



CONCEPTUALIZING EXPORT PERFORMANCE INFLUENCE OF INTERNATIONALIZATION AND SOCIAL NETWORK

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Abstract

This paper tries to conceptualize the role of social network in the relationship between internationalization and export performance. Some scholars argue that social network play mediating role in the relationship between internal and external internationalization and export performance. Past studies involves to extant literature relate to positive effect of internal and external firm internationalization on firm export performance. Underling logic of this paper is social network theory. Based on previous researches, there are several information benefits of mediating effects of social network. Results of this paper by conceptualize of previous literature has shown that international trade managers can consider social network as an efficient ways to obtain sufficient information and knowledge to enter to foreign markets very fast and in profitable manner.

Key Words: Internationalization, Social network, Relationship, Export performance.

Topic Groups: Social sciences and business

INTRODUCTION

The process of internationalization has been related to decisions made about foreign markets and entry modes (Johanson & Wiedershiem-Paul 1975; Welch & Wiedershiem-Paul 1980). From decisions relate to incremental internationalization of the firm, those decisions that involved to enter a new foreign market is very important. Most of internationalization process research done over the last several decades has been based on Uppsala model and innovation model of internationalization by gradual and interaction between market commitment and market knowledge (Ellis, 2000). Existing internationalization literature suggests two kinds of internationalization orientation, internal and external internationalization (Zhou, Wu, & Luo, 2007). Internal means import of goods and services, finance and technology from foreign countries and external means marketing, sales, production and distribution in foreign countries (Homlund, Kock, & Vanyushyn, 2007). Internal activities are as important as external activities and both kinds of international activities ought to be included in international operations. Combination of internal and

external internationalization orientation has significance application in business in countries. Nowadays, in context of internationalization processes, network model has focused on social relationships between individuals which effects on internationalization, since close social relationships increase doing business in foreign countries.

Network model assumes that there is a link between import and export to leads transfer of knowledge and information from one operation to another (Homlund, Kock, & Vanyushyn, 2007). International and relationship marketing engages an exchange between individuals rooted in social network theory (Johanson & Mattsson 1987; Ellis 2000), which indicates important role of social exchange and personal contacts in the process of internationalization (Harris & Wheeler, 2005). In internationalization arena, scholars argued social network ties are channels for obtaining knowledge and information, such as assisting in recognising foreign exchange partners (Ellis, 2000); knowledge about international business exercises (Sharma & Blomstermo, 2003; Haahti, Madupu, Yavas, & Babakus, 2005); sharpening international sight and managerial accessibility (Chen, 2003; Yeoh, 2004) and affecting export beginning (Ellis and Pecotich, 2001).

The first section of this research relates to extant literature on firm internationalization and various ways of enter to foreign markets and also previous literature about export performance. The second section refers to relationship between social network and internationalization, table of related prior research and following refers to relationship between social network and export performance and table of related past studies. The third refers to social network as mediator. Final section relates to conclusion about this review. Hopes this review can help international trade manager go to foreign market much faster than before.

RESEARCH QUESTIONS

Has firm internationalization relationship with export performance?

Has firm internationalization relationship with social network?

Has social network relationship with export performance?

Does social network mediate between firm internationalization and export performance?

LITERATURE REVIEW

Firm internationalization

Internationalization defined as the process of increasing involvement in international operations (Welch, & Luostarinen, 1988; Holmlund, Kock, & Vanyushyn, 2007). It refers to the degree to which a firm's sales income or operations are managed in foreign countries (Elango & Pattnaik, 2007). There are various orientation of internationalization process (IP) includes: Incremental such as Scandinavian school-Uppsala model that gradually enters to foreign market and obtains foreign market's knowledge. It focuses on outward activities and no attention to inward activities (Holmlund, Kock & Vanyushyn, 2007). Innovation model that it describes exporting is as an innovation and IP is considered by gradual.

Born Global model (Johanson & Mattsson, 1988; Rutashobya & Jaensson, 2004) refers to those firms which enter to foreign markets after establishing Kinght and Cavusgil (1996). These firms from beginning, attempt to obtain important competitive advantage by using resources and sale in multiple countries (Oviatt & McDougall, 1994). Network Model (Johanson & Mattsson, 1988; Easton, 1992; Elango & Pattnaik, 2007) which believes internationalization is a stage that takes place by networks of relationships. Proactive or

Reactive Orientation of IP (Francis & Collins-Dodd, 2000; Barber & Escriba-Esteve, 2006) which proactive refers to those firms that forcefully seek new export market, export opportunities, and network relationships and those firms that do not actively attempt export sales and export market information is named reactive (Francis & Collins-Dodd, 2000).

Inward and Outward Orientation of IP (Welch & Luostarinen, 1993; Zhou, Wu & Luo, 2007) which inward means using management skills, new technology, and direct investment from foreign countries and outward means seeking and selling in foreign markets, developing connections with foreign business (Welch & Luostarinen, 1993; Ireland, Hitt & Vaidyanath, 2001). The Inward Internationalization and Outward Internationalization can expand and influence each other in different ways (Cohen & Zyman, 1986). Any developments on the inward side can create new opportunities on the outward side. Linkages between inward and outward internationalization is crucial for a long time IP both at the beginning of the outward move and during the IP (Welch & Luostarinen, 1993). This study utilizes internal and external internationalization orientation.

Export performance

Since the early 1960s, firm's export performance has been studied with the beginning work of Tookey (1964), who first tried to identify the factors connected to success in exporting. Export has been known as important factor for nation's economic evolvement (Leonidou & Kaleka, 1998). Based on Shoham, (1996); Cavusgil & Zou, (1994). Export performance is the dependent variable in the simplified model and is defined as the outcome of a firm's activities in export markets. There are two principal ways of measuring export performance includes economic such as export sales growth and export profit growth and noneconomic such as market related and product related. Previous studies has presented document of the significant of interrelationship exporter-customer and empirical studies to join relational variables to export performance (Rosson & Ford, 1982; Styles & Ambler, 1994, 2000; Leonidou, Katsikeas & Hadjimarcou, 2002) that was developed and tested by Styles, Patterson & Ahmed, (2008). Reviews of literature about export performance have revealed that the strategies of managing relationships and developing external networks have positive impact on performance (Aaby, & Slater, 1989; Leonidou Katsikeas, & Samiee, 2002; Zou & Stan, 1998; Harris & Wheeler, 2005).

Thus, based on previous research and two sections above there are some support for the first research question, "Has firm internationalization relationship with export performance?" Previous literature has focused on the direct impact of internationalization orientation on firm performance, but it has not mentioned why this impacts exists, internationalization theory as a process of social dynamics by strategies of networking (Ellis, 2000; Harris and Wheeler, 2005). This paper presents a review on mediating mechanism of social networks in the relationship between internationalization orientation and export performance.

Relationship between social networks and internationalization

There are some support and empirical research in the literature about relationship between social network and firm internationalization. Ellis (2000) in empirical study in Hong Kong found that Knowledge of foreign market opportunities is commonly acquired via existing interpersonal links. Sharma & Blomstermo (2003) in two case studies showed importance of weak ties in the internationalization process of firms. Harris & Wheeler (2005) in case study revealed the functions of inter-personal relationships in the internationalization process are much more profound than previous research would indicate.

Elango & Pattnaik (2007) in empirical study in India found that firms by their parental and foreign networks obtain international experience to build capabilities. Basly (2007) in

empirical study illustrated Social networking has positive effects on the amount of internationalization Knowledge. Zhao & Hsu, (2007) in empirical study in Taiwan showed that Social ties are significantly related to Foreign Market Entry decisions.

According to previous literature and some mentioned evidence above, there are some support for second research question as "Has firm internationalization relationship with social networks?" Table 1 shows previous researches about impact of social network on internationalization in 2000-2007:

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Table 1: Interrelationship Social Network and Firm Internationalization (Years 2000-2007)

Author/ Year	Objective	Methodology	Independent variable	Mediator/ Moderator/ Control Variable	Dependent variable	Finding
Ellis, (2000)	Identification of the actual methods used by decision-makers to identify potential exchange partners in foreign markets and thus initiate international exchange relationships	-Mail survey -Interview -133 direct foreign market entries -128 indirect entries remained - Sample selection from the 1997 directory of Hong Kong Industries	Social ties	----	Foreign market entry	Knowledge of foreign market opportunities is commonly acquired via existing interpersonal links rather than collected systematically via market research.
Sharma & Blomstermo, (2003)	-To make a contribution to the theory of development of the internationalization process of Born Global -To propose that models emphasizing knowledge and networks are	Case study: - Radiotherapy firm -helax - IAR systems	Firm	-Knowledge - Network ties: -strong ties - weak ties	Internationalization on process of Born Global.	- Importance of weak ties in the internationalization process of firms - knowledge based behavioral internationalization process models are suitable for explaining the internationalization process of Born Global firms - Born Global are more willing to adapt their internationalization strategy to the needs of the market.

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	suitable for this purpose.					
Harris & Wheeler , (2005)	To explore role of entrepreneurs' inter-personal relationships in the internationalization process.	-Case study entrepreneur's relationships: - Electronics - Furniture - Tourism	Entrepreneurs ' inter-personal relationships -Function -Origins -Strategies	----	Internationalization process	-The cases indicate that the functions of inter-personal relationships in the internationalization process are much more profound than previous research would indicate. -It can direct strategy and transform the firm, not just provide information and access to networks. -The origins of the relationships are wide, spanning social/personal and business situations. This study shows that for these successful international entrepreneurs, the relationships drive, direct and manage internationalization as well.

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<p>Elango & Pattnaik, (2007)</p>	<p>To explain how firms from emerging markets build capabilities to operate in international markets through learning from parental networks.</p>	<ul style="list-style-type: none"> - Empirical study - Sample of 794 Indian firms of manufacturing industries. 	<ul style="list-style-type: none"> - Marketing intensity - Research intensity - Market power - Operational efficiency - Network internationalization - Network scope - Foreign partner ownership. 	<p>Control Variable:</p> <ul style="list-style-type: none"> - Age - Product diversification 	<p>Firm internationalization</p>	<ul style="list-style-type: none"> - Firms obtain international experience by their parental and foreign networks to build capabilities. - Network scope is beneficial for increasing exposure to international markets only in the case of networks. - Firms lacking market power in local market benefit by foreign partnerships during internationalizing operations
<p>Basly, (2007)</p>	<p>Study the effects of conservatism independence orientation and social networking on the development of the knowledge base of small and medium family enterprise.</p>	<ul style="list-style-type: none"> - Empirical study - Questionnaire - Sample of 118 firms belonging to various industries 	<ul style="list-style-type: none"> - Conservatism negatively - Independence orientation - Social networking 	<p>-----</p>	<p>- Internationalization Knowledge</p>	<ul style="list-style-type: none"> - Internationalization knowledge positively influences the degree of internationalization of the firm. - The conservatism of family SME does not directly influence the level of Internationalization knowledge. - The independence orientation of family SME, then with its two dimensions simultaneously (decisional and resource independence), does not significantly influence internationalization knowledge. - Social networking positively influences the amount of internationalization Knowledge.

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Zhao & Hsu, (2007)	-Influence of social ties on two critical components of foreign market entry decisions by SMEs: timing of entry and resource commitment.	-Empirical study -Questionnaire - Sample of 173 Taiwanese SMEs - Usable sample size: 95 firms	Social ties: - Family - Marriage - Schooling - Work	Control variables: Market potential, - Investment Risk - Firm size -International experience	Foreign market entry: -Timing of entry - Resource commitment.	Social ties are significantly related to FME (Foreign Market Entry) decisions by Taiwanese SMEs in terms of both the timing of entry and resource commitments.
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Relationship between social networks and performance

There are extant literature refers to empirical researches about interrelationship social network and export performance. Styles & Ambler (1994) in UK found that importance role of relationships to export marketing performance. Ambler, Styles & Xiucun, (1999) in China illustrated nature of the channel relationships has positive impact on the performance. Park & Luo (2001) in China showed that Guanxi leads to higher firm performance and increased sales growth, little impact on profit growth. It also benefits market expansion and competitive positioning of firms. Yang, Yiyum & Zafar (2003) in China illustrated significant affects of firm's internal and external relationships and Guanxi skills on firm performance.

Batjargal (2003) in Russia revealed relational embeddedness has direct positive impacts on sales growth, profit margin and return on assets. It also found that weak ties are able to mobilize financial resources from rich and powerful contacts enable entrepreneurs to increase their revenues and profits. Pressey & Tzokas (2004) in UK showed that exporters in relationships with a high relational content (e.g. trust, commitment) generally achieve higher than average Performance outcomes. Yeoh (2004) revealed that relationship between social communication and personal sources of information with other personal networks have positive impact on export performance. Sharma & Blomstermo, (2003); Harris & Wheeler, (2005) found that information advantages of business and social networks, in domestic and abroad markets leads to growth and success in entrepreneurial firms.

Zhou, Wu & Luo (2007) in China found strong support for mediating effect on export performance, some support on profitability and little support on sales. Guanxi networks mediate the performance impact of outward on both export and profitability growth, but not on sales growth; instead outward internationalization is found to directly affect sales growth. Guanxi networks mediate the performance impact of inward only on export growth, suggesting possible inward-outward connection (Korhonen, Luostarinen & Welch (1996) among the internationalizing SMEs. Zahra, (2005) argued that social and obtaining knowledge of market are important factors to lead firm's success in foreign markets. Chen, Tzeng, Ou & Chang (2007) in Taiwan found that significant relationships between social capital and entrepreneurial performance for new ventures. New ventures' social interaction, relationship quality and external network become more favorable, their growth increases.

According to prior studies that mentioned in this section, there are extant support for the forth research question as "Has social networks relationship with firm performance?"

Table 2 shows impact of social Network on Export Performance in 1994 - 2008.

Table 2: Interrelationship social Network and Export Performance in year 1994-2008

Author /Year	Objective	Methodology	Independent variable	Mediator/ Moderator/ Control Variable	Dependent variable	Finding
Styles & Ambler (1994)	To replicate Michell's original work and identify any changes in practice that may have occurred during the 15 year interval.	<ul style="list-style-type: none"> - Empirical study - Questionnaire -67 of the 127 winners of the 1992 Queen's Award for Export Achievement in UK 	<ul style="list-style-type: none"> -Internal influences: Firm, -Management (commitment, attitudes, perceptions) -Core competencies - Quality, international experience, market knowledge, communication, etc. -External influences: Relationships, -Inclusion of key actors in network (distributors, agencies, suppliers) -Relationship intensity (communication/ co-operation) -Reciprocity (joint decision making) -Long-term commitment 	<ul style="list-style-type: none"> -Strategy -Choice of market - Segmentation -Marketing mix Environment attractiveness -Market attractiveness - Infrastructure problems -Government Barriers 	<ul style="list-style-type: none"> Export Performance: -Sales -Share -Profit -Growth -Export intensity -Strategic objectives -Brand equity 	<ul style="list-style-type: none"> - Importance role of relationships to export marketing performance. -Support for the applicability of the emerging relational model to export marketing. The key plans of model are that export performance is positively related to: -An environment conducive importing. -Strong core competencies and positive management commitment/attitudes. -High quality and active relationships with all key network partners. -The choice of a market which is psychically close to the home country, clear target market specification and an appropriate marketing mix for the export market. -Positive relationship between internal and external. -Positive relationship between internal and external with marketing strategy.

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Ambler , Styles & Xiucun (1999)	The effect of channel relationships and guanxi on the performance of inter-province export ventures in the People's Republic of China.	- Empirical study - Questionnaire -The sample 102 Chinese SMEs In China.	Firm Factors: -Market Commitment -Firm size -Product Quality Relationship Factors: -Cooperation – Satisfaction -Trust -Relationship Commitment -Prior Guanxi -Personal Friendships	Mediator: Strategy: Marketing mix Moderator: Environment: Market Attractiveness	Export Performance	The results confirm that the nature of the channel relationships and guanxi have a positive impact on the performance of these ventures.
Park & Luo, (2001)	To explore the impact of guanxi on firm performance.	-Empirical study - Questionnaire -128 firms in central China	Guanxi: -Business community -Government authorities	Control variables: -Industry growth -Industry type	Firm Performance: -Sales growth -Profit growth	- Guanxi leads to higher firm performance; it is limited to increased sales growth, little impact on profit growth. -Guanxi benefits market expansion and competitive positioning of firms; it does not enhance internal operations.
Yang, Yiyum & Zafar , (2003)	To investigate foreign subsidiaries' competitive advantages and performance in host country from the perspective of firm resources.	-Empirical study - Questionnaire -Sample of 356 Singaporean SMEs performance in China.	Firm resources: -Technological resources - Top manager's capability -Employee's Guanxi skills -Employee's professional Knowledge -Firm's internal relationships - Firm's external relationships	Control variable: -Firm's experience -Firm's size	Firm Performance	- Significant effects of firm's internal and external relationships, employee's professional knowledge and Guanxi skills, and firm size on firm performance. - Technological resources and top manager's capability bear no significant relationship with firm performance for Singaporean SMEs operating in China.

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Batjar gal (2003)	- To examine the impact of entrepreneurs' social capital on their firm performance and in which various aspects (structural, relational and resource) of personal social networks of entrepreneurs affect financial performance (revenue and profit margin) of their firms.	-Empirical study - interviews with 75 Russian entrepreneurs in (1995), and the follow-up with 56 original respondents in (1999) in post Soviet Russia.	Personal social network: 1) Structural network: -Network size -Network heterophily 2) Relational network: -Strong ties -Weak ties 3) Resource network: - Network resourcefulness -Resource mobilisation	Control Variables: -Industry (banking, trade, manufacturing & the resource sector), -Firm size (large, medium & small), region (Moscow, Yekaterinburg, Petrozavodsk) -firm origin new venture versus privatized	Firm performance: - sales growth, -operating profit margin -Return on assets	- Relational embeddedness and resource embeddedness have direct positive impacts on sales growth, profit margin and return on assets in contrast to structural embeddedness that has no impact on performance. - Having many weak ties and being able to mobilise financial resources from rich and powerful contacts enables entrepreneurs to increase their revenues and profits.
Pressey & Tzokas (2004)	To examine the degree to which export relationships can be sustained over time, thus producing mutual benefits	-Empirical study -mail survey -212 UK export managers from a broad range of industrial	relationship elements: -Social bonds Trust: -Competence -Contractual Commitment: -Affective	----	Relationship performance: -Value -Quality -Comparative Profitability -Relationship costs	-There is some weakening of the relationships over time as is illustrated in terms of the reduced level of affective commitment; however, perceptions of competence and performance show signs of significant increase. - Exporters in relationships with a high relational content (e.g. trust,

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	for the parties involved.	sectors.	-Calculative			commitment) generally achieve higher than average Performance outcomes.
Zhou, Wu & Luo, (2007)	To examine the mediating role of Guanxi related social networks in the relationship between internationalization and performance.	-Empirical study -To conduct interview -based questionnaire surveys with top managers. -A sample of 250 firms. -Final sample 129 SMEs. -Interview with 30 respondents	-Outward internationalization -Inward internationalization	Mediator: Guanxi Control Variables: -Firm age -Firm ownership -Competition intensity -Market uncertainty -Technology complexity	-Export performance: -Profitability performance -Sales performance	-Strong support for mediating effect on export performance, some support on profitability performance and little support on sales performance.1) Guanxi networks mediate the performance impact of outward internationalization on both export growth and profitability growth, but not on sales growth; instead outward internationalization is found to directly affect sales growth;2) Guanxi networks mediate the performance impact of inward internationalization only on export growth, suggesting possible inward-outward connection (Korhonen, Luostarinen and Welch (1996) among the internationalizing SMEs.
Chen, Tzeng, Ou & Chang, (2007)	To examine empirically the relationship among social capital, entrepreneurial orientation, organizational resource, and entrepreneurial performance for	-Empirical study -Mailing questionnaire -population: 510 qualified new ventures In Taiwan in 2004, of the traditional and electronics	Social capital: - Social Interaction -Relationship Quality -External Network Entrepreneurial orientation: -Autonom -Innovation -Risk Assumption -Proactivity -Enthusiasm	Environment al uncertainty: -Government -Technology -Customers -Economic -Conditions - Intensity of rivalry	Entrepreneurial performance: -Return on investment -Return on equity -Return on assets - Sales growth -Profit growth	- Significant relationships between social capital and entrepreneurial performance for new ventures. -Robust relationships between social capital and organizational resources for new ventures. -Strong correlations between organizational resources and entrepreneurial orientation. -new ventures' social interaction, relationship quality and external

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	new ventures.	manufacturers & a total of 104 qualified observations were collected.	Organizational Resources: -Marketing Capability -Technology Capability	-Social conditions.	-Growth on number of employees -Market share growth.	network become more favorable, their growth increases. -Autonomy, innovation, and proactivity positively influence new ventures' growth.
Watson (2007)	To examine association between the networking activities of owners and SME performance.	-Empirical study -Data collection self-administered questionnaires distributed by the ABS in 1994-98 Sample was representative of the population of Australian SMEs at the time of the surveys. -5014 firms	Formal Networks: -Banks -Business consultants -Industry associations -Small Business Development Corporation -Solicitors/Lawyers -Tax office -Average for formal networks. Informal networks: -Family and friends -Local businesses -Others in the industry -Average for informal networks -Average for all networks	Control variables: - Firm age Industry - Firm size	Firm performance: -Survival -Growth -Return on Equity (ROE)	-Significant positive relationship between networking (particularly with formal networks such as external accountants) and both firm survival and, to a lesser extent, growth, but not ROE. -Network intensity is found to be associated with survival, and network range with growth.
Wu (2008)	To investigate the mediating role of information sharing in the relationships between dimensions of	-Empirical study - Questionnaire -108 Hong Kong-based Chinese family-owned firms	Social capital: -Network ties -Repeated transactions -Trust	Mediator: Information sharing Control variable:	Firm Competitiveness improvement	-Information sharing plays mediating role in the relationships between three dimensions of social capital (trust, network ties, and repeated transactions) and firm competitiveness improvement.

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	social capital and firm competitiveness	from the manufacturing sector -Interviews with 10 additional CEOs		-Firm size -Firm age		
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Social networks as mediator

Ellis, (2000) has stressed international marketing for obtaining complementary resources and information involves an exchange between partners. Transfer of information precede economic exchange due to entrepreneurial opportunity (Thomas and Araujo, 1985; Ellis, 2000) that is very important in the beginning stages of relationship rooted in the field of social network theory that emphasizes the transmission of valuable information by interpersonal networks (Rogers and Kincaid, 1981; Weiman, 1989). It can link people in different social groups as bridging ties, develop foreign market opportunities and facilitate exchanges and market negotiations with foreign intermediaries (Ellis and Pecotich, 2001; Harris and Wheeler, 2005).

Social networks as channel for information and knowledge enjoy with some support and empirical research in the literature includes, motivate awareness of foreign market opportunities (Reid, 1984; Gould, 1994); effect export initiation (Ellis and Pecotich, 2001); recognize foreign exchange partners (Ellis, 2000); Provide tacit knowledge about international business activities (Eriksson, Johanson, Majkgard, and Sharma, 1997; Sharma and Blomstermo, 2003; Haahti, Madupu, Yavas, and Babakus, 2005) and deep international vision and managerial openness (Chen, 2003; Yeoh, 2004).

These studies recognize value of social network ties is as knowledge of foreign market opportunities and experiential learning about business activities in foreign countries. Social ties refer to firm's personal trust of economic interactions that engage with external parties (Burt, 1997; Stuart, Hoang, and Hybels, 1999), that benefit of referral trust and solidarity increase legality and dependability and also decrease uncertainty by external parties (Zaheer, 1995; Xin and Pearce, 1996). International firms seek adequate mechanism for resources, information and knowledge, entrepreneurial opportunities (Zahra, Ireland, and Hitt, 2000), that social networks can help them to obtain benefit of special information.

Zhou, Wu, and Luo, (2007), found three specific information benefits that describe the mediating mechanism of social networks include 1) "Knowledge of foreign market opportunities, 2) advice and experiential learning and 3) Referral trust and solidarity by a third party". They suggested these benefits help internationalizing firms to maintain lack of resources that prevent firm's international development (Lu and Beamish, 2001), create legality and dependability, facilitate new capabilities development, and lower risk for international improvement (Zaheer, 1995). On the other hand, Hutchings and weir, (2006a), in the study of understanding networking in Islamic and Non-Islamic countries found that business in both regions engage a social network of interpersonal connections rooted in family and kinship ties. It relates to "exercise of power, influence and information-sharing by social and politico-business networks". Informal network arise of performance of several social stages comprise of "Central to the transmission of knowledge and Creation of opportunity".

Therefore, based on this evidence that mentioned above, there are some information benefits to describe mediating mechanism of social network and support for fifth research question of this paper as "Does social network mediate between firm internationalization and export performance?" Hope that present paper can offer better understanding of the firm internationalization concern of various structures of social networks.

DISCUSSION AND CONCLUSION

This range of research emphasizes to the important role of informal social network as a strategy to acquire knowledge and information and capture business opportunities in international arena. It can be lead to survey the potential contribution of social networks to

the internationalization process of firms may lead to improve firm export performance. It can contribute to the international and relational marketing.

Implications of this paper offer the viewpoint of social network to describe firm performance of internationalization and importance role of interpersonal ties through external network surrounded firms. It can enhance the structure of globalization of trading firms. It can be also as a guideline for policymakers to support the government's export programs for the firm's internationalization through focus on interpersonal capabilities and capture opportunities by social networks (Welch et al., 1998; Fischer and Reuber, 2003; Zhou, Wu & Luo 2007). Most of researches in this area are related to among or between western, European countries and also Non-Islamic countries. Therefore, there is lack of research in stream of firm internationalization impact of social networks in Islamic countries. This paper addresses to informal networks, there is need to investigate connection between informal social networks and formal business relationships. Future research is needed to investigate other possible structures of social networks and other orientations of internationalization.

According to above literature and discussion on conceptualizing of several studies, results of four empirical researches and two case studies have showed that social network and foreign partnership have positive effects on internationalization process, knowledge of foreign market opportunities, international experience and international knowledge. In the case of interrelationship social network and export performance results of six empirical studies have illustrated relational elements of social network has positive effect on economic export performance and its indicators such as sales growth, profit growth and so on. These studies have also showed that relational elements can increase non-economic export performance such as market expansion and competitive positioning and so on.

The study of Zhou, Wu & Luo (2007) found strong support for mediating effect of business relationship (Guanxi) on export performance, some support on profitability performance and little support on sales performance. Guanxi networks mediate the performance impact of outward internationalization on both export growth and profitability growth, but not on sales growth; instead outward internationalization is found to directly affect sales growth; Guanxi networks mediate the performance impact of inward internationalization only on export growth. It is hoped that more examination of empirical study on mediating effect of social network in the relationship between firm internationalization and export performance.

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