, Firm M and Q mentioned that they could not attend many trade fairs because they were expensive to small firms like them. Therefore, both Firm M and Firm Q had to find an alternative option to identify new international opportunities and meet new connections.

However, all the case firms studied see trade fairs as an essential activity. This is in line with the study of Gerschewski et al., (2020), who suggested that trade

fairs are vital for SMEs' internationalisation to develop their network relationships, which can increase their operational performance. The events allow firms to identify new international opportunities and/or meet potential business partners. Moreover, joining the trade fair also enables the firms to collect various information such as market trends, updated regulations, and policies that can help them prepare their products before entering new markets. Family-owned SMEs also gain various benefits through trade shows, including new international opportunity identification, up-to-date market trend and information accessibility, and business contact accessibility which can assist the firms' internationalisation. However, SMEs lack resources; the perceived costs might be high for family-owned SMEs, discouraging them from attending trade shows. So far, few scholars (if any) have investigated the drawbacks of intermediary especially trade shows; however, studying only the bright sides of intermediary networks might lead to overlooking negative influences which might deter and prevent family-owned SMEs from internationalisation. Therefore, there is a need for more studies on this topic.

Even though the positive impact of network ties on a firm's internationalisation has been heavily highlighted in many previous studies (e.g., Bell, 1995; Rexhepi et al., 2017; Puthusserry et al., 2018). Moreover, a majority of existing studies in the field only investigated the positive influences and benefits of networks (Appendix 1). However, there is evidence from both existing studies (Appendix 2) and the present study's findings about the dark side of networks and the possible threats coming out from establishing a network. It is important for internationalising SMEs to acknowledge that networks can deter their internationalisation. Family-owned SMEs usually have resource limitations and have to devote many resources to establish and/or maintain their networks. Therefore, family-owned SMEs should consider possible pitfalls of networks when they rely on their networks to internationalise. Family-owned SMEs need to balance the utilisation of network ties in order to achieve the maximum benefits from relationships and successfully internationalise.

5.4 Question 3: How do networks play a role at each phase of internationalisation of Thai family-owned SMEs?

Resource scarcity impedes family-owned SMEs' internationalisation (Kontinen and Ojala, 2011a; Pukall and Calabrò, 2013; Arregle et al., 2021). Networks are important for these firms and significantly influence the firms' internationalisation. These small firms use networks as an essential instrument to mitigate their deficiencies (Loane and Bell, 2006; Kryeziu et al., 2022). All case firms in this present study confirmed that each network tie has its own role in facilitating its international venture. Failure to establish and maintain network relationships might hamper the family-owned SMEs from internationalising successfully. Although different networks provide various resources for firms (Lamin and Dunlap, 2011; Kryeziu et al., 2022), these internationalising firms might require different resources in different phases of internationalisation. According to Leonidou and Katsikeas (1996), the internationalisation process consists of three phases. The first phase involves seeking knowledge and information and identifying international opportunities in foreign markets. In contrast, the second stage is an experiment or contact phase when firms enter foreign markets for the first time after identifying international opportunities. The last phase is the penetration or expansion stage when firms increase their international commitment in foreign markets and expand geographically. The firms' networks might change over time because these firms might establish new relationships and/or dismiss the old ones; thus, it is important to build networks with various actors to continue their foreign expansion (Nummela, 2004; Jeong et al., 2017; Altnaa et al., 2021). However, one key factor that impacts family-owned SMEs' internationalisation process is the influence of the incoming generation (Fernandez and Nieto, 2005; Arregle et al., 2021). The authors argue that the incoming generation affects the internationalisation process of firms and how these firms utilise different network ties at each internationalisation phase. In the context of family-owned businesses, their management is typically influenced by family involvement. The characteristics of generations that take control of the family businesses have significantly impacted how these firms adopt international strategies and utilise their networks for internationalisation.

The session below will discuss how family-owned SMEs use network ties at each internationalisation phase and the roles of network ties through the phases of internationalisation. The following section will demonstrate the network used in the internationalisation phases of case firms, as shown in Figure 18.

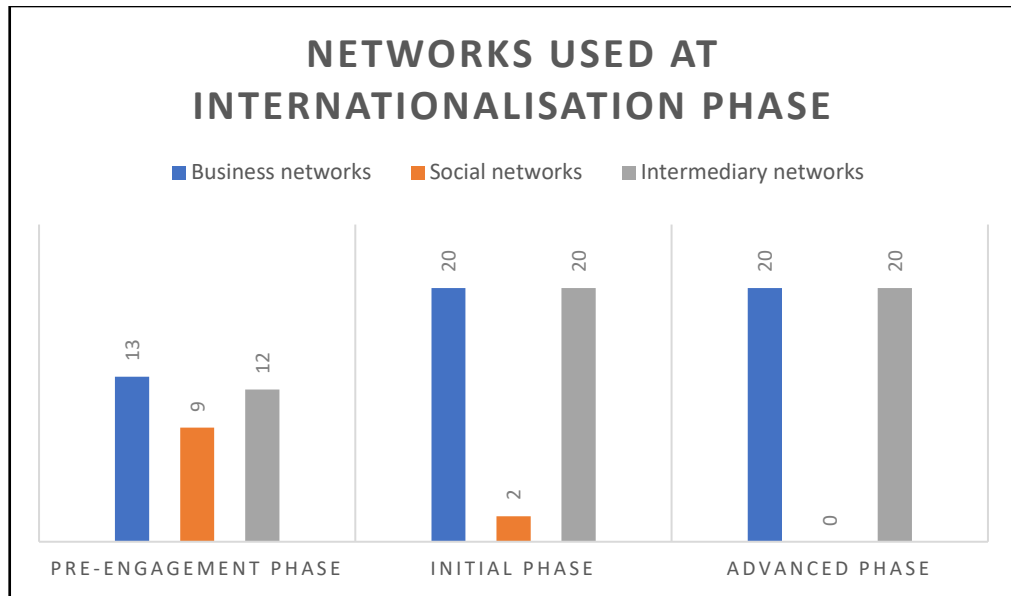


Figure 18 Networks used at the internationalisation phase

5.4.1. Pre-engagement phase

The finding indicates that the case firms used network ties to identify opportunities and search for information in foreign markets for the pre-engagement phase. In this phase, the case firms search for information and international opportunities and usually face problems, such as resource limitations. Therefore, the firms tend to build networks that can provide the resources needed for foreign expansion. The most frequently used network ties to recognise the opportunities in this phase (Figure 18) are intermediary networks, and social networks are the second most used. Business networks are less used by all the case firms. One of the key factors that influence the internationalisation process of Thai family-owned SMEs is the characteristics of the generations that have initiated and are responsible for the decision-making of the firm's internationalisation. In the context of a family business, the family members are often involved in the management of the company. The family members are an important source of funding which is evident in this start-up

phase; thus, the founder/owner generation tends to be more risk-aversion and reluctance to expand abroad because of the fear of losing control of the companies, which restricts the desire of family-owned SMEs to make their presence abroad (Fernandez and Nieto, 2005; Pukall and Calabrò, 2013; Daszkiewicz, 2019; Arregle et al., 2021). Thus, the founder/owner generation tends to rely on their social networks, especially with their friends whom they have known for a long time, in order to internationalise. These firms have mainly established well-positioning in the domestic market for a long time before international expansion. The close personal relationships influence the founder/owner generation's initial intention to participate in international activities. Personal relationships of the founder/owner generation play an important role in the decision taken by family-owned SMEs. The founder/owner generation of the firms usually is familiar with the sector and has a wealth of information resources and network connections that can serve as sources of information and facilitate SMEs' internationalisation (Okoroafo, 2010; Koladkiewicz, 2013). Information from friends and family acquaintances takes time to pass through, but it can increase trust between inter-personal networking, leading to richer informational exchange. The founder/owner generation mostly decides to engage in international expansion because they trust their personal connections who provide them with information and opportunities in foreign markets (Udomkit and Schreier, 2017). Therefore, their international expansions were in a reactive manner. Moreover, social networks can provide firms with international opportunities by providing information and/or introducing business connections in foreign markets. The respondents emphasised that their social networks who live and/or work in foreign markets could trigger their intention to internationalise:

“My friend has got a logistic company in China, told me about the popularity of Thai rice in the market. So, he (the founder/owner of Firm A's friend) helped me to go there, not only because there was an opportunity, but also because my friend lived in the market.” (The founder/owner of Firm A).

Due to high trust in the social networks, the founder/owner generation, especially those with no international experience, tends to follow their networks to enter foreign markets. The firms engage in foreign expansion because they discover international opportunities through their social networks, especially with friends living nearby foreign markets. In addition, the close social networks also increase the confidence of the founder/owner generation in their ability to expand to foreign markets (Musteen et al., 2010). These social networks later evolved into the firms' business networks when they decided to take on international ventures and form their businesses in foreign markets.

Whereas the firms which have the founder/owner generation with international experience from the previous job and/or hiring professional managers tend to look for foreign expansion from the inception of the firms, and the firms that have the successive generation who start working at the companies use intermediary networks at this phase. The subsequent generation tends to have better education and language skills (Koladkiewicz, 2013; Stieg et al., 2018), which helps the successors understand foreign business practices. The successive generation also enables to accumulate greater experience and knowledge of international markets, which may contribute to foreign expansion. For example, in the foreign market like China, where they speak their language and have a much stronger tendency to treat people differently, depending on their relationship. Thus, speaking Chinese and understanding their culture enables the successive generation to build and maintain relationships with their business networks in the market. All firms that utilised intermediary networks at this pre-engagement phase received government support, such as regulatory support from networking with government agencies to effectively facilitate market knowledge acquisition. The government agencies also facilitated the case firms' entry into foreign markets and were even more helpful when they lacked sufficient international experience or knowledge about a specific foreign country. Moreover, the subsequent generation is also well aware of the support from government agencies (Okoroafo, 2010; Costa et al., 2017a, 2021). The successive generation extensively relies on intermediary networks in order to seek help because they do not have many social networks that can provide the

information needed for internationalisation. This finding is consistent with that of Chen et al., (2015), who argue that the successive generation lacks social networks. A possible explanation for this might be that the successive generation is unfamiliar with the industry and only work at the companies for a short time. Thus, these firms seek help from their intermediary networks in order to search for information and opportunities in foreign markets. In this phase, the intermediary networks are served as facilitators for internationalising family-owned SMEs. The intermediary networks provide these firms advisory to help them to prepare their companies and products before internationalising. These firms are also able to improve their products to meet various international standards in this stage of their internationalisation. The intermediary networks also provide various seminars and training to help in case the successive generation lacks international experience. Besides, the intermediary networks enable these firms to access their wider networks, allowing them to identify international opportunities and find potential business partners. However, the founder/owner generation is still the main decision-making in choosing to expand to foreign markets in this pre-engagement phase.

In the case of new firms which look for international expansion from their inception, the intermediary networks significantly play a role in developing networks to assist the firm's internationalisation process. These firms manage to enter new foreign markets in a short time because they can access valuable information and connections through various government agencies. At the same time, some firms utilised the combination of intermediary and business networks at this phase of internationalisation. Mostly the firms managed their foreign expansion by the founder/owner generation, and the successive generation already started working at the companies. These firms appeared to receive international requests from their existing business networks. Thus, they decided to enter their first foreign markets. However, these firms had no international experience; they had to access information and consult various intermediary organisations. There is an exceptional Firm N whose international department ran by the founder/owner and the successive generation when they tried to enter their first foreign market. Firm N made use of the combination with all of the

network ties. Firm N recognised their international opportunities through their social networks. However, Firm N lacked international experience; thus, they accessed their intermediary networks to seek consulting and information, especially regulations. While their business networks only facilitated the process of entering the market.

Business networks in this phase provide market information, including opportunities in target markets and market insight to help the firms deal with some specific regulations and standards. Therefore, the firms need to seek solutions in order to either adjust their existing products and/or develop new lines of products for the foreign markets before making official agreements with their business partners. The firms then search for help from various intermediary networks, especially industry associations and research centres, to modify their products. Thus, the firms which are able to identify an international opportunity through their intermediary network only make initial contact with their new business networks in this phase, and these business networks seem to be the only information providers for the firms. In addition, the family-owned firms still under the control of the founder/owner generation in this pre-engagement phase decide to involve international expansion in a more reactive manner. These firms mostly recognise their international opportunities because their social and/or business networks have found and provided them with initial awareness (Okoroafo, 2010). Thus, the networks of the firms can act as an initial trigger for the firms' foreign expansion. Moreover, the roles of business networks at this beginning stage of internationalisation serve as a consultant for firms. Business networks provide information such as market environment, updated regulations, and laws that help the family-owned SMEs decide on market entry and solve problems faced before entering the markets. In addition, business networks can also help firms improve their products to meet local regulations and standards, which leads the firms to either develop new products and/or modify their existing offers

5.4.2 Initial phase

The finding indicates that the case firms identify this phase as a market entry phase for the initial phase. Intermediary and business networks are the most frequently used network ties to facilitate family-owned SMEs' internationalisation (Figure 18). In contrast, social networks are less used in this initial phase of the internationalisation process by all case firms. One possible explanation might be because most of the case firms completely transferred their management to the hand of incoming generations, and the founder/owner generation seems to be the only decision-makers to finalise international expansion plans in this phase. The use of social networks dramatically decreases in this phase of the internationalisation process of the case firms due to their limited actors in the networks, which do not promote any further foreign expansion; thus, the firms which used these close networks in the prior phase only managed to enter nearby markets. In addition, the firms that rely on their social networks for foreign expansion have to withdraw their investment because their social networks do not have enough sufficient knowledge to help them either penetrate deeper into the existing markets. The result also indicates that social networks are unable to assist the foreign expansion further than the nearby markets. Although, this result differs from previous studies (e.g., Zhou et al., 2007; Udomkit and Schreier, 2017,) who argue that social networks effectively influence SMEs' internationalisation and enhance performance in foreign markets. Instead, the firms' internationalisation pathway in this study has changed to be more aggressive in international markets when the firms transfer the authority to the successive generation. The successive generation realises the available support in foreign expansion activities they can acquire from their intermediary networks, especially various government agencies. These agencies enable the firms to adopt knowledge and information that can help them identify international opportunities. Moreover, some firms, especially small-size firms with limited resources, can access financial resources to accelerate their foreign expansion. This is in line with previous studies (e.g., Stieg et al., 2018; Arregle et al., 2021), who argue that the successive generation can be one of the triggers for family firms' internationalisation and encourage foreign expansion. This result may be

explained by the fact that the subsequent generation is well prepared in their education, language skills, and individual characteristics (Okoroafo, 2010; Koladkiewicz, 2013; Stieg et al., 2017, 2018). The successive generation is usually younger and has a higher level of tolerance for risk than the predecessors, which encourages them to take advantage of growth possibilities that help them enter foreign markets (Koladkiewicz, 2013; Arregle et al., 2021). Moreover, this might be a reason why the successive generation has a better presence in foreign markets than their predecessors (Fernandez and Nieto, 2005; Fang et al., 2018).

In this initial phase, the case firms attempt to enter their target markets with the help offered by their business networks. When family-owned SMEs enter foreign markets, they face unique challenges, including competition, environmental turbulence, frequent changes in legal systems, and cultural differences. These new circumstances create novel needs for external assistance, and the firms' interests also turn to different network actors. The firms' business networks can be sources of information to solve these problems because they are familiar with the markets and provide firms with various resources. Actors in business networks can exchange knowledge, which is very helpful in understanding foreign markets, especially for family-owned SMEs lacking sufficient marketing and human resources. The information exchange also leverages knowledge acquisition in this entry phase, which helps the firms enhance their market and product knowledge, including information about the new product attributes and colours that appeal to foreign markets. However, if the firms and their business networks face problems, especially when they do not have enough understanding of local demands during their market experiment, the firms have to make some changes in their products, and they tend to search for advice and knowledge from their intermediary networks. The intermediary networks such as industry associations and research centres can provide the firms with novel knowledge and technologies that help them develop their products to meet international standards and/or demands in foreign markets. In terms of social networks, the case firms only maintain their existing close personal networks at this phase if they still provide helpful information; however, they do not build any new social networks due to limited actors within the networks.

5.4.3 Advance phase

For the advance phase, the finding indicates that the case firms identify this phase as an expansion phase. The most beneficial networks are the combination of business and intermediary networks, and the degree of each network tie varies depending on the firms' available resources and international experience (Figure 18). Different network ties provide different sets of resources that family-owned SMEs need in order to expand into foreign markets. Therefore, family-owned SMEs need to balance their network ties in order to maximise the benefits of their relationships. At this advanced phase, the firms attempt to penetrate their existing markets and seek new international opportunities for further expansion. Thus, only one network tie might not provide sufficient support for their foreign expansion. In contrast, social networks are not used to facilitate the firms' internationalisation process at this phase of the firm's internationalisation process. The respondents in this study emphasised that they stopped relying on social networks because they were small and limited actors in the networks:

“My mother’s friend just wanted to help her to sell the products in the markets. However, he and my mother did not realise that, for example, making Thai curry needs many ingredients and has many steps that are too complicated to cook. Moreover, our products at that time were too spicy for the local customers, so we barely sold our products there.” (The second generation of ownership of Firm S).

Social networks in the advanced phase of internationalisation act as sources of advice and emotional support for success, but only when the subsequent generations need it. This is in line with previous studies (e.g., Ibeh and Kasem, 2011; Hohenthal et al., 2014; Jeong et al., 2017), who argue that the influence of social networks becomes less important as the firms move to the later phase of the internationalisation process. A possible explanation for this might be that all of the firms in this phase of internationalisation are completely transferred their management to the successive generation who does not seem to have dense social networks, and the founder/owner generation is seen as a

supervisory. Moreover, social networks, especially with family ties, do not increase the ability to recognise new opportunities due to a lack of specific knowledge and experience in foreign markets (Kontinen and Ojala, 2010b; Kryeziu et al., 2022).

The finding indicates that if the firms with the successive generation lack international experience, which usually hires a professional manager to be responsible for the firms' international trade, they tend to rely more on intermediary networks than business networks in this phase. Intermediary networks provide family-owned firms with better access to information, especially international opportunities, and more efficient links with other government agencies in and outside the domestic markets. Intermediary networks are instrumental in facilitating the firm's entry into foreign markets because they provide various support, including knowledge and information accessibilities, marketing support, financial support, and connections. These firms still look for new international opportunities. They extensively attend various trade fairs within and outside Thailand to access information about foreign markets, competitors and meet potential business partners. SMEs proactively attending trade shows can increase their international performance (Gerschewski et al., 2020). Trade shows are organised regularly, allow SMEs to present their companies and products and provide opportunities to establish new business networks, recognise new opportunities, and exchange knowledge (Kirchgeorg et al., 2010; Brown et al., 2017; Costa et al., 2021). Proactiveness is necessary for entrepreneurial orientation, which enables firms to leverage and enhance resources through networking at trade shows (Gerschewski et al., 2020). Therefore, SMEs' proactiveness in network establishment activities enables them to gain the resource required for their internationalisation (Evers, 2011; Costa et al., 2021). At the same time, business networks have continuously supplied market insight to these firms, especially regarding local demands and cultural differences, which seem to be significant challenges for the firms in the food industry. Thus, the firms rely on their business networks in order to modify their products to meet the locals' eater habits and penetrate deeper into the existing markets.

The finding also indicates that the firms, especially those with some international experience and capabilities, do not rely on intermediary networks as much as in prior phases and do not attend many trade fairs; however, these family-owned SMEs enhance their networks by building direct links with potential business partners through an internet search. These firms tend to be medium-sized firms with sufficient resources to seek international opportunities on their own. The international experience also opens an individual's mind to possibilities; therefore, managers with such experience can see opportunities to lead a firm to internationalise, even at an early stage in new foreign markets (Kaur and Sandhu, 2013; Arregle et al., 2021). Moreover, trade shows arranged by the trade associations tend to be organised in the same foreign markets yearly, and these firms have already identified opportunities in and/or entered the markets. However, these firms never cut ties with their intermediary networks, even though they have many years of experience in foreign markets because new international opportunities might arise in the future that they can access. Thus, these firms depend heavily on their business networks, which they actively develop and build through an internet search. However, the role of business networks appears to be the same as in the previous internationalisation phases, which provides information accessibility, including opportunity recognition, market and product knowledge, and building new networks, which leads the firms to be able to expand geographically.

The finding also indicates that the case firms' internationalisation pathway has changed to a proactive manner in this advanced phase. The firms actively search for new opportunities in new foreign markets by building numerous networks to enhance their chances for internationalisation. This result further supports the idea of Stieg et al., (2017), who argue that the successive generation seems to internationalise proactively. The successive generation does not wait for business partners to find them; they actively search for new opportunities and build new networks. The development of networking capabilities displays the behaviour characteristics of proactiveness, innovativeness, and risk-taking, which appear to be the individual entrepreneurial nature of the successive generation (Meneses et al., 2014; Arregle et al., 2021). The firms' market selection and entry modes

are not planned but arising by their networks, and this seems to be an element of chance rather than considered action by managing family members. Previous studies (e.g., Nummela, 2004; Loane and Bell, 2006; Arregle et al., 2021) have criticised that networks are created by chances rather than their application of a planned strategy to find a foreign customer, which is opportunistic and ignores the importance of the decision-making process. However, establishing new networks significantly influences the family-owned SMEs' internationalisation because they can provide the resources needed and assist their expansion. The family-owned SMEs under the control of the successive generation consider that the benefits they acquire from network building activities, especially with intermediary networks through various trade shows, enhance their international opportunities. Attending the trade fairs helps the firms build new wider networks and create chances to enter new foreign markets. The case firms also indicate that they usually build new networks when attempting to enter new foreign markets rather than increasing commitment in existing markets. The firms manage to expand geographically because they have richer networks that can provide the knowledge and resource needed for their expansion. This is in line with previous studies (e.g., Bell, 1995; Loane and Bell, 2006; Kontinen and Ojala, 2011b; Metsola et al., 2020) confirm that small firms tend to expand to new foreign markets by building networks, and these network building activities do not stop only in the first foreign market, but also occur in subsequent ones. One explanation for this might be the case firms in this study operate in the food industry, and local market knowledge seems essential for the firms in order to tailor their products to meet local demands. Moreover, the formation of networks appears to be the most critical step in the internationalisation of family-owned SMEs because they can overcome problems associated with resource shortages. Family-owned SMEs can overcome knowledge constraints through business networks, especially with local firms in foreign markets and facilitate knowledge exchange, leading to positive outcomes. Business networks, in this phase, were especially helpful for them to penetrate and expand to their existing markets and overcome problems faced in foreign markets, especially local demands and product development. Family-owned SMEs always built new business networks in foreign markets to acquire local knowledge and market insight, which helped

them enter the markets more easily and quickly, especially when the firms have planned to expand geographically rather than going deeper by increasing their commitment.

As indicated above, the results confirm that networks play a crucial role in Thai family-owned SMEs' internationalisation in the food industry. This finding is in line with other studies (e.g., Coviello and Munro, 1995; Oparaocha, 2015; Jeong et al., 2017; Udomkit and Schreier, 2017) that posit that each network tie can be effective means to facilitate firms' foreign expansion. The findings also indicate that the influence of upcoming generations affects the firms' internationalisation and how the firms utilise networks as international strategies at each internationalisation phase. Previous studies (e.g., Fernandez and Nieto, 2005; Fang et al., 2018) indicate that the founder/owner generation of family businesses has a low presence in foreign markets due to a lack of necessary education and experience. Thus, the founder/owner generation tends to rely on social networks because of the high level of trust in the networks, especially at the beginning of the internationalisation process. However, the successive generation can be a trigger for the acceleration of the international expansion of the family firms (Stieg et al., 2017). The successive generation seems to be well prepared for foreign expansion. They appear to have better education and language skills, which leads them to be more aware of the support in foreign expansion activities provided by intermediary networks. The assistance of intermediary support helps the family-owned SMEs, small in size but flexibly react quickly to new international opportunities. Therefore, it enables firms to enhance the speed of internationalisation.

The most widely used network for the internationalisation process for family-owned SMEs is the combination of intermediary and business networks. The intermediary networks, especially family-owned SMEs, attempt to identify international opportunities and search for information in foreign markets. At the same time, business networks can provide valuable resources and knowledge on products, customers, and markets, enabling the firms to complete in a new and turbulent environment. The combination of networks also provides extensive

information regarding the internationalisation process. In contrast, social networks had less influence on the internationalisation process of family-owned SMEs in this study. The finding also indicates that social networks benefit and facilitate these firms' foreign expansion in the early phase of internationalisation, and only when the founder/owner generation controls the companies. These social networks are used for opportunity identification and information in foreign markets. Due to a higher level of trust in the social networks, the founder/owner generation tends to follow their close ties to enter the markets. On the other hand, social networks tend to have less influence in the later phase of internationalisation in this study. This outcome is contrary to that of Udomkit and Schreier (2017), who found that social networks are the main source of facilitating Thai SMEs' internationalisation. However, the present study argues that the use of network ties depends on the phase of internationalisation of firms and the characteristics of the generation that manages the firms. This study's findings indicate that at the beginning of the family-owned SMEs' internationalisation, the firms managed by the founder/owner generation tend to utilise social networks, especially their friends whom they can trust to assist the firms' foreign expansion. However, as time passed by in the subsequent, these firms tended to rely more on other ties of networks that are wider and have more international experience, which can enhance the speed of the internationalisation process. In addition, it might be because of the influence of generational change in the later phase of internationalisation that the firms transfer the management to the successive generation, and the personal contacts of the predecessors do not transfer to their successors.

Chapter 6 Conclusion and Recommendations

This chapter presents the conclusion of the research, which consists of four sections. The first session summaries the main findings of this study. The next session includes a discussion of the implication of the study's findings. The chapter then demonstrates the limitations of this study. Lastly, the chapter provides recommendations for future research.

6.1 Overview of research questions and results

The aim of this research is to explore the roles of network ties at each phase of the internationalisation process of family-owned SMEs in the Thai food industry. Therefore, the following research questions were addressed:

- 1) How do networks play a role in order to facilitate Thai family-owned SMEs' internationalisation process?
- 2) How do networks play a role in order to impede Thai family-owned SMEs' internationalisation process?
- 3) How do networks play a role at each phase of internationalisation of Thai family-owned SMEs?

This study adopts a qualitative study to explore these research questions by interviewing twenty internationalising family-owned SMEs in the Thai food industry. The sample included family-owned SMEs of various product sectors, including rice, snacks/biscuits, seasoning sauces, fruit juices and other processed foods. The data was analysed by thematic analysis and cross-case analysis; thereafter, the results were compared to the main theories and literature discussed in chapter two. The following sections will present a summary of the main findings of the study.

6.1.1 Benefits of network ties

The first research question explores how different network ties assist the internationalisation process of Thai family-owned SMEs. Networks play a crucial role in SMEs' internationalisation (e.g., Coviello and Munro, 1997; Forsgren, 2016; Udomkit and Schreier, 2017; Kryeziu et al., 2022). Specifically, in the context of family-owned SMEs, networks have been seen as a key vehicle for internationalisation because these firms often build networks to lessen their barriers and facilitate their international activities. (Fernandez and Nieto, 2006; Kontinen and Ojala, 2011b). Moreover, various ties of networks provide different resources that internationalising SMEs need to facilitate their foreign expansion (Lamin and Dunlap, 2011). Therefore, this study investigated three network ties, including business, social and intermediary networks which provided various benefits for the Thai family-owned SMEs in the food industry and eased their internationalisation process.

6.1.1.1 Benefits of business networks

The results of this study show that family-owned SMEs established business networks with various partners, including their existing customers, suppliers, distributors, and competitors, to access various benefits and help them operate in foreign markets. The findings reveal that one of the benefits of business networks is information and knowledge acquisition. Family-owned SMEs tend to have limited resources and knowledge regarding foreign markets. Being able to form business networks, especially with foreign partners in international markets who are usually experienced and familiar with the markets, enables the family-owned SMEs to access information and help their internationalisation. The firms enable to exchange of information with other firms in the networks and allow the firms to gain market insight and expertise, which seem to be critical for the firms, especially in the food industry where regulations and policies are often changed. Each foreign market has its legal and political frameworks, which require the firms to develop new products and/or modify their existing products to meet local restrictions when entering foreign markets. Therefore, the insight and local

market knowledge exchange in the business networks enable the firms to prepare themselves to face new business practices and environments when they enter new foreign markets.

The study's findings also show that business networks significantly influence family-owned SMEs' decisions to select foreign markets and entry modes. The family-owned SMEs mostly do not plan their internationalisation, especially at the beginning phase; instead, they tend to identify international opportunities provided by their business networks. Local networks often possess market insight and knowledge, which provide useful information to the firms and help them make decisions and select their foreign markets and entry modes. The results of this study also indicated that family-owned SMEs tend to utilise various entry modes, including export, joint venture, and foreign direct investment in different markets, depending on opportunities coming from their business networks. Moreover, business networks also impact the firms' intention to internationalise. Business networks can act as a trigger for opportunity recognition and help firms discover opportunities in foreign markets. Business networks can provide information that motivates and encourages family-owned SMEs to engage in international activities. Thus, these firms seem to follow their business networks to enter foreign markets. This might be because the case firms in this study are mostly owned by the founder/owner generation, who seemed to be risk-aversion in the beginning phase of internationalisation; thus, these firms' foreign expansion tended to be more reactive manner. They were likely to wait for the opportunities provided by their business networks before entering foreign markets. The opportunity identification in foreign markets, provided by family-owned SMEs' business networks, also leads the firms to select foreign markets and entry modes.

Business networks also can significantly influence the speed of the firms' internationalisation. The family-owned SMEs may be restricted by limited resources that delay and prevent them from internationalising rapidly. However, information exchange between firms in the business networks allows the family-owned SMEs to learn and adjust to a new environment in short times. Business

networks in foreign markets have more experience and can provide the firms with the resource and information required to internationalise. Thus, the business networks can increase the firms' knowledge which helps them overcome barriers and accelerate their foreign expansion. Furthermore, business networks can provide international contacts who can further assist family-owned SMEs in other foreign markets. The firms' business networks can introduce them to new networks, establish new relationships, and help them to identify new international opportunities. The firms enable to meet new customers through their existing business networks, including their existing customers, suppliers, distributors and sometimes their domestic competitors who have various connections in many different markets and can refer them to new networks. Moreover, the findings also reveal that Thai family-owned SMEs actively establish new business networks when entering new foreign markets. This might be because the case firms in this study operate in the food industry, and local knowledge and market insight seem crucial. These firms require to adjust and/or develop their products to meet local restrictions and local eating habits, which vary depending on the markets; thus, local business networks that are experts in the markets can help the firms prepare their products and overcome problems faced.

6.1.1.2 Benefits of social networks

The results of this study show that family-owned SMEs established social networks mostly with their family members, colleagues from previous jobs and friends. The findings of this study indicate that social networks, especially family ties, provide advice and emotional support. One of the characteristics of the case firms is family governance which more than one family member manages the firm's management. The family attachment to the firms also is higher in family-owned firms. Thus, there are also greater emotional commitments and consequences in the firms. The emotional factors also influence family-owned SMEs' decisions to internationalise. The case firms in the present study, especially in the beginning stage of their internationalisation process, made their decision to pursue their foreign expansion by the founder/owner generation. However, over time, the successive generation has more involvement as they gain

experience. The founder/owner generation becomes a supervisor or a reviewer in the final decision on foreign expansion. Social networks, especially with family ties, also provide financial support. One of the factors restricting family-owned SMEs' internationalisation is the lack of financial resources. The Thai family-owned SMEs in this study relied on their family funds despite their limited resources. These firms are small and lack credibility, which might not be able to access financial funds outside their family. Another reason might be that one of the characteristics of family-owned firms is family ownership. The family members might be afraid of losing control, preventing them from seeking external funds.

In addition, social networks, especially with ex-colleagues of the founder/owner generation, also provide valuable information and knowledge on foreign markets to firms. The founder/owner generation of the family-owned SMEs in this study has many experiences in the industry. It has built many personal connections based on loyalty, trust, and connection between kinship groups that take time to build up. Thus, close personal relationships increase confidence and trust, encouraging information exchange in the networks. Personal contacts are often based on shared past experiences, and mutual trust encourages the founder/owner generation of family-owned SMEs to rely on information from their closed relationships to improve their decision-making for foreign expansion. Personal relationships can also trigger international opportunities. The founder/owner generation of the case firms mostly recognised international opportunities when they worked at previous jobs; however, they did not have enough international experience to expand their businesses to foreign markets. Thereby, these firms tended to rely on their personal connections with whom they associated a higher level of trust to internationalise. The findings of this study also reveal that the founder/owner generation of family-owned recognised international opportunities only through their friends, not with their family ties. The family members work in the same businesses and have a similar set of knowledge, which tend to be useful in the domestic market but might not be able to facilitate the firms' internationalisation. Furthermore, the findings of this study also show that social networks, especially with friends of the firm's

founders/owners, can provide new connections and opportunity identification in foreign markets. Personal connections also provide access to other networks and help family-owned SMEs meet new business connections in foreign markets to acquire new opportunities. However, the firms' social networks tend to be limited to only friends of the founder/owner generation. In contrast, the successive generation who take over the firms' management, especially in the subsequent internationalisation phase, does not find personal relationships providing any connections. One possible explanation is that the founder/owner generation usually has worked in the sectors for longer and is familiar with the industry. Therefore, they tend to have built personal relationships over a period of time, and these relationships might dissolve when the founder/owner generation stops working at the companies.

6.1.1.3 Benefits of intermediary networks

The results of this study show that family-owned SMEs established intermediary networks mostly with various government agencies, including the DITP, the Thai embassy in foreign markets, food institutions, and research centres. The findings of this study also reveal that the most beneficial intermediary networks are resource accessibility and opportunity identification. Embedding in intermediary networks with various intermediary organisations enables family-owned SMEs to access information and knowledge, including market trends, foreign markets' regulations and policies, new technologies and broader network accessibility. This information and knowledge help the firms to prepare their products to meet local standards before internationalising. Especially, family-owned SMEs in this study operate in the food industry, where the firms have to follow procedures and requirements in foreign markets strictly. The intermediary networks can be the firms' consultants, especially on legal support, which can help them reduce barriers in foreign markets. Moreover, intermediary networks can be served as primary sources of international opportunity identification through trade shows which have been seen as an essential activity for family-owned SMEs to search for new markets. Attending trade shows provides the firms with new opportunities to meet and build new networks, which leads them to expand

internationally. In addition, accessing intermediary networks that generally have more experience and broader networks facilitates the internationalisation process of these family-owned SMEs to happen faster. The family-owned SMEs in this study seek support from various intermediary networks, especially when entering new foreign markets. These firms can access information to prepare and adjust to the new business environment and access richer networks, increasing their opportunity recognition in foreign markets. This process, in turn, helps the family-owned SMEs in this study to accelerate their foreign expansion.

Another benefit of intermediary networks is financial support. Family-owned businesses usually tend to use their own capital funds. They are reluctant to seek external sources because the founders/owners of the firms fear of losing control over the companies. However, insufficient funds might deter the firms' internationalisation in the subsequent phase in which the firms intend to penetrate more foreign markets. Therefore, the firms must search for external funds to extend their foreign expansion. Intermediary networks, especially government agencies, provide family-owned SMEs with links to other agencies, including banks and financial institutions, which design various export promotion programmes to supply resources needed to support SMEs and encourage them to internationalise. Moreover, the results of this study show that the case firms did not seek external funds until the firms' management was taken over by the successive generation and/or hiring new professional managers. One explanation for this might be because family-owned SMEs' internationalisation process depends on the characteristics of the generation, which is responsible for the decision-making of the firms' foreign expansion. The founder/owner generation seems to fear of losing control of the firms' management and/or the successive generation is well prepared for internationalisation and more aware of government agencies' available support.

6.1.2 Drawbacks of network ties

The second research question of this study is to investigate the negative impacts of network ties on the internationalisation of family-owned SMEs. Networks provide various benefits to facilitate small firms' internationalisation, as shown in many previous studies (e.g., Coviello and Munro, 1995; Senik et al., 2011; Kryeziu et al., 2022). Network ties can compensate for the lack of resources by providing access to the resources of actors and assisting the firms in expanding beyond their domestic markets. There is much evidence in the literature on the importance of networks and internationalisation. However, networks can negatively influence family-owned SMEs' internationalisation, which prevents them from engaging in international activities. This session summaries the key findings of drawbacks of network

The findings of this study show that family-owned SMEs can be over-reliance on business networks and limit their international opportunities. Being embedded in the same business networks can hinder opportunities in new foreign markets. Each relationship requires a lot of time and resources to invest in establishing, maintaining and creating commitments for actors to follow. However, these obligations can generate tension and prevent the firms from disbanding their networks, which might block them from searching for new international opportunities. Thus, small business networks with limited actors can prevent the firms' growth and impede the firms from seeking new opportunities in new markets.

Regarding drawbacks of social networks, the findings of this study showed that drawbacks of personal relationships are limited connections, insufficient knowledge, and emotional close effects. Social network relationships of the Thai family-owned SMEs are limited only to family members and friends who are small in size and do not have diverse knowledge and information. Therefore, these SMEs are not able to identify new international opportunities and/or generate novel knowledge. A high level of trust in personal relationships encourages the founder/owner generation to pursue internationalisation, especially in the

psychically closed markets where their friends live and/or do business in the markets. However, social networks are limited actors who might hinder and delay foreign expansion in new markets. In addition, social networks, especially with family ties and friends, usually do not provide the diversity of market experience and knowledge that can help the firms expand further to new markets. Limited knowledge of personal networks also prevents family-owned SMEs from penetrating deeper into existing markets, leading them to stop selling their products in the markets and spend more time building new networks to assist them.

Another downside aspect of social networks is the emotional effects of the relationships, especially from family ties. Family firms usually are associated with family harmony and trust, which have more emotional commitment and consequences. These characteristics of family-owned SMEs seem to restrict them from deploying specific international strategies such as network establishment and partner selection, which impedes the business's success. The results of this study also reveal that generational change can influence the decision-making of firms. The role of the founder/owner generation has changed over time from a decision-maker to an advisor for the successive generation. However, in some family-owned SMEs, the founder/owner generation still plays a part in the firms, which can prevent foreign expansion due to risk aversion characteristics. Thus, family-owned firms need to be aware of the emotional effects of their relationships and decision-making process.

The study's findings also discover a drawback of intermediary networks associated with trade shows that might be expensive for family-owned SMEs to participate in. Trade shows have been seen as an essential tool by the Thai family-owned SMEs in this study to search for new international opportunities and/or new network connections. Many intermediary organisations provide various export promotion programmes to support small firms' foreign expansion in various countries. However, trade fairs are expensive for small firms with limited resources to participate despite being useful for the firms to find new markets.

6.1.3 Networks at internationalisation phases

The last research question of this study was exploring the network development throughout the internationalisation process of family-owned SMEs. Network ties have been seen as an essential tool for small firms' internationalisation to overcome resource constraints. Different network ties provide their own values to assist the firms' foreign expansion. However, internationalising firms at different internationalisation phases might require different resources. Therefore, failure to establish and/or maintain networks throughout the internationalisation process might prevent the firms from entering foreign markets. In the context of family-owned businesses, their management is typically influenced by family involvement. This study's findings show that generational changes influence the family-owned SMEs' internationalisation at different phases. The characteristics of generations that take control of the family businesses have significantly impacted how these firms execute international strategies and utilise their networks for internationalisation.

6.1.3.1 Pre-engagement phase

The study's results reveal that family-owned SMEs utilise network ties to identify international opportunities and seek information in foreign markets during this early internationalisation phase. Intermediary networks are the most frequently used network ties to recognise the opportunities in this phase, and social networks are the second most used. Business networks are less used by all the case firms. One critical factor influencing Thai family-owned businesses' internationalisation process is the generations' characteristics. The generations which take control of the firms have initiated and are responsible for the decision-making of the firm's internationalisation. In the context of a family business, the family members are often involved in the company's management. In addition, family members are an important source of funding, especially in the start-up phase. The founder/owner generation tends to be more risk-aversion and reluctance to expand abroad because of the fear of losing control of the companies, which restricts the desire of family-owned SMEs to make their

presence abroad (Fernandez and Nieto, 2005; Pukall and Calabrò, 2013). Thus, the founder/owner generation tends to rely on their social networks, especially with friends they have known for a long time and develop a high level of trust to facilitate their foreign expansion. These firms have mostly established a solid domestic position for a long time before international expansion. The founder/owner generation is often an expert in the sector and has plenty of knowledge and connections to assist the firms' internationalisation.

The study's findings also indicate that the firms with the founder/owner generation with international experience from the previous job and/or hiring professional managers and the firms with the successive generation in charge of international trade tend to use intermediary networks at this phase. The subsequent generation with better education and language skills tends to be aware of the support from government agencies. The government agencies can help provide the firms' information and opportunity identification, reducing the times to enter foreign markets. The successive generation extensively relies on intermediary networks in order to seek help because they do not have many social networks that can provide the information needed for internationalisation. In this phase, the intermediary networks serve as facilitators for family-owned SMEs, which advise them to prepare their companies and/or products before internationalising. Moreover, the intermediary networks allow these firms to access their broader connections and identify new international opportunities. However, the founder/owner generation is still the main decision-maker in choosing to expand to foreign markets in this pre-engagement phase, especially when the successor has no working experience. While business networks in this phase play a minor role in providing market information, including opportunities in target markets and market insight to help the firms deal with specific regulations and standards. This information can help family-owned SMEs have ideas about how markets and customers in foreign markets like and plan to prepare their products before internationalising.

6.1.3.2 Initial phase

The findings show that the case firms identify this phase as a market entry phase for the initial phase. Intermediary and business networks are the most frequently used network ties to facilitate family-owned SMEs' internationalisation. In contrast, social networks are less used in this initial phase of the internationalisation process. During this internationalisation phase, most case firms completely transferred their management to successive generations, and social networks are established through the founder/owner generation's personal connections. Thus, these personal relationships might fade or disband when the firms change their management. The firms only maintain their existing personal connections if they still provide useful information. However, the founder/owner generation is still decision-makers to finalise international expansion plans in this phase. Another reason that the use of social networks dramatically decreases in this internationalisation phase is that there are limited actors and insufficient knowledge in the networks, which do not promote any further foreign expansion. Thus, the firms that used these close networks in the prior phase only entered nearby markets. In addition, the firms' internationalisation pathway in this study has changed to be more aggressive in international markets when the firms transfer the authority to the successive generation. The successive generation heavily relies on support from intermediary networks, especially government agencies that provide information, knowledge, and opportunity recognition.

In this initial phase, the firms in this study attempt to enter their target markets with the help offered by their business networks. When family-owned SMEs enter foreign markets, they face new business environments, including cultural differences, new regulations, and policies. Thus, business networks play a crucial role in providing local knowledge and market insight to solve problems. Moreover, the information exchange in business networks enhances the firms' market and product knowledge, including information about the new product attributes and colours that appeal to foreign markets and local eating habits and preferences. However, some business networks cannot help the firms solve problems, especially in the technology they use to produce and/or improve their products.

In that case, the firms seek advice from their intermediary networks instead. The intermediary networks such as industry associations and research centres can provide the firms with novel knowledge and technologies that help them develop their products to meet international standards and/or demands in foreign markets.

6.1.3.3 Advance phase

The study's findings indicate that this phase has been identified as an expansion phase. The most beneficial networks are the combination of business and intermediary networks, and the degree of each network tie varies depending on the firms' available resources and international experience. During this advanced phase, family-owned SMEs tend to penetrate deeper into their existing foreign markets while searching for new international opportunities because only a single network tie does not provide sufficient resources. In contrast, social networks with limited knowledge cannot increase the ability to identify new opportunities and assist the firms' internationalisation at this phase. As a result, only family ties have been utilised mainly for emotional support and advice for the upcoming generations.

Intermediary networks have been seen as a tool in facilitating the firm's entry into foreign markets because they provide various support, including knowledge and information accessibilities, marketing support, financial support, and connections. Family-owned SMEs still look for new international opportunities; thus, they extensively attend various trade shows to access foreign markets and competitors and meet potential business partners. At the same time, business networks have continuously supplied market insight to these firms, especially regarding local demands and cultural differences, which seem to be significant challenges for the firms in the food industry. Thus, the firms rely on their business networks in order to modify their products to meet the locals' eater habits and penetrate deeper into the existing markets.

However, some family-owned SMEs, especially those with more international experience, do not rely on intermediary networks as many initial phases and do not attend many trade fairs. Instead, they tend to contact potential business partners themselves directly. These firms tend to be medium-sized firms with sufficient resources to seek international opportunities on their own. However, they still keep in contact with their intermediary networks in case there are new international opportunities they want to exploit in the future. Instead, these firms rely more on their business networks, which they actively develop and build through internet searches. The role of business networks appears to be the same as in the previous internationalisation phases, which provides information accessibility, including opportunity recognition, market, and product knowledge, building new networks that lead the firms to expand geographically. Thereby, the case firms' internationalisation pathway has changed to a proactive manner in this advanced phase. The firms actively search for new opportunities in new foreign markets by building numerous networks to enhance their chances for internationalisation. These firms do not wait for their potential business partners to contact them; instead, they search for new opportunities.

6.2 Research implications

6.2.1 Implications for academic research

Building on the network theories of internationalisation, the present study shows the role of network ties and their impacts throughout the internationalisation process. The study also highlights both benefits and drawbacks of three network ties, namely business, social, and intermediary networks, in the internationalisation of family-owned SMEs. One of the theoretical contributions, in relation to how internationalising family-owned SMEs utilise network ties, the present study advanced the field of family-owned SMEs' internationalisation and international business by adding insights on the utilisation of three network ties and on how network ties influence both positively and negatively of family-owned SMEs' foreign expansion. Previous studies (e.g., Coviello and Munro, 1995; Udomkit and Schreier, 2017; Kryeziu et al., 2022) have emphasised the

importance of network relationships, especially business and social networks, on SMEs' internationalisation but have less highlighted intermediary networks (e.g., Oparaocha, 2015; Costa et al., 2017) and have barely focused on the pitfalls of network ties (Jiang et al., 2018; Masiello and Izzo, 2019a). The findings of this study indicate that network ties are important to family-owned SMEs' internationalisation by providing several resources and reducing barriers. The evidence from this study shows that all three network ties significantly provide resources which are crucial for the firms' internationalisation, especially foreign market knowledge and information. The firms usually lack foreign market insights and understanding of local customers; therefore, they rely on their network ties in order to acquire information and resource needs. For example, business networks can provide valuable information regarding products, markets, and local customers' behaviour which helps family-owned SMEs prepare and modify their products in order to enter foreign markets. Therefore, business networks can be a source of information for family-owned SMEs (Chen et al., 2015; Jeong et al., 2017; Ahimbisibwe et al., 2020). In contrast, social networks can provide helpful advice and emotional support for family-owned SMEs. One of the characteristics of family firms is family involvement which more than one family member works in the firm's management. As time passes, the founder/owner generation can be seen as an advisor for the successive generation. Therefore, social networks, especially family ties, can provide knowledge and information that facilitate family-owned SMEs' internationalisation (Reid, 1984; Altnaa et al., 2021). Whereas intermediary networks significantly impact family-owned SMEs' internationalisation by providing vital resources, including valuable market information, international opportunity identification, and business connections. The study's findings show that trade shows are the main initiatives of family-owned SMEs to engage in international activities. Therefore, intermediary networks provide international opportunity identification through indirect ties. The intermediary networks can serve as a bridge which enables family-owned SMEs to establish new business networks and facilitate their internationalisation (Kontinen and Ojala, 2011a; Jeong et al., 2017; Gerschewski et al., 2020).

The present study also adds to network in internationalisation literature by shedding light on the negative impacts of the three network ties. The findings show that networks play a crucial role in Thai family-owned SMEs' internationalisation in the food industry, and each network tie can be effective means to facilitate firms' foreign expansion. However, the evidence from this study also suggests that each network ties have drawbacks which can deter and prevent family-owned SMEs' internationalisation. In every relationship, actors in networks have to invest time and resources in order to establish and maintain their positions in the networks and gain benefits to facilitate their internationalisation. However, the negative effects can cause problems, difficulties, drawbacks, and challenges. Therefore, there is a need for internationalising firms to consider the negative influences of network ties and balance the use of networks when they internationalise. For example, trade shows play a vital role in family-owned-SMEs international activities and have been seen as a tool for the firms' internationalisation (Gerschewski et al., 2020). The present study's findings indicate that family-owned SMEs tend to heavily rely on trade shows to gain knowledge and information, identify international opportunities, and establish new network relationships, accelerating their internationalisation process. However, trade shows such as trade fairs or trade exhibitions are regular events organised yearly and mainly at the same places where sometimes there are no opportunities and/or network connections to be exploited. Moreover, trade fairs are costly, and some firms might be unable to afford and participate. Therefore, only investigating the bright sides of networks might lead family-owned SMEs to overlook the possible drawbacks deterring and hindering their foreign expansion. This study's findings also suggest that both positive and negative effects of network relationships must be considered to avoid unimpressive situations created by network relationships. Overall, the present study shows that network relationships provide benefits which facilitate family-owned SMEs' internationalisation and can negatively influence and deter the firms' foreign expansion. Therefore, the pitfalls of network ties need to be considered in order to understand the impact of networks in the internationalisation of family-owned SMEs.

With regard to the present study's research question on how network ties are utilised throughout the family-owned SMEs' internationalisation process, this study enhanced the field of the network in internationalisation by adding to the growing body of research regarding the roles of networks in the subsequent phases of internationalisation. Previous studies (e.g., Fernandez and Nieto, 2006; Udomkit and Schreier, 2017) have significantly focused on the utilisation of network ties at the entry phase of family-owned SMEs' internationalisation but have not highlighted the post-entry phases. The study's findings show that network ties are crucial for the success of family-owned SMEs, which usually are resource scarcity, not only in the pre-engagement phase but also remain significantly important in the initial and advanced phases of internationalisation. The evidence from this study shows that the most widely used network for the internationalisation process for family-owned SMEs is the combination of intermediary and business networks. Different network ties provide different sets of resources, and network relationships significantly play a vital role throughout family-owned SMEs' internationalisation process, not only at the beginning stage (Ibeh and Kasem, 2011; Jeong et al., 2017; Leppäaho et al., 2021; Kryeziu et al., 2022). The study's findings indicate that network ties provide various resources that family-owned SMEs need in order to expand into foreign markets. Family-owned SMEs utilise the intermediary network to identify international opportunities and search for information in foreign markets. While, business networks provide valuable resources, local know-how and knowledge on products, customers, and markets, enabling the firms to complete in a new and turbulent environment. The combination of networks provides extensive information and resources regarding the internationalisation process. The evidence shows that social networks have less influence on the internationalisation process of family-owned SMEs and facilitate the firms' international activities only in the early internationalisation phase when the founder/owner generation controls the companies. These social networks are used for opportunity identification and information in foreign markets. The study's evidence also shows that at the beginning of the family-owned SMEs' internationalisation, the firms managed by the founder/owner generation utilise social networks, especially their friends whom they can trust to access

information and facilitate the firms' foreign expansion. However, as time passed, family-owned SMEs transferred their management to the upcoming generations in the later phase of internationalisation, and the personal contacts of the predecessors did not transfer to their successors. Therefore, the incoming generations rely more on other ties of networks that are wider and have more international experience and enhance the speed of the internationalisation process. Therefore, family-owned SMEs need to balance their network ties to maximise the benefits of their relationships.

The study also adds to family business literature (e.g., Fernandez and Nieto, 2005; Stieg et al., 2018; Alayo et al., 2019) by enhancing insights on why the utilisation of network ties varies at each phase of family-owned SMEs' internationalisation. The evidence from the study suggests that generational change can influence the roles of network ties at each internationalisation phase. In the context of family-owned firms is involved with family ownership and management. The results of this study suggest that different characteristics of managing generation impact a firm's strategic decisions. The founder/owner of businesses tends to be risk-averse and desires to maintain control over the company in the family's hands. Therefore, they do not tend to take part in any risky activities that might affect the firm's strategic development; thus, their internationalisation decisions tend to be more reactive manner. The founder/owner generation seems to wait for their networks to notify them about opportunities in foreign markets. In contrast, the successive generation with plans and well-prepared to take over the company have better education and language skills than the founder/owner generation. As a result, the successive generation tends to be more proactive towards their international operations' decisions. In addition, proactiveness is essential for firms to enhance their resources through network establishment (Gerschewski et al., 2020). Taken together, these findings suggest that the characteristic differences between managing generations have influenced the decisions of family-owned SMEs' to be involved in international activities. However, previous studies on SMEs' internationalisation did not seem to consider the effects of family involvement, which might confuse readers (Arregle et al., 2017). Therefore, this study suggests

that the influence of key decision makers' characteristics needs to be considered when investigating a firm's internationalisation.

6.2.2 Practical implications

The results of this study suggest some practical implications for Thai family-owned SMEs. As firms consider engaging in internationalisation, they need to be aware of the importance of different network ties. Different forms of networks provide various benefits which can help the firms to operate successfully in foreign markets. The findings of this study show that the use of network ties varies depending on a firm's internationalisation phase. However, networks not only facilitate family-owned SMEs' internationalisation but can also hinder the process. Due to the different business environments in foreign markets, relying on only one network connection might not be enough for the firms to penetrate deeper into the markets or advance to new foreign markets. The firms might need to build and/or possibly interact with other network ties to combine and accumulate various knowledge. Failure to build new networks and/or maintain existing networks can restrict family-owned SMEs' international activities; thus, the firms' management team needs to be aware of these drawbacks of networks. Each network ties provide different sets of resources and have their own value to family-owned SMEs; thereby, the combination of network ties needs to be balanced to maximise the benefits (Senik et al., 2011). However, there is no standard formula for the combination of network ties because different firms are different in many aspects, including business practices, business activities, and business environment. Therefore, this can be a guideline for internationalising family-owned SMEs that have other characteristics from non-family firms

The findings of this study also identify how the network ties can benefit family-owned SMEs at each phase of their internationalisation process and also show that these network ties can be beneficial when they interact with one another. Thus, the study can also benefit Thai government policymakers, as the study's results emphasise the importance of intermediary networks in the family-owned SMEs' internationalisation process. The policymakers should encourage

entrepreneurs to build networks and form partnerships by providing and facilitating the connections between firms and potential business partners in foreign markets (Senik et al., 2011; Costa et al., 2017b). The Thai government strongly supports SMEs to help and enhance their capabilities to compete in international markets (OSMEP, 2020a). The government agencies have utilised several programmes to support SMEs, including providing linkages connections (or potential business partners) to facilitate their foreign expansion, enhancing their access to financial capital, or arranging trade fairs/exhibitions for a business meetings among SMEs (Gerschewski et al., 2020; OSMEP, 2020b). However, many family-owned SMEs still do not receive sufficient support because of a high level of bureaucracy (Udomkit and Schreier, 2017). Most SME supporting programmes and government agencies are controlled by lengthy red tape, delaying SMEs' internationalisation process (Altnaa et al., 2021). Moreover, these programmes were designed to assist heavily at the beginning of SMEs' internationalisation process and not in the later phase. As SMEs continuously expand to foreign markets, they might gain experience in foreign markets; however, they sometimes need support from government agencies, including new information, updating market regulations in existing foreign markets, and new connections for new markets. The government agencies provide support, including international opportunity identification, knowledge and information, and network connections, especially through trade shows (Gerschewski et al., 2020). However, government support decreases over time and has only a limited number of supporting programmes that only focus on developing and expanding foreign markets (Costa et al., 2017b; Altnaa et al., 2021). For example, in the later internationalisation phase of firms, they might need to develop their products to meet new foreign markets' requirements, such as phytosanitary laws (Costa et al., 2021). The firms need more knowledge and extra funds to develop their products and meet the requirements (Ummulkulthoum and Jianhua, 2017). As a result, these firms have to use their own limited resources in order to improve and make new products (Arregle et al., 2021). The government-supporting programmes seem poorly designed and focus only on the firms in the early internationalisation phase. Thereby, one of the practical recommendations of this study is the redesign of supporting programmes. The Thai government

has to consider the need for SMEs' internationalising in the later phase, which is different from those in the earlier phase. The government programmes also need to have more variety of support not only focusing on trade shows and emphasise other useful activities, including trade promotion and business matching programmes. Moreover, the government agencies need to reconsider reducing paperwork involving the supporting programmes. The government support programmes must be easy to access and not too complicated for firms to get involved.

In addition, family-owned SMEs are usually limited resources (Fernandez and Nieto, 2006; Arregle et al., 2021); however, this study's findings reveal that most firms utilise their own financial capital. The firms in this study seem to avoid getting external funds from government-supporting programmes. These supporting programmes are unsuitable for SMEs and/or not designed for small firms that have only started doing business (Oparaocha, 2015; Costa et al., 2017b; Gerschewski et al., 2020). Therefore, these supporting financial schemes do not meet SMEs' requirements. Moreover, the Thai government's financial support programmes have been acknowledged among SMEs that are too bureaucratic and more expensive in relation to other commercial banks (Udomkit and Schreier, 2017). Therefore, the present study recommends that the Thai government need to reconsider designing its financial support schemes to be more appropriate for SMEs, especially small-sized firms. Moreover, these financial support programmes need to be accessible and easy to apply, which requires cutting off unnecessary processes of the applications. This would help encourage SMEs to make long-term investments and be more engaging in the international arena. Moreover, the present study's findings also show that different network ties provide various types of resources for SMEs' internationalisation. Policymakers should also consider a programme facilitating and encouraging firms to develop all 3 network ties, including business, social and intermediary networks at both national and regional levels (Senik et al., 2011; Sedziniauskiene et al., 2019). Building different ties of networks can encourage the exchange of knowledge and resources, which can also accelerate firms' internationalisation process (Sedziniauskiene et al., 2019; Gerschewski et al., 2020).

6.3 Research Limitations

Although the study has successfully demonstrated network impacts and the utilisation of networks at each internationalisation phase, it certainly has some limitations. Although the research was carefully designed through the application of best practices in order to ensure the credibility, trustworthiness, and rigour of the study, notable limitations existed. The limitations are linked to the qualitative research methodology. Generally, in qualitative research, the generalisation of the findings is a challenge, especially in the application of unstructured or single-case designs (Saunders et al., 2015). This methodology was designed to control (though not eliminate) the problem of generalisability by using relatively large sample size and including different perspectives (small businesses, medium businesses, and network partners). Thus, while not perfectly generalisable, this study will be able to provide a more rigorous and potentially representative of the research situation. The qualitative research has been adopted in this study and involves a small number of firms that cannot entirely transfer to other contexts and/or generalise to the population of every family-owned SME. However, the present study aims to gain insights into the influences of network ties throughout the internationalisation process of firms, not a description of the regularity of relationships. The qualitative research also provides valuable comparative material, which allows for an in-depth analysis of the roles of networks throughout the internationalisation process in the examined family-owned SMEs. Moreover, the study adopted a sample of 20 family-owned SMEs in the Thai food industry, and the findings are not necessarily applicable to other industries of SMEs in Thailand. This study only selected one industry to explore the roles and involvement of network ties in the family-owned SMEs' internationalisation process in order to avoid industry effects. This study focuses on one industry in order to gain in-depth analysis; therefore, the results of this study cannot extend to firms outside the Thai food industry. Further, the case study research design poses significant limitations in terms of replicability, where the data may not be replicable due to the increased discretion of the researcher during case selection (Yin, 2018). Moreover, the increased researcher's discretion magnifies the potential for researcher bias (Woodside, 2010). Notably, for

confidentiality purposes, specific information about the participants cannot be published. However, in this study, significant effort is applied to ensure the provision of sufficient information for the readers to understand the research findings. Another limitation is associated with information availability. This study cannot identify many drawbacks of networks in relation to the benefits of networks. This might be because the respondents were not confident and comfortable sharing and talking about the negative information while being recorded. This study adopted several case firms and collected diverse viewpoints from participants in order to avoid the effect of the limited view and the respondents' bias which tend to occur in a single case study.

6.4 Recommendations for future research

The study provides a better understanding of how network ties are utilised at each internationalisation phase; however, the findings are based on a limited number of family-owned SMEs in Thailand. There is evidence from the present study that network ties can negatively influence the family-owned SMEs' internationalisation process. However, the study adopted qualitative research as a methodology in order to grasp and collect various views from respondents; thereby, the results of this study cannot be generalised. Further research should focus on other research methodology beyond conducting an interview that might create unimpressively and/or confronting situations. In contrast, the respondents are anonymous in quantitative research, which might get better results in identifying the drawbacks of networks. Furthermore, the present study's findings reveal that each network tie has some drawbacks which can deter and prevent a firm's internationalisation. However, previous studies on SMEs' internationalisation and the role of networks tend to highlight only the benefit sides and largely ignore the dark aspects of networks. Therefore, future research might explore the harmful effects of network ties to better understand SMEs' international behaviour.

Future research could also be conducted to identify the roles of network ties in the later phase of internationalisation. The evidence from the present study

discovers that the roles of network ties have changed throughout the internationalisation process of family-owned SMEs. Moreover, the study's findings also reveal that personal relationships have fewer influences on the later phase of internationalisation. This might be because this study investigated family-owned SMEs. When the firms change their management team to successors' hands, the personal relationships might also change. Therefore, generation, which controls family-owned SMEs' management, might influence how they utilise network ties; there is a need for further research to investigate this issue. In addition, the evidence from this study shows that the role of social networks in the later internationalisation phases has decreased due to the change in managing the generation and the stage of the firm's foreign expansion. Thus, networks change over time throughout the internationalisation process and are more dynamic to study only a single point of time. However, there is still more work to be done to develop a process model for the firm's network.

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Appendices

Appendix 1: Benefits of networks-based studies on a firm's internationalisation

Author(s) (year)	Main findings summarised
Bell (1995)	Small firms' internationalisation process is influenced by domestic and foreign network relationships, and these firms tend to follow their customers to niche foreign markets.
Belso-Martínez (2006)	Firms which build various networks, especially with existing customers, can rapidly accelerate their foreign expansion.
Blomstermo et al., (2004)	Firms with diverse market experiences and in a new foreign expansion situation particularly find their network experiential knowledge useful. This implies that the internationalising firm builds routines from diverse market experiences to develop networks in the early stages of a new international business expansion.
Chen et al., (2015)	Family, business, and community ties can improve information accessibility among firms in guanxi networks. Moreover, family and government ties enable firms to enhance their resource availability.

Chetty and Blankenburg Holm (2000)	The decision-makers decide which network relationships they establish to set a form of foreign expansion. Some decision-makers (Lonely, International, Late) are proactive and actively build networks to facilitate their firms' internationalisation. On the other hand, firms with decision-makers (Early) were reactive and unprepared for their foreign expansion.
Ciravegna et al., (2014)	Internationalisation through networks, especially buyer-supplier relationships, is more reactive.
Costa et al., (2017)	Institutional networks provide various benefits to SMEs' internationalisation through promotional activities, consultants, training, information accessibility, and technical and legal support. Moreover, trade associations can support SMEs' international activities by continuously assisting their foreign expansion after an internationalisation initiative.
Coviello (2006)	Network relationships can increase over time. A small dense network is beneficial at the conception stage, and the overall changes in network structure can lead to an increase in social capital in the INV.
Coviello and Munro (1995)	The study focuses on the use of network relationships to search for foreign market opportunities and facilitate a firm's internationalisation.
Coviello and Munro (1997)	Small firms' internationalisation process is facilitated by formal and informal networks. Network relationships also influence the firms' foreign market selection, entry mode, product development and market diversification activities.

Freeman et al., (2006)	Small firms can overcome problems, such as lack of economies of scale, resource limitations, and aversion to risk by five strategies: personal networks, client followership, collaborative partnership, use of advanced technology, and multiple modes of entry technology.
Freeman et al., (2010)	Managers using existing and new building networks can quickly develop knowledge that helps their firms rapidly internationalise.
Galkina and Chetty (2015)	Network relationships are a significant driver of a firm's internationalisation. The firm's decision-making and foreign market target are influenced by networks.
Granovetter (1973)	The weak ties are the most valuable and important for diffusion across a network which can impact information accessibility, mobility opportunity and community organisation.
Harris and Wheeler (2005)	Personal relationships provide information and access to networks. Social networks also direct strategy and transform the firm.
Hohenthal et al., (2014)	The experiential network knowledge about the importance of customers and competitors in the network influence the value of business relationships in a foreign market.
Huang et al., (2012)	Business networks can increase SMEs' innovative capability and performance. In addition, business networks can also help SMEs build up competitive advantages in order to compete in a business environment.

Hughes et al., (2019)	Networks influence firms' competitive advantages by providing resources and knowledge that can help them accelerate their internationalisation process.
Ibeh and Kasem (2011)	Networks influence a firm's initial internationalisation, market selection and internationalisation speed. This is because networks also provide contacts and opportunities in foreign markets. Therefore, the firm's market entry decision and internationalisation pace are also influenced by network relationships. Moreover, social and business networks are important, but social networks are more prominent at the initial stages while business networks become more influential in the subsequent stages.
Jeong (2016)	Business networks, especially with customers, enhance financial performance, financial performance satisfaction and strategic performance in foreign markets of Korean SMEs.
Jeong et al., (2017)	SMEs utilise social and business networks at each phase of internationalisation differently. Weak business networks can be maintained, strengthened, or evolve into social networks, influenced by country-specific institutional context throughout SMEs' internationalisation process.
Jiang et al., (2018)	Political and business ties can shape the relationship between entrepreneurial orientation and network resource acquisition differently. Moreover, accessing and acquiring valuable resources from networks can be advantages for firms and increase performance.
Jin and Jung (2016)	Business networks can increase foreign market knowledge of SMEs, increasing the firms' international performance.

Kontinen and Ojala, (2011a)	Network ties can enhance family SMEs' international opportunity identification. Therefore, family SMEs must establish networks through international exhibitions to gain foreign market entry.
Kryeziu et al., (2022)	Networks can help family firms to improve and modify their quality of products and also set competitive prices in foreign markets.
Laanti et al., (2007)	Domestic networks play a crucial role in the early phase of globalisation. While the role of a global network is more prominent later. Networks enable firms to develop their products, provide international opportunities, and attract investors.
Loane and Bell (2006)	Networks have been utilised in order to overcome resource limitations. Firms utilise their existing networks to develop knowledge in foreign markets and improve their competitiveness. However, firms actively build new networks to enter new foreign markets.
Manolova et al., (2010)	Domestic personal relationships positively influence on internationalisation of new and small ventures in transition economies – the earlier the new venture engages in inter-firm collaboration, the higher the degree of its internationalisation.
McAuley (1999)	The internationalisation of firms can sometimes happen by chance through their networks to achieve business objectives. Most firms can begin their internationalisation by attending trade fairs or through networks.

Moen et al., (2004)	Network relationships influence a firm's market entry mode and foreign market destination.
Mustafa and Chen (2010)	Firms can enhance their resource accessibility and contacts through family and kinship networks, allowing them to simultaneously engage in social and business activities.
Musteen et al., (2010)	Establishing foreign network ties with firms that share a common language can enable SMEs to internationalise faster. Moreover, being in diverse networks can also help SMEs to achieve superior performance in foreign expansion.
O'Gorman and Evers (2011)	The export promotion organisations are significantly important for SMEs' internationalisation. These organisations provide various benefits, including identifying international opportunities and customers, introducing to customers in foreign markets, foreign market knowledge accessibility, and resource accessibility.
Ojala (2009)	Network relationships have been utilised in order to successfully enter foreign markets. However, when SMEs enter distant markets, they tend to first select foreign markets and entry mode without any influence of networks.
Oparaocha (2015)	Institutional networks have positively influenced SMEs' internationalisation process. However, the significance of network influences differs in each internationalisation phase.

Puthusserry et al., (2018)	Firms use networks to facilitate their internationalisation process because they consider the establishment of network relationships as one of the safest methods for foreign expansion. In addition, entrepreneurs' social ties enhance the firms' entry mode.
Rexhepi et al., (2017)	Networks significantly influence family businesses' internationalisation. The firms can improve their operational efficiency of internationalisation through their networks. Moreover, networks can enhance family businesses' resources, knowledge, skills and experience.
Riddle and Gillespie (2003)	Personal relationships, especially friends and family, are key information sources for a new clothing industry venture. In contrast, formal networks which provide export information to firms are not easy to access.
Santhosh (2019)	The early internationalising SMEs are influenced by the proactive entrepreneur and their previous experience. However, various limitations prevent entering foreign markets at an early age for late internationalising SMEs. In contrast, network relationships can help SMEs to increase performance in foreign markets.
Senik et al., (2011)	In order to achieve initiate awareness, trigger, accomplish, strengthen and sustain internationalisation, SMEs are required to build network relationships with various actors. However, one network tie might not provide sufficient support for SMEs' internationalisation.

Sharma and Blomstermo (2003)	Network ties provide knowledge which can help firms to select market entry mode.
Styles and Genua (2008)	Networks of a firm influence a firm's pattern of behaviour; for example, the fundamental networks of the academics involved in the firms assisted in the identification and exploitation of initial international opportunities.
Tolstoy (2014)	Networks influence firms' first step of foreign expansion and continue to develop business internationally. Network dynamics also influence entrepreneurial behaviour and opportunities, which can be triggered when the resource bases of different entities cross paths.
Tunisini and Bocconcelli (2009)	Local supplier networks provide resources which significantly influence some critical stages of the firms' development process.
Udomkit and Schreier (2017)	Networks are significantly important for SMEs' internationalisation in Thailand. Network relationships influence the intention of SMEs' foreign expansion. Networks also help SMEs to overcome barriers and impact the foreign market selection and mode of entry. Moreover, networks can refer new customers in foreign markets to SMEs.
Vasilchenko and Morrish (2011)	Firms that build new social networks can enhance their opportunity identification in foreign markets. Moreover, these social networks can also form business networks that facilitate the exploitation of international opportunities and successful foreign market entry.

Yli-Renko et al., (2002)	Personal relationships of entrepreneurs and employees are crucial in providing information in foreign markets, including market insight and trends, the latest technologies and competition.
Zhang et al., (2016)	In the Chinese context, political and business ties enhance SMEs' business opportunities and reduce the perceived risks associated.
Zhou et al., (2007)	Network ties are required for a firm to achieve a positive performance in the internationalisation process.

Appendix 2: Drawbacks of networks-based studies on a firm's internationalisation

Author(s) (year)	Main findings summarised
Abosag et al., (2016)	Opportunism negatively influences relationships which can lead to network termination. The dark-side relationships are characterised by negative attitudes to conflict, high tension, and the deterioration of trust and commitment in networks. In addition, the dark-side relationship can occur when actors in the networks are perceived unfairness.
Altnaa et al., (2021)	SMEs rely heavily on information provided by personal connections, which can be both pros and cons for their internationalisation process. The positive sides of establishing social networks are information accessibility, risk limitation and overcoming size-related barriers. SMEs also need to be able to access their government's help to expand to foreign markets. However, there are some limitations to accessing support from government agencies, especially in developing countries, including bureaucracy and the need of having strong personal networking relationships with someone in charge of administration at relevant institutions.
Burt (2019)	Success decreases as the network around an entrepreneur closes, especially during the start of a venture. Firms which begin in a closed network of connected colleagues can receive higher returns for later brokerage.

	However, a disadvantage will occur if the firms cannot expand outside their own networks. Moreover, network closure in any form can create disadvantages for firms and erode success.
Chetty and Agndal (2007)	Firms are able to develop knowledge and information from their customers through frequent interactions, which can also increase the firms' social capital. However, not all partners in the networks behave corporately, which might cause opportunistic behaviour.
Chetty and Campbell-Hunt (2003)	Business networks can facilitate the internationalisation process only when the internationalisation process is sudden and involves a rapid increase in capabilities and specialisation. However, firms might face problems when relying on networks, including finding the right partners, neglecting products, partners turning to competitors, goal conflict, and being locked out of the distributor network.
Ellis (2011)	Personal relationships provide access to distant and valuable international opportunities. However, tie-based opportunities can be constraints in terms of geographic, psychic and linguistic distance.
Horak et al., (2020)	Informal networks provide various positive influences on firms' internationalisation. However, personal relationships can also lead to collusion, cliques, nepotism, and other forms of unethical or corrupt conduct.
Labianca and Brass (2006)	Negative relationships can create social liabilities which adversely influence individual outcomes and abilities to collaborate activities and achieve

	organisational goals. The negative relationships in an organisation significantly affect social emotional, and task outcomes.
Masiello and Izzo (2019b)	Personal networks can play an important role in the pre-entry phase of internationalisation in identifying opportunities in foreign markets and select markets. Moreover, SMEs tend to depend heavily on informal relationships based on trust, which can speed up the firms' decision-making process. However, relying too much on social networks can lead SMEs to underestimate their partners' errors and/or lead to a neglect of more beneficial networks.
McDougall et al., (1994)	Strategic alliance networks enable firms to overcome resource limitations and identify international opportunities in foreign markets. However, opportunism from a firm's partners can lead to venture failure.
Morgan and Gomez-Mejia (2014)	A family firm is common as a result of family ties and family issues such as sibling rivalry, marital problems, and children's assertion of independence from parental influence. Family ties can create conflict, which can be a prominent characteristic of family firms. Relationship conflict in family firms' managerial teams can lead to a negative effect on stakeholder relationships.
Oliveira and Johanson (2021)	As a firm strengthens its relationships with business networks can increase trust. However, trust can also prevent the firm's internationalisation speed. Moreover, trust can make insidership a considerable liability, such as loss of objectivity and a tendency to continue relying on networks that no longer benefit.

Prashantham (2006)	Industry associations positively link with international intensity, especially within the domestic market. However, strong home-country ties are negatively linked with international intensity.
Presutti et al., (2007)	Knowledge from key foreign customers positively influences the foreign development of high-tech start-ups.
Scholes et al., (2016)	Trust and harmony in small family firms influence network relationships, which affect internationalisation. The initial foreign expansion through exports is available through trust in family ties. However, family characteristics of a desire to maintain family harmony and distrust of outsiders can negatively influence the building of a network and resource development, preventing the firms' internationalisation beyond exporting.
Weerawardena et al., (2007)	Dynamic networking capability is significantly important in the early and rapid internationalisation of the born global firm. Networks provide knowledge which helps firms develop their knowledge-intensive and innovative products. Therefore, these firms can achieve superior international market performance. However, networks might cause problems of network rigidity with unreliable partners who hinder international market opportunities and limit strategic options.
Uzzi (1997)	Embeddedness can limit firms' access to information outside their networks. Moreover, overembedded networks can also release intense negative emotions that trap firms in self-defeating cycles of behaviour.

Appendix 3: Interview guide

Background of a company: general information

- Company history, including a year of establishment, numbers of employees, international experience (years), company's products, and foreign markets.
- Company ownership and family involvement, including positions of interviewees in the company and responsibilities.
- Interviewee's background including education, previous working experience, and previous international experience.

Internationalisation and network relationships

- Why did your company decide to enter its first foreign market?
- How did your company find or recognise opportunities in foreign markets?
- Has your company built any new network relationships to enter foreign markets? If so, why? Please explain.
- Has your company ever utilised any existing network ties when entering foreign markets? If so, why? Please explain.
- Why did your company decide to utilise network ties in order to facilitate the company's foreign expansion?
- How does your company utilise network ties when internationalising?
 - Please describe the roles of network ties and their functions in establishing in foreign markets.
- Has your company utilised network ties in each foreign market? Please explain.
- How does your company use benefits/resources provided by the network ties when expanding to foreign markets?
 - How do those benefits/resources assist your company to internationalise?
- Does the importance of utilisation of network ties vary throughout the internationalisation process? Please explain.

- Are they equally important throughout the process? Please explain.
- Has the role of network ties changed throughout the internationalisation process? If so, please explain.
- Why are (specific) network ties (business, social, intermediary networks) more important in the (specific) internationalisation phase (pre-engagement, initial and advanced phases)? Please explain.
- Why are (specific) network ties (business, social, intermediary networks) less important in the (specific) internationalisation phase (pre-engagement, initial and advanced phases)? Please explain.
- Has your company ever come across any negative aspects when internationalised? Please explain.
 - Are there any drawbacks from network ties that your company is trying to avoid? If so, why?
 - How does your company manage these negative aspects?
 - Has your company ever dismissed network ties? If so, how and why, please explain.
- How does your company access information in foreign markets that your company is planning to enter? (e.g., through managerial team's experience, through network ties).
- How does your company utilise network ties when entering a foreign market? (e.g., in making decision process when, how, and why).
- Do network ties influence your company's internationalisation process? Please explain (e.g., target markets, entry modes, time of internationalisation).
- Do any aspects (except network ties) influence your company's internationalisation process? If so, please explain (e.g., family members, ownership, and involvement).
- Could you explain how your company utilise network ties when your company has decided to enter a specific foreign market and how to enter that market?
- How does your company utilise network ties when entering a foreign market? Please explain.

- How does your company maintain relationships with your networks (partners)?
 - Are there any challenges in order to maintain and manage your networks?
- Have your network ties enhanced your knowledge and strengthened your company's position in the foreign markets where your company operates?
 - Has this led to increased commitment in foreign markets and networks?
- How does your company utilise network ties after establishing itself in a foreign market? Please explain.
- How do network ties impact your company's internationalisation (before, when, and after entering foreign markets)? Please explain.
- Has your company ever pulled out from a specific foreign market? If so, why? Please explain.
 - Has your company still kept networking with the ex-partners from the foreign markets that your company has left? If so, why?
- Have your thoughts on how to internationalise changed over time from your first foreign establishment? Please explain.
- What do you think about future foreign establishments of your company? For example, does your company still utilise network ties to facilitate internationalisation? Please explain.