

**The role of business relationships between SMEs and network actors
in defining standardisation and adaptation strategies of SMEs:
insights from business-to-business firms
engaged in international activities**

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Abstract

This study explores the relationships of small and medium-sized firms (SMEs) with actors in business to business (B2B) networks settings in order to identify factors influencing the standardisation/adaptation of SMEs' marketing strategies. A comparative case study method is implemented using data collected from 18 cases. Initially, intra-case analysis is carried out to explore 20 dyadic relationships and 16 triadic relationships across all four primary cases from the sample. Cross-case analysis is then undertaken to triangulate the results across the cases. An open and axial coding method is used to develop themes from the primary data collected through in-depth interviews from owner-managers of SMEs. The results reveals dyadic and triadic relationship factors and interaction between actors and SMEs in business networks, affect international marketing decisions such as the standardisation or adaptation of marketing programmes. Relationship factors such as trust, commitment, power and dependency, and social ties reduce the effects or aggravate the extent of standardisation/ adaptation. It is also revealed that not all actors interacting with a focal firms influence all marketing mix elements. The findings confirm that actor's interaction with SMEs' in dyadic and triadic relationships not only influences but also moderates the standardisation or adaptation of marketing mix elements. The result reveals that owing to the nature of relationship between two nodes in the business network, price is the most-influenced strategic marketing decision. It is found that non-relational factors, such as nature of the product and product's quality or size negatively moderate the relationship factors' influence on the standardisation or adaptation strategies of SMEs. This research offers a theory which is consistent with the concept of relationships due to interactions in business networks affects the strategic decisions of focal firms such as standardisation/adaptation, making a novel contribution to existing knowledge on the standardisation/adaptation of marketing programmes by SMEs.

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Abbreviations

B	Bank
B2B	Business to Business
CA	Cargo Agent
Com	Competitors
CU	Customers
EPB	Export Promotion Bureau
EPZA	Export Promotion Zone Authority
ESRC	The Economic and Social Research Council
FM	Food Manufacturing
Gov	Government
IIN	Industrial Information Network
IMP	International Marketing Group
LM	Leather Manufacturing
MNCs	Multi-national Enterprises
OBM	Original Brand Manufacturer
ODM	Original Design Manufacturer
OEM	Original Equipment Manufacturer
P	Proposition
PC	Primary Case
PGMA	Pakistan Gloves Manufacturing Association
PRG	Pakistan Readymade Garments
PSIC	Punjab Small Industries Corporation
SBA	Small Business Administration
SGMA	Sports Goods Manufacturing Association
SM	Sports Manufacturing
SMEDA	Small and Medium Size Enterprise Development Authority
SMEs	Small Medium Size Enterprises
ST/AD	Standardisation/Adaptation
MPS	Marketing program standardization
SU	Supplier
SuM	Surgical Manufacturing
UAE	United Arab Emirates
UK	United Kingdom
USA	United States of America

1. Introduction

1.1 Rationale for research

Since the late 1980s, there has been remarkable growth in the number of small to medium-sized enterprises (SMEs) and their participation in international business, in which networks had played a substantial role. The literature reveals the impact of strategic marketing planning and the use of networks as benchmarks for the success of SMEs in international markets (Carson et al., 2004). In Pakistan, a developing economy, the government has undertaken several initiatives to support SMEs in doing business internationally. One of its major contributions has been the establishment of Small and Medium Enterprises Development Authority in 1998. The government of Pakistan has also established several other bodies, such as the Export Promotion Bureau (EPB), which are designed specifically to assist small to medium-sized enterprises in doing business successfully in international markets. Several projects have been launched under each of these bodies to promote exports from Pakistan, such as the Women Business Development Centre (WBDC), the Industrial Information Network (IIN) and cluster development (SMEDA, 2007). The government of Pakistan has initiated these projects in recognition of the importance of networks and how crucial they are for the success of SMEs. The IIN (www.iin.com.pk) helps businesses to connect with other businesses or stakeholders, and facilitates business in Pakistan, focusing particularly on small to medium-sized enterprises. It is the first dual-purpose portal, providing business to business (B2B) and information services to businesses in various industrial sectors in Pakistan. There is growing recognition of the essential role that networks play in running businesses successfully, especially in international business and foreign exchange earned through

SMEs. SMEs contribute around 60 per cent of total exports from Pakistan and the government needs to invest more in small to medium-sized enterprises in order to bring more prosperity and economic growth to the country.

It is difficult for SME owner-managers to run business at international level without interacting with other organisations such as industrial networks. Research has also shown that networks not only play a vital role in running businesses successfully but may also influence strategic and marketing decisions (Carson et al., 2004). SMEs interacts with other businesses, such as suppliers, distributors, competitors, customers and various stakeholders that influence their marketing decisions, (Easton and Hakansson, 1996). This implies that there is a need to study how these networks influence SMEs' international marketing decisions in a competitive business environment.

There are industrial zones in Pakistan, such as the Export Promotion Zone Authority (EPZA), which are geographically spread across the country, in Karachi, Saindak, Risalpur, Sialkot and Gawadar, which is the most recent EPZ to be established. In these industrial zones the government operates special policies to support all businesses in Pakistan, which may result in the development of business clusters in these areas. The research undertaken for the current study focuses specifically on Sialkot EPZ's joint venture with the Punjab Small Industries Corporation (PSIC), and most samples for analysis are taken from there. These industrial zones also result in the clustering of industries in particular geographical areas, a phenomenon which has potential for future research. These industrial networks and the interaction between firms potentially influence the international marketing strategies of SMEs, which is the topic of this research. This research focuses on how relationships in business networks influence strategic international marketing decisions such as standardisation

or adaptation of the marketing programmes of SMEs in industrial networks within an emerging economy such as Pakistan.

1.2 Scope of the research

In today's dynamic world, a huge number of SMEs are engaged in international business (McDougall and Oviatt, 1996, Lu and Beamish, 2001, Lu and Beamish, 2006, Ayyagari et al., 2007). SMEs' contribution to business in most developed economies, such as the USA and Japan, is enormous i.e. 95-99 per cent of firms are SMEs (Sanidas, 2002). In developing countries, more than 90 per cent of small and medium enterprises along with micro enterprises contribute a significant proportion of GDP (WBCSD, 2004) . Hence, SMEs account for more than 99 per cent of total businesses in Pakistan (Kureshi, 2009). The ratio of SMEs in international foreign direct investment has increased rapidly, confirming that SMEs' involvement in international markets has also increased significantly in recent years (Kirby and Kaiser, 2005). Often facing the similar questions: for example, should we introduce the same product into other countries or do we need to make certain changes; or, what should our pricing strategies be for different countries? , these SMEs entail more thrust for better planning and strategic decisions to carry on the business successfully. In such scenarios, firms either standardise or adapt the elements of their marketing mix by developing international marketing strategies (Sustar, 2004, Dimitrova and Rosenbloom, 2010, Hise, 2010, Hoc Le and Quang, 2010, Brei et al., 2011, Schmid and Kotulla, 2011, Virvilaite et al., 2011, Constantinescu-Dobra, 2011). Firms often adopt a contingency approach because complete standardisation or complete adaptation may be possible but is undesirable (Thrassou and Vrontis, 2006, Buzzell, 1968, Quelch and Hoff, 1986, Douglas and Wind, 1987, Jain, 1989).

Although the concept of standardisation/adaptation in international marketing is nearly half a century old, researchers have still not reached a consensus on a definition (Alimienė and Kuvykaitė, 2008). According to Sorenson and Wiechmann (1975), standardisation of marketing strategy refers to offering a common marketing programme and/or process on a national, regional or worldwide level. Another, more simple definition given by Calantone, et al. (2004) defines standardisation as ‘selling essentially the same product in all markets’. These researchers use the terms ‘adaptation’ and ‘localisation’ synonymously, but this research uses only the term adaptation. Adaptation is crucial in many cases owing to differences between buyers living in different countries and regions (Solberg and Durrieu, 2008). Adaptation means changing one’s product and other elements of the marketing mix to meet the needs of differing markets (Crick and Bradshaw, 1998). At the other extreme, product adaptation refers to the degree to which the physical characteristics or attributes of a product and its packaging differ across national markets (Cavusgil et al., 1993). Research has been carried out not only into product adaptation, but also into price adaptation (Sousa and Bradley, 2009), promotion adaptation (Cavusgil Zou et al., 1993), and distribution channel adaptation (Vrontis, 2003, Powers and Loyka, 2010).

Exploring the literature on business networks and strategies, reveals that, the International marketing and purchasing (IMP) Group’s extensive research is available on business networks suggesting that not only the firm’s processes are standardised or adapted by focal firms in business networks, but it also has raised the question that marketing mix programs in these organisations may also be standardised due to network influence on strategic marketing choices, which is relevant to the current study. As the number of SMEs doing international business is growing faster than ever before (Lu and Beamish, 2001), it is becoming more vital to develop successful

international marketing programmes for SMEs along the standardisation/adaptation continuum.

SMEs rely more on networks of international markets than MNCs because these small firms lack resources as compared to large firms (Moen and Servais, 2002, Hung, 2006, Shaw, 2006, Carson et al., 2004). Research on networks suggests that they enhance competitiveness helping to develop and strengthen the enterprises (Wincent and Joakim, 2005). A review of the literature suggests that few studies have described the impact of networks on SMEs' marketing activities (Tell, 2000, Rocks et al., 2005, Gilmore et al., 2006b, Carson et al., 2004). The influence of networks on standardisation/adaptation decisions regarding the marketing mix is still largely unexplored.

1.3 Historical background of research topic

The debate over standardisation/adaptation in international marketing dates back over fifty years. In the early 1960s, research focused on the standardisation or adaptation of advertisements, and on ascertaining the benefits, costs, limitations, obligations, possibilities and extent of standardisation of advertising. The most common research theme was standardisation/adaptation strategies pertaining to the promotion and products of MNCs, mainly in developed countries in North America and Europe (Elinder, 1961, Roostal, 1963, Fatt, 1967, Sommers and Kernan, 1967, Buzzell, 1968, Ryans and Donnelly, 1969, Chung, 2003b, Theodosiou and Leonidou, 2003).

From the late 1970s, with the development of more advanced quantitative tools and the use of computer software, researchers began to explore more quantitative aspects of standardisation/adaptation. Most research investigated standardisation/adaptation decisions in MNCs as a programme or process (Jain, 1989) and the degree of

standardisation/adaptation of the marketing mix (Sorenson and Wiechmann, 1975, Buckley and Casson, 1976, Dunning, 1977, Jain, 1989) . Waheeduzzaman and Dube (2004) summarise the overall trends in standardisation/adaptation since the 1960s. They find that, in the 1980s, product and promotion were prominent in the standardisation/adaptation field, whereas in the 1990s some attention was given to price and the distribution of the marketing mix. In the 2000s, the number of empirical studies continued to rise, focusing again on themes of product and promotion (Cheon et al., 2007, Calantone et al., 2004).

SMEs are seen as emergent firms in international markets, prompting a need for further exploration of SMEs from a standardisation/adaptation perspective (Chung (Chung, 2003a, Carson et al., 2004, Kanso and Nelson, 2006, Ha et al., 2008, Schilke et al., 2009). There are other reasons as well for studying SMEs' standardisation/adaptation of marketing programmes, such as the SMEs may differ from MNCs on the basis of differences in size (Etemad, 2004), which influence the planning of firms (Baired et al., 1994). Majority of research work has been carried out on the global strategies of MNCs (Tsai and Ghoshal, 1998, Roth, 1992, Prahalad and Hamel, 1993), however the international strategic options of small firms have not been studied in depth (Baired et al., 1994, Lu and Beamish, 2006, Tseng et al., 2004).

In recent years the literature suggests that research has focused on the standardization/adaptation of marketing strategies and export performance for the firms (Zaiem and Zghidi, 2011, Chung et al., 2012b). Another aspect of recent research on standardization/adaptation is the influence of intra-national cultural heterogeneity on product standardization and adaptation (Poulis et al., 2013). A meta analysis by Tan and Sousa (2013), focuses on the implications of the existing research

on standardization of marketing strategies and conclude with future research on the topic.

Griffith et al., (2014) has worked on the marketing process adaptation for new product performance implications in export markets. This research paper has enormous contribution in existing literature on standardization/adaptation of marketing processes from relational behavioural aspect, which creates an urge to explore the standardization/adaptation of marketing programs using relational behavioural factors for firms selling internationally.

1.4 Research problem to be investigated

The vast majority of previous studies of the standardisation/adaptation framework have focused on developed countries (Elinder, 1961, Roostal, 1963, Fatt, 1967, Sommers and Kernan, 1967, Buzzell, 1968, Katsikeas et al., 2006, Okazaki and Skapa, 2008) and primarily on large, established multinationals and their strategies for internationalisation of marketing mix elements in terms of measuring export performance and sales (Elinder, 1961, Roostal, 1963, Fatt, 1967, Sommers and Kernan, 1967, Buzzell 1968, Ryans and Donnelly 1969, Chung, 2003, Vrontis, Thrassou et al., 2009). Therefore, over many years an extensive body of knowledge has been built up using the standardisation/adaptation framework, examining how large firms market their products to/from developed, mainly North American and European countries (Sorenson and Wiechmann, 1975, Wiechmann and Pringle, 1979, Johnson and Arunthanes, 1995, Quester and Conduit, 1996, Katsikeas et al., 2006).

Compared with the above research on MNCs, fewer studies have explored standardisation/adaptation in the context of SMEs. Very few studies have focused on SMEs' strategic marketing programmes (Baird, Lyles et al., 1994, Lu and Beamish

2001, Etemad, 2004, Tseng Tansuhaj et al., 2004, Lu and Beamish 2006) in developing countries (Tambunan, 2005) or, more specifically the role of networks, SME networking and the strategic approach (Carson et al., 2004, Rocks, Gilmore et al., 2005, Shaw 2006, Elango and Pattnaik 2007, Zhou, Wu et al., 2007).

As SMEs have become increasingly active in the international arena, investigation of the topic in the small business context has attracted more attention in recent years (Tseng et al., 2004). Networks inevitably influence firms' strategies in developing countries. Extensive research suggests that, even in developed economies, firms are permeated by numerous relationship networks, some of which may drive their strategies and performance (Peng and Zhou, 2005:323). Studies of standardisation/adaptation have not considered how SMEs in emerging economies develop their marketing programmes along the standardisation/adaptation continuum under the influence of relationship factors in business networks. Research has not been carried out into how relationship factors and non-relationship factors in dyadic and triadic relationships B2B networks influence standardisation/adaptation of marketing programmes by SMEs. Networks enable SMEs to do business more effectively in international markets by providing the links and resources they lack. Little research to date has explored the concept of marketing networks and marketing networking in any depth (Carson et al., 2004). Therefore, there is a need to explore strategic marketing behaviour within the standardisation/adaptation context of SMEs dealing with actors in business networks.

Empirical studies on standardisation/adaptation appear to comprise the majority of the literature and are proliferating more quickly than discussion or conceptual papers. More specifically, 53 per cent of studies are empirically based on all elements of the marketing mix, while discussion and conceptual papers comprise 47 per cent of

studies (Jain, 1989, Waheeduzzaman and Dube, 2004, Tan and Sousa, 2013). This paradigm clearly indicates the weak standardisation/adaptation conceptual framework resulting from a lack of strong theoretical work (Ryans et al., 2003: 588). As most work on standardisation/adaptation has focused on MNCs in developing countries, Zou, Andrus et al. (1997:107) argue that:

A major gap in the literature is whether our current knowledge can be generalized to foreign companies in other nations, especially the developing world. However, almost all previous research has been conducted from a US-firm perspective.

The almost exclusive use of quantitative techniques in North American and European countries has contributed little to the generalisation of a theoretical and conceptual framework for standardisation/adaptation in the field of international marketing (Sorenson and Wiechmann, 1975, Wiechmann and Pringle, 1979, Johnson and Arunthanes, 1995, Quester and Conduit, 1996, Katsikeas et al., 2006). Consequently, the results cannot be generalised from specific countries. Most of research available in the area of international marketing strategies such as standardization/adaptation over the last forty years has lacked empirical verification (Levitt, 1983, Ryans and Donnelly, 1969, Kernan and Domzal, 1993, Wills et al., 1991, Harvey, 1993), and ‘of the empirical research that has been conducted, most has been either replicative in nature, or encumbered in small theoretical advances, thus generating a status of stagnation in thought and action related to the topic’ (Ryans et al., 2003:589).

A review of the literature has identified a gap in the general theoretical/conceptual framework of standardisation/adaptation (Jain, 1989, Ryans, Griffith et al., 2003, Waheeduzzaman and Dube 2004, Tan and Sousa, 2013). In addition, theoretical and conceptual research into SMEs focusing on developing countries has been quite limited in the international area (Gilmore et al., 2006a, Shaw, 2006, Elango and

Pattnaik, 2007). The current research will fill the gap by focusing entirely on qualitative research on this theme.

In order to plug the gap in the literature resulting from a weak theoretical/conceptual framework based on the common quantitative research approach, this research focuses on qualitative research into international marketing decisions on standardisation/adaptation (Jain, 1989, Ryans, Griffith et al., 2003, Waheeduzzaman and Dube, 2004). Since, over the last fifty years, most research has been carried out on developed countries and on MNCs, this research highlights how SMEs from developing countries market their products internationally along the standardisation/adaptation continuum, considering networks and their influence on international marketing decisions. The literature reveals that networks influence the marketing activities of SMEs in international markets (Gilmore et al., 2006, Shaw 2006, Elango and Pattnaik 2007), suggesting that it will also influence these firms' marketing decisions in these markets (Carson et al., 2004, Gilmore, et al., 2006). Focusing on a non-typical, under-studied emerging economy such as Pakistan will make an important contribution to the existing research, giving an insight into the standardisation/adaptation of SMEs in less developed countries. In addition, this research will investigate the influence of networks on standardisation/adaptation strategy of SMEs from developing countries specifically focusing on trust, commitment, power and dependency, strong and weak ties among SMEs and network actors within b2b context which is yet to explore.

The SMEs from developing countries involved in international marketing activities are heavily relying on networks for various reasons such as information of international markets, resource utilization, improving supply chain, to have better export performance and help identifying the better international opportunities (Julien

and Ramangalahy, 2003, Zhou et al., 2007, Prashantham and Young, 2004, Spence and Crick, 2006, Prashantham, 2006). In literature review it's been found that majority of work has been done on SMEs internationalization using network approach (Chetty and Blankenburg Holm, 2000, Sharma and Blomstermo, 2003), but very limited work is available on networks influences on marketing activities of SMEs (Carson et al., 2004). Whereas to the best of my knowledge none has done any work on 'network influence on standardisation/adaptation strategies of SMEs.

Business networks have been studied by many authors for SMEs (Ahlström-Söderling, 2003, Curran et al., 1993, Ellis, 2011). For theoretical foundation of business networks, the International marketing and purchasing group (IMP) formed in the 1960s, made a major contribution to the field and the network phenomenon has been researched intensively for over half a century. The industrial networks paradigm, which sprang from the original work of the IMP group in the late 70s, (IMP Group, 1982) has resulted in the publication of many hundreds of journal articles, books and book chapters, and conference papers.

The traditional approach of the International Marketing and Purchasing Group (IMP) includes an interaction process model showing buyer-seller relationships, which is part of understanding how owner-managers and their customers interact in business networks while selling in international markets (Håkansson, 1982). The interaction approach shows actors interacting and relating with focal firms in industrial networks and markets (Håkansson and Snehota, 1995), and the dyadic business relationships (Anderson et al., 1994) used in the conceptual framework.

The current research is limited to applying theories mainly from the industrial network and interaction approach, (Håkansson 1982, Håkansson and Snehota 1995a)

by the industrial Marketing and purchasing group. The chosen approach 'Interaction approach' offers a relevant theoretical framework to analyse standardization/adaptation in business dyads and triads relationship settings. Adaptation of processes has been a central concept in the industrial network approach. The IMP group researchers emphasise the role of the entire network and its actors, activities and resources (Gadde and Hakansson, 2001).

Moreover, business dyads and triads are well used concepts in earlier IMP research, both as a research perspective (for example Havila, 1996). Further, the focus of my research is more on relationships as they are what they should be, which is in line with the IMP research, emphasising describing, understanding and developing relationships in business networks. This research study on dyadic and triads relationship settings has its roots in sociology and specially when considering the strong and weak ties as one of the relationship factor used in the conceptual framework. The growing interest of scholars in business network research shows very bright prospectus for this research work in coming five year. There are number of articles published in 2014/15 on this area of network research such as strategic responses to power dominance in buyer-supplier relationships (Maria Jesus Saenz et al., 2015); a process perspective on trust in buyer-supplier relationships (Akrouf, 2015); Buyer-supplier embeddedness and patterns of innovation (Kim et al., 2015); opportunism in buyer-seller relationships (Kang and Jindal, 2015).

As traditional marketing planning is not very useful when it comes to the business networks and international strategies (Moller and Halinen, 1999), this research will explore how relational and behavioural factors in business networks can influence SME's international marketing strategies. It's clear from the literature that there is huge research gap for the network's influence on standardisation/adaptation strategies

of B2B SMEs specifically from developing countries. This research work will contribute to the existing literature by offering the theory on how SMEs and its relationships with network actors influence standardization/adaptation strategies.

1.5 Research objectives

The main focus of the research is the issues that are faced by SMEs of developing countries marketing products internationally in standardisation/adaptation continuum considering networks influences on firm's standardisation/adaptation decisions.

Given the emergent role of SMEs in international markets, the objective of this research is to shed more light on the role of networks actors interacting with SMEs in Pakistan and how behavioural and relational factors, such as trust, commitment, power and dependency, and social ties impact on their marketing programmes along the standardisation/adaptation continuum. It explores how these relational factors or intervening factors and reduces the effects or aggravates standardisation/adaptation strategies in the dyadic and triadic relationships of focal firms with actors in a business network. The aims of the research are:

- To shed more light, in general, on how SMEs from developing countries interact with actors in business networks and develop their marketing programmes along the standardisation/adaptation continuum.
- To explore, in particular, the influence of relationship factors such as trust, commitment, power and dependency and social ties due to the interaction of b2b network actors with SMEs on the formation of standardisation/adaptation strategies by SMEs from Pakistan.

1.6 Research questions

Two broad questions arise from the research objectives:

Question 1: How the interaction between actors and SMEs in business networks influence SMEs from Pakistan to develop its marketing programmes internationally along the standardisation/adaptation continuum?

Question 2: How do business network characteristics or relationship factors such as trust, commitment, power and dependency and social ties in SMEs interaction with actors reduces the impact or aggravates the standardisation/adaptation decisions taken by SMEs?

Based on the literature review and initial stage of data analysis , it's been found that there are certain non-relational factors which reduces the effects or aggravates influence the standardization/ adaptation decisions for industrial products such as nature of product or industry (Jain, 1989), and size of the firms (Etemad, 2004). Considering this following research questions were added:

Question 3: Does the nature of the product influence an SME's decisions on the standardisation/adaptation of its product?

Question 4: Does the size of the firm influence the standardization/adaptation taken due to the network actor's influence?

1.7 Research approach

Based on the qualitative nature of the research questions, a case study method was selected to explore the research questions in detail, taking SMEs from developing countries such as Pakistan as the unit of analysis. The feasibility of the research questions were tested using pilot interview guide. Four primary cases were analysed

using both within-case and cross-case analysis methods at first stage of data analysis. A snowball sampling method (Patton, 2002) was used, and in-depth interviews were analysed using open and axial coding adding further a content analysis as method to identify concepts, themes and categories. Within-case and cross-case analysis (Miles and Huberman, 1994a) allowed the investigation of each case individually, followed by a comparison of all 18 cases collected as primary data for the research.

1.8 Structure of thesis

This thesis comprises eight chapters, as follows.

Chapter one briefly introduces the historical background, the purpose of the research, the research questions, the research methodology and the expected contribution to existing literature on the topic.

Chapter two discusses the literature on standardisation/adaptation regarding the international marketing strategies of MNCs generally and SMEs more specifically. The role of B2B networks in the marketing strategies of SMEs, and theoretical standpoints, frameworks and key theoretical concepts are synthesised to show how the frameworks have developed over time in the existing literature.

Chapter three develops the research context of Pakistan's SMEs. Firstly, it reviews the literature on SMEs from Pakistan selling their products in international markets. Secondly, it describes the role of SMEs in Pakistan's economy and their contribution to the overall growth of the country. Finally, it examines how SMEs from developing countries develop international marketing strategies.

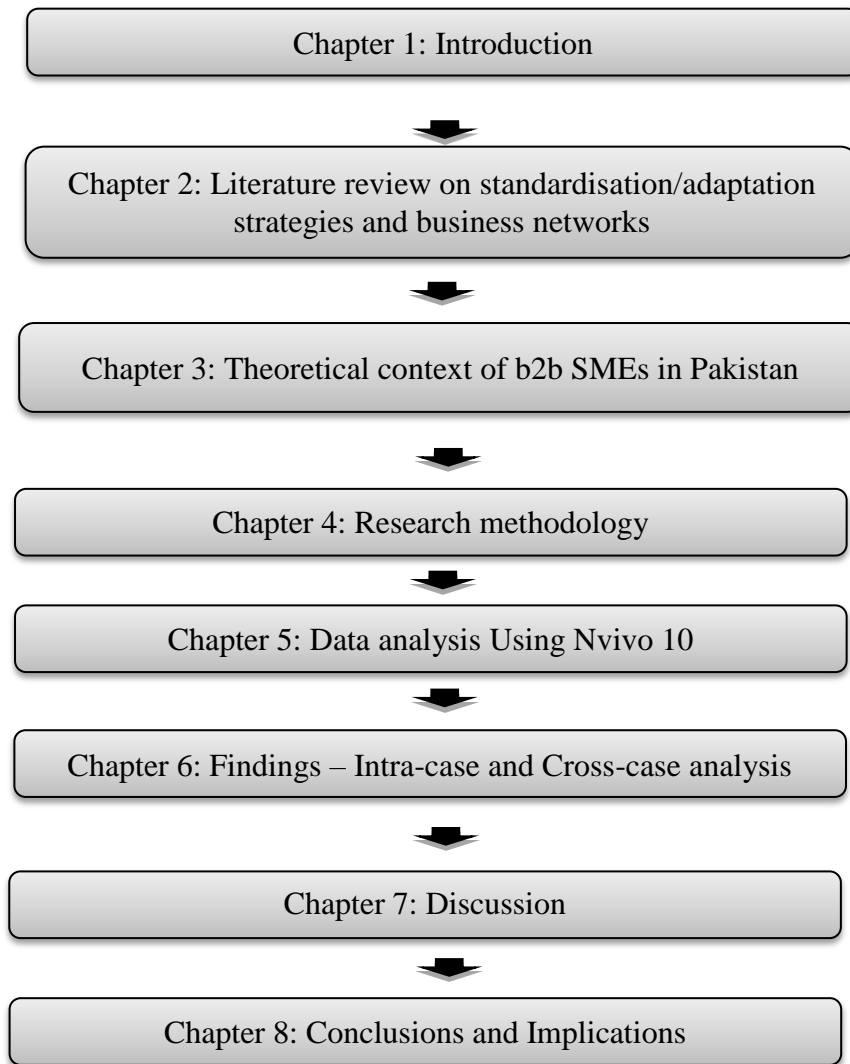


Figure1. 1: Structure of Thesis

Chapter four explores suitable research methods for the qualitative case study. It also presents an empirical research framework for data analysis based on a two-stage process.

The data analysis is based on a two-stage process. In stage one, SMEs with B2B networks are analysed using open and axial analysis of in-depth interviews with owner-managers, and subsequent interviews with network actors such as suppliers, cargo agents, customers, competitors and government as part of the network,

considering these as mediating factors. Axelsson and Easton (1992) perceive that, in a dyadic relationship, partners in a direct relationship are influenced by both partners of the dyad.

The pilot interviews are used to refine the interview guide, modify the initial research questions, and assist in finalising the conceptual framework.

Chapter five consists of data analysis using NVivo 10. This chapter discusses in detail how NVivo 10 is used to develop nodes, codes and themes. It further discusses the inter-coder reliability and content analysis.

Chapter six presents the findings from the four primary case studies using a within-case and cross case analysis method. Chapter six also includes detail cross-case analysis using Nvivo 10. This chapter also shows the second stage of data analysis for 14 more cases using cross-case analysis.

Chapter Seven discusses the findings of individual case and cross-case analysis of the primary cases. The findings are matched with the research questions identified in Chapter 1 and with the conceptual framework of the thesis.

Chapter Eight provides conclusions and recommendations based on the findings presented in the previous chapter. It presents conclusions based on the previous analysis and discussion. This chapter also discusses the implications of the research results for future research.

1.9 Expected contribution

This thesis aims to tell us something meaningful from network perspective, which has never been documented for standardization/adaptation of marketing programs before. As oppose to the traditional approach where most of the researchers have focused on

how single firms developing their international marketing strategies since last 50 years, this research theorises the link between the SMEs and actors in business networks and its impact on the international marketing strategies which itself is novel contribution to existing knowledge of international marketing strategies in the field of international business.

The main potential contribution of this research is the development of theories or models of the role of networks in facilitating SMEs' standardisation/adaptation of marketing mix elements. Thus, this study offers an interaction perspective in business networks on the international marketing decisions of SMEs along the standardisation/adaptation continuum. Given that the study of networks is one of the most enduring and topical themes in the wider business literature including marketing, one would expect that the international marketing will only benefit for the years to come by adopting an interaction view of the implementation of international marketing strategies across national borders.

The qualitative mode of investigation into SMEs' decisions along the standardisation/adaptation continuum, specifically using the theme of the influence of networks, will contribute to previously unexplored conceptual and theoretical aspects of the theme. The strategic aspects of the research will help managers making international business decisions, as well as governmental associations, clusters and policy makers. This study will contribute to the existing body of knowledge by offering a new and useful interpretation of how manufacturing SMEs from developing countries market their products internationally along the standardisation/adaptation continuum and how the relational dimension of the business networks can influence strategic decisions undertaken by SMEs. This research will also spotlight the great potential to provide guidelines for the policy-

making and managerial decision-making of SME managers and potential stakeholders.

1.10 Conclusion

As the number of SMEs doing business in international markets has increased over the last few decades, they must make appropriate international marketing decisions in order to be more competitive. The SMEs are linked together with other organisations in their local markets and international markets. This research work fills the gap in literature on how SMEs' get influence of other firms in business network for taking international marketing decisions. This chapter is concluded by discussing the contribution of the study on current state of art for international marketing strategies.

2. Literature review

2.1. Introduction

This chapter begins with review of the existing literature on international marketing strategies such as standardisation and adaptation of marketing mix elements in general (Sorenson and Wiechmann, 1975, Roth et al., 2003, Lehrer and Behnam, 2009, Schmid and Kotulla, 2011) . Section 2.2 of the chapter elucidates specifically the standardisation/adaptation of marketing strategies for SMEs (Katz and Safranski, 2003, Larimo and Kontkanen, 2008) . Section 2.3 of literature demonstrates vigorous signs of network's influence on business and marketing strategies of SMEs (Carson et al., 2004, Gilmore et al., 2006b). In section 2.4 the networks for SMEs are reviewed as dyad and triad relationships between SME's and network's actors such as suppliers, buyers, governments, competitors to contextualise the influence of relationships in business networks on marketing decision of SMEs. In section 2.5 next to this are the relationship factors such as trust (Doney and Cannon, 1997), commitment (Morgan and Hunt, 1994), social ties (Granovetter, 1973) and power dependency reviewed in detail to find out the impact on the decisions made by SME's. Section 2.6 elaborates the non-relational factors which can minimize or maximize the influence of relational factors on standardization/adaptation decisions. Section 2.7 discusses how to measure the relationship factors such as trust, commitment, power and dependency and social ties using qualitative construct. The study of business networks for the research is based on strong theoretical approaches including an interaction approach which results due to the inter-organizational relationships (Håkansson, 1982) and within the context of theories related to business networks such 'Markets as networks theory' (Easton and Håkansson, 1996).

The chapter concludes with a view that this research work combines three major fields in marketing research i.e. international marketing, relationship marketing and business network research and identifying the gap in the existing literature on network's influence for standardization/adaptation of marketing strategies.

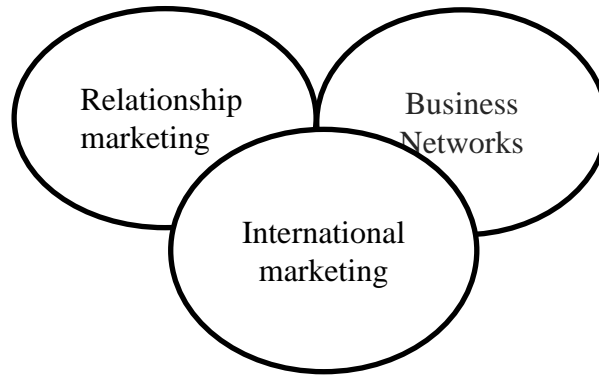


Figure 2.1 Literature review map

Literature previously has suggested that strategic decisions cannot be made in isolation of current and anticipated relationship performance (Hambrick and Snow, 1977). Considering the importance of firm's relationships with other firms in the environment such as the network actors in industrial networks, this research work focuses on developing theory on 'How SME's standardize/adapt its marketing programs under the influence of network actors in dyad and triad business relations. This underlying scenario of SMEs standardization/adaptation strategies under the influence of network relationships shows/contributes to the paradigm shift from marketing management paradigm i.e. conventional marketing strategies based on marketing mix elements to new dilemma of relationship marketing.

Relationship marketing is the paradigm shift from traditional marketing framework i.e. marketing management. Gummesson (2002) defines relationship marketing as 'marketing based on interaction within networks of relationships'. Gummesson (2002) further argues 'A network is a set of relationships which can grow into

enormously complex patterns. In the relationships, the simple dyad as well as the complex networks, the parties enter into active contact with each other. This is called 'interaction'.

Based on the distinction between inter-firms relationships and interaction behaviour by Johanson and Mattsson (1985), the relationship elements of behaviour are usually long-term in nature and are comprised of processes by which firm adjust products, production and routines, whereas interaction represents the day-to-day exchanges of a business. Considering this distinction by Johanson and Mattson (1985), inter-firm relationships have more tendencies to influence strategic decisions of the firm. This research work reconnoitres the interactions between the dyads and triads to further extending to how these interactions results in business relationships. An empirical study by Corsaro, Ramos et al. (2011) evidently established a connection between manager's perception of their surrounding and strategic decision making which affects business relationships also logically support this research work.

The process of relationship marketing lies in the development and growth of trust and commitment among partners and it is described as one of the establishing, developing and maintaining successful relational exchanges (Morgan and Hunt, 1994). Morgan and Hunt (1994) define trust as a 'willingness to rely on an exchange partner in whom one has confidence and commitment as an enduring desire to maintain a valued partnership'.

In business network context Hakansson and Snehota (1995) suggest that a 'relationship is a mutually oriented interaction between two reciprocally committed parties'. Furthermore in the context of this study, the literature suggests that long-term orientation of parties in business networks strongly influence the strategic

decisions of the focal firm (Ganesan, 1994). As this research revolves around two major fields such as relationship marketing and business networks with their impact on international marketing, the literature suggest that international marketing term has been interchanged often with global marketing. According to Van Mesdag (2000), though the terms ‘International’ and ‘global’ do not have a sharp dividing line between them, ‘International marketing’ simply refers to a company operating in more than one country whose marketing strategy in each can be assumed to have been chosen deliberately- from being very diverse to being rigidly standardized between countries, whereas in global marketing, the companies continuously strives to standardize its marketing strategy between those countries. Therefore, for this research work we strictly adhere to the term ‘International marketing strategies’ for standardization adaptation of marketing mix element, rather confusing it with the term ‘global marketing strategies’.

In next section we will start the literature review from standardization/adaptation strategies of firms.

2.1.1 Historical background of standardisation/adaptation

Standardisation/adaptation of marketing mix has been an issue debated frequently in the international marketing literature (Szymanski et al., 1993) for nearly 60 years. More than 300 research articles have been published for standardisation/adaptation in the field of international marketing and international business over the period of 50 years (Schmid and Kotulla, 2011). Albaum and Peterson (1984:162) defines ‘International marketing’ as ‘marketing activities relevant to products or services that directly or indirectly cross national borders’. The importance of standardisation/adaptation decisions was realized in early 60’s by the research

scholars, firms although were involved in international business much before than this realization. Elinder (1961) felt the exigency of standardized advertisement for European countries based on emerging similarities among European consumers, further explained the efficiency, difficulties and obligation for using standardize advertisement for European countries. It was the beginning of new paradigm in international marketing scenario. Initially in 60s major focus was MNCs and standardisation/adaptation of marketing mix elements in European countries or often in comparisons with American markets (Elinder, 1961, Roostal, 1963, Fatt, 1967, Sommers and Kernan, 1967, Buzzell, 1968, Ryans and Donnelly 1969, Theodosiou and Leonidou, 2003), that still continued to be focused on because European Union comprised of many countries jointly make a huge market for MNCs (Eleanor, 1999, Chen and Wong, 2003, Boddewyn and Grosse, 1995, Chung, 2005).

The debate of standardisation/adaptation extended over all possible factors where the firms could take decision of standardisation/adaptation for example standardization/adaptation in managing activities among different department of the firms (Smith and Nichol, 1981). Sommers and Kernan (1967) viewed culture as the most influential factor affecting buying decisions and product, promotion matters comparing cultural differences among Britain's and Americans consumer's perspective. Ryans Jr (1969) explicated the one theme for advertisement, although he focused the differences among audience that leads to more adapted approach in advertisement and finally concluded with the approach tending towards standardisation with the realization of media/ communication development. The degree of standardisation/adaptation in international marketing decisions for MNCs were further explored on such grounds i.e. total marketing programs, brand name, packaging, retail price, basic advertisement message, creative expression, sales

promotion, media allocation, role of sales force, role of middle man, types of retail outlet summing in all 7P's of marketing mix elements (Roth, 1995, Sorenson and Wiechmann, 1975, Levitt, 1983).

Moreover standardisation/adaptation concept had gone to new horizon by introducing new factors including minimization of costs of production/ economies of scale, reducing the cost for product, promotion and placing and further exploring the constraints and issues for standardisation/adaptation by MNCs (Douglas and Wind, 1987, Solberg, 2002). Literature review reveals that more firms tend to standardize the marketing mix strategies for above mentioned reasons. On the other hand research also does not deny the fact of differences in consumers based on cultural and other environmental factors which can results in adaptation of marketing mix. Market conditions in various countries may differ significantly and adaptation to these differences can be critical in the development of marketing strategies (Wind et al., 1973).

Contrary to the standardisation strategy with adaptation for marketing programs some authors emphasize more on adaption such as it's been said that "The era of standardisation is ending. Consumer communities are growing more diverse—in ethnicity, wealth, lifestyle, and values" (Rigby and Vishwanath, 2006:92). According to Quelch and Hoff (1986) 'the decision on standardisation is not a dichotomous one between complete standardisation and customization. Vrontis, Thrassou et al. (2009) appended the theme of standardisation/adaptation for MNC by giving significant and peripheral reasons for MNCs taking decisions to standardize or adapt. The standardisation of marketing program is further explored for performance implication (Masakure et al., 2009, Sustar, 2004).

With the increased involvement of small firms in international markets, the standardization /adaptation research for international strategies has been extended to small firms international marketing strategies (Lanzara, 1987, Bonaccorsi, 1993, Miller, 1993, Knight, 1996, Hamill and Gregory, 1997, Crick and Bradshaw, 1998, Merrilees and Tiessen, 1999, Albaum and Tse, 2001, Dow, 2001, Horby, Goulding et al., 2002, Chen and , 2003, Lages and Montgomery, 2004, Svensson, 2006, Chung and Wang, 2007, Wong and Merrilees, 2007, Larimo and Kontkanen, 2008, Matthyssens, Pauwels et al., 2008, Schilke, Reimann et al., 2009, Spence and Essoussi, 2010, Griffith et al., 2014).

The debate of standardisation /adaptation of marketing strategies for MNCs are nearly half a century old now. Standardisation/adaptation construct has been used by the researchers to identify the extent by which to standardize the marketing mix elements or to adapt. For almost six centuries the researchers focused on benefits and costs that these multinational organizations can bear by standardizing or adapting various marketing mix element centuries. In most recent years the researchers in the light of previous research explored the performance implications of the standardisation, (Yaprak et al., 2011). Literature on standardisation/adaptation has been reviewed by dividing the era's such as 1) 1960-1980 early development of the topic 2) 1980-2000 and 3) 2000-onwards (Boyadgiller et al., 2004). Standardisation has been defined as 'common product, price, distribution and promotion program and processes on the worldwide basis'' (Buzzell, 1968, Jain, 1989). Among various reasons for standardisation of marketing programs and process, some includes economies of scale, a uniform brand and corporate images, simplified planning and coordination (O'Donnell, 2000, Özsomer and Simonin, 2004). Adaptation is usually tailored to national/cultural or contextual specificities of or the market and is responsiveness.

Contingency approach does not favour any of these extreme approaches towards marketing mix strategies. It's a continuum of international marketing strategies along the two poles (Zou and Cavusgil, 1996, Naidu et al., 1993, Jain, 1989, Rau and Preble, 1987, Akaah, 1991).

There is lack of empirical knowledge regarding adapted product practices by firms in given markets (Calantone et al., 2004). 'The literature pays little attention to the contextual factors that may make a market orientation either more or less appropriate for a particular business'' (Kohli and Jaworski, 1990:1). Contingency approach exploit efficiency and responsiveness both (Doz and Prahalad, 1987, Roth and Morrison, 1992). Standardisation seems to be preferred but adaptation is pushing for a more pragmatic view point of market. Key dilemma faced in developing the product for international markets is whether to offer an existing product i.e. a standardized or modified product to the international buyers or produce from scratch. It's not the question whether to standardize the product or adapt the product for international markets, rather to what extent should we adapt or standardize? There are various reasons for standardisation such as, strong cost orientation, advances in communication and travel, transportation, homogenization of preferences, taste and values. In similar there are two major criteria for adaptation i.e. mandatory adaptation or discretionary adaptation. Mandatory adaptation may be done for legal, infrastructural, climatic, economic and organizational reasons. And discretionary adaptation is done by firms for consumers, managerial or competitive reasons.

The researchers find various reasons why we cannot apply MNC's standardisation/adaptation strategies to SMEs, such as SMEs differ in size of the firm from MNCs. The size of the firm does really affect firm's strategies (McDonald, 1995, Etemad, 2004, Baired et al., 1994). SMEs also differs in resource availability

from MNCs therefore SMEs usually adopt strategies according to resources available (Lages et al., 2008a). Standardisation/adaptation strategies for MNCs and SMEs show different results on overall performance of the firms (Schilke et al., 2009). It's been stated that the positive relationship between standardisation and firm performance would be stronger for large firms than for small firms as smaller size makes standardized systems less critical to its functioning (Schilke, Reimann et al., 2009). For MNCs the standardization cannot occur without centralization of marketing decisions across the head office and its subsidiaries (Daniels, 1987). In next section of literature we will explore the work done on SMEs standardization/adaptation strategies.

2.1.2 Programs and processes within standardisation/adaptation context

The concept of programs and processes within standardization/adaptation continuum has been introduced as early as in 1960s (Buzzell, 1968). A standardized process for developing relationships is quite different from a standardized program which refers to the set of specific management tactics used to administer the relationship (Ryans et al., 2000). Process standardisation refers to the uniform management practices (De Búrca et al., 2004). Muhlbacher , Dahringer et al.(1999) considers process standardisation as an attempt to make the procedures of decision-making, implementation and control as similar as possible across all organizational units belonging to the firm or under its control'. For process standardisation/adaptation, the marketing scholars consider that 'it is often more important and feasible to impose uniform systems for international markets planning and decision making than it is to standardize the content of marketing programs (Hagberg-Andersson and Grønhaug,

2010). Jain (1989), describes the process standardization as the use of uniform structures and processes for the design , implementation and control of marketing programs in overseas markets. Whereas the marketing program standardization/adaptation have tendency to develop the marketing strategies for the firms that are applicable and strategies may have future implications. In other words, the marketing management process represents the tools that are used to develop and implement the marketing programs (Cavusgil et al., 1993).

Notwithstanding the limited work on processes aspect of standardisation/adaptation for MNCs, (Shoham et al., 2008) has investigated the international standardisation of channel management and its impact on the behavioural and performance outcomes. The distribution channel standardisation/adaptation within the context of processes is rare (Shoham et al., 2008). In that it is explored the how the management process can be standardized to improve outcomes between the headquarters and subsidiaries. In contrast, standardisation of advertising contents harmed performance, whether measures by sales , profits, or changes therein (Shoham, 1998:74).

2.1.3 Standardization/adaptation of marketing programs

Due to its novelty and non-existence nature of research topic this research work is only confined to marketing programs standardization/adaptation for marketing mix elements. We start with discussing the core concepts of marketing strategies for standardization /adaptation of marketing mix to create the foundation of this research study. According to the (Griffith, 2010) marketing strategy is a means by which firms respond to competitive market conditions. Marketing program standardization (MPS) is defined as ‘the pursuit of similar marketing programs across different countries or regions with regard to product offerings, promotional mix and price and distribution structure (Jain, 1989, Levitt, 1983, Szymanski et al., 1993).

In general the product strategy refers to the degree that a firm standardize or adapts its products/services, inclusive of core and augmented product adaptations to customer's tastes, product quality or safety standards (Griffith, 2010). This definition by Griffith (2010) seems more applicable for consumer products. As this research work emphasize the standardization/adaptation strategy for industrial products, therefore the focus is switched from final customer's tastes, product quality or safety standards to the reseller firm's choices for the products offered by these OEMs. The elements related to the firm's product strategy should be identified first for the purpose of product strategy development. The firm should work to understand how each of the elements is individually influenced by the institutional environment sets the stage for standardization/adaptation decisions (Griffith, 2010). Standardized marketing strategy refers to the degree of standardisation of the content of marketing-mix elements such as product, price, distribution, and promotion programs across national markets (Szymanski et al., 1993, Jain, 1989). The standardisation of marketing strategy is viewed as a continuum with complete standardisation and complete adaptation as the two extremes.

In the debate of standardisation /adaptation of marketing strategies, the contingency approach is considered the middle ground approach. The researchers believe that it is unthinkable to have complete standardisation or complete adaptation of marketing programs(Cavusgil et al., 1993). In most of the studies available on international marketing literature contingency perspective has been used in output variable such as degree of standardisation or degree of adaption (Chung et al., 2012a, Chung et al., 2012b). In 1960's the contingency approach was first used in international marketing research for standardisation of marketing strategies by MNCs (Buzzell, 1968) to address the question such as 'to what degree the marketing mix should be

standardized or adapted?'. The literature reviews suggests that researchers have focused on the antecedent factors influencing degree of standardisation /adaptation of marketing programs (Alashban et al., 2002, Theodosiou and Leonidou, 2003) and various researchers have also focused on the consequences of applying standardize marketing strategies such as export performances (Shoham, 2002).

According to Melewar, Pickton et al. (2009), considering the literature there are the determinants that affect a firm's decision concerning the degree of standardization: 1) macro-environmental determinants; 2) micro-environmental determinants specifically related to the firm and the industry in which it operates and 3) consumers related determinants. The macro-environmental determinants such as legislation/governmental regulation, economic, political and cultural factors are beyond the main focus of the research. This research is more towards exploring the influence of determinants at industry or firm level such as relationship with other firms in industry. The third level is consumer related determinants such as consumers' test, behaviour, choice which is more towards the B2C marketing, therefore this research with focus on the industry or firm level determinants only and the firms are supposed to be the customers of these manufacturing small firms. The organizational impact on standardization/adaptation strategies has been the focus of various studies with the main emphasis on the locus of decision making, however almost no research has been done on network relationships aspects of these organizations and its impact on standardization/adaptation of marketing programs.

2.1.3.1 Product standardization/ adaptation strategies

The empirical research for product standardization/adaptation can be traced back to the early 1970's (Kacker, 1972, Ward, 1973, Sorenson and Wiechmann, 1975). The research for product standardization describes product standardization as 'the similar

product offered across all the markets' is known as product standardization (Jain, 1989, Leonidou 1996). To identify the differences in standardization/adaptation decisions by product nature most studies includes both consumer as well as industrial products (Leonidou, 1996). Boddewyn, Soehl et al. (1986) explored the degree of standardization by product type (non-durable and industrial). The research on product standardization is further extended to global standardization and technological environment (Samiee and Roth, 1992), degree of standardization of strategic resource mix (Szymanski et al., 1993), for this research work we use product standardization for industrial product and degree of product standardization (Boddewyn, soehl et al., 1986). There are no such a different definitions available for standardization/adaptation of marketing programs especially focusing only industrial products. Therefore we will rely on the available definitions for product, price, and promotion and distribution standardization/adaptation of marketing mix elements.

The strategy of **product adaptation** is defined as 'the degree to which the product (brand name, design , labelling, variety of main exporting product line, and quality) differs between the domestic and export market' (Lages and Montgomery, 2004:1190). Product adaptation is also defined as 'a firm's consistent and planned activities to meet local consumers' preferences and values (Cavusgil et al., 1993). We use product adaptation strategy as industrial product adaptation (O'Donnell and Jeong, 2000, Ward, 1973, Johnson and Arunthanes, 1995) .

Early research for product adaptation mostly based on MNCs as sample firms reveals that most of the product adaptations were made due to obligatory nature in the sense that management was unable to avoid them (Leonidou, 1996). The literature shows that discretionary adaptation i.e. the company chooses to make itself were generally minimal (Kacker, 1972, Ward, 1973, Hill and Still, 1984, Sorenson and Wiechmann

1975). The research on product adaptation is extended to nature and pattern of the product adaptation (Kacker, 1972), product adaptation and cost involved (Ward, 1973), factors affecting product adaptation (Hill and Still, 1984), degree of product adaptation and reason for adaptation (Shipchandler and Terpstra, 1989), product customizing strategy Baalbaki and Malhotra (1995), cultural adaptation of product (Kusuma, 2014, Barbu, 2011), product adaptation for industrial product-service systems (Biege et al., 2011). Though product adaptation process has been the focus of researchers within the context of business relationships (Baptista, 2014), there is almost no research work available on product adaptation of marketing programs within business relationship context. The literature suggests that various researchers have focused on internal and external factors to find out the impact of product adaptation on export performance (Calantone et al., 2006, Cavusgil and Zou, 1994, Johnson and Arunthanes, 1995, Leonidou et al., 2011, Leonidou et al., 2002).

2.1.3.2 Price standardization/adaptation strategies

The pricing strategy refers to the standardization/adaptation of international pricing policies (Theodosius and Katsikeas, 2001). The firms can gain competitive advantage by offering competitive pricing to customer. Literature review suggests that price standardization/adaptation strategy has been studied for both SMEs and MNCs (Wind, 1986, Douglas and Wind, 1987, Lages and Montgomery, 2004). The price standardization/adaptation strategies are also been studied within home and subsidiary/host country context i.e. the difference of purchasing power of customers for home and host country (Jain, 1989), price differences across countries due to different preferences (Wind and Douglas, 1987), costs structure of local subsidiaries (Douglas and Wind, 1987, Samli and Jacobs, 1994). Price standardization has been seen possible for the markets if these markets have similarity in economic conditions,

legal environment, distribution infrastructure, customer characteristics (Özsomer and Simonin, 2004) and PLC stages (Theodosiou and Katsikeas, 2001). The literature suggests that prices are more standardized for industrial products as compare to consumer product prices (Jain, 1989).

Price strategy adaptation refers to the degree to which the pricing strategies (determination of pricing strategy, concession of credit, price discount policy and margins) for a product differ across national boundaries (Lages and Montgomery, 2004: 1190). The literature reviews shows the research work has been done on the influence of price adaptation on the export performance and specifically for small firms (Sousa and Novello, 2014). The researchers has identified obstacles which can lead to price adaptation across countries such as price controls imposed by governments (Chung, 2003) or retail price maintenance or we can say laws and regulations that necessitate product modifications and ends up in price adaptation (Theodosius and Kats keas, 2001). The research shows different pricing approach for industrial products (Jain, 1989). Chung (2003) used four factors to analyse the price standardization/adaptation i.e. wholesale price, retail price, pricing methods and offer of price discounts.

There is a need to develop conceptual and empirical studies focusing on the drivers and performance consequences of international marketing pricing standardization considering the relationship marketing variables such as trust, commitment, power and dependency and social ties. These relational factors in business networks have strong influence on strategic decision of the manufacturing firm and have important implications for both theory development and the advancement of management practice in the field.

2.1.3.3 Promotion standardization/ adaptation strategies

The promotion standardization/adaptation strategy is receiving increased attention from academics and practitioners (Sirisagul, 2000, Hu and Griffith, 1997). Significant research has been conducted for promotional elements such as advertising message and packaging (Kotler, 1986, McDaniel and Baker, 1977). Most of the research for standardization/adaptation of promotional strategy focuses on MNCs (Griffith, 2003). For standardization of promotional strategies of a firm, Harvy (1993) has identified influencing factors such as competitive variables, governmental variables, societal variables, and governmental variables under an umbrella term environmental factors. Griffith et al. (2003) in his conceptual model established, shows four elements affecting promotional elements such as advertising message standardization and packaging. Literature suggests that only limited research work focuses on standardization/adaptation of promotional strategy for industrial products (Cavusgil et al., 1993). According to Cavusgil and Zou (1993) the promotional strategy or promotional approaches are significantly influenced by company, product/industry and export market characteristics. This clearly suggests that promotional strategy is quite different for consumer verses industrial products as well as small verses large firms.

The adaptation of promotion strategy is defined as the adjustment of the domestic promotion program (advertising idea/theme, media channels for advertising, promotion objectives, budget for promotion , public relations emphasis, and direct marketing/ mailing) to the main export market (Lages, 2004: 1190). The researchers hypothesize cross-culture consumer variations may require unique decisions about adaptations in a promotion's theme, slogan, idiomatic expressions, symbols, colours,

media usage and packaging (Griffith, 2003, Baalbaki and Malhotra, 1993, Harvey, 1993).

2.1.3.4 Distribution standardization/adaptation strategies

The research on distribution channel standardization/adaptation can be traced back to 1960's (Fisher, 1964). Fisher discusses the difference in distribution channels can lead to the need of adaptation strategy. The distribution channel standardization/adaption has shown limited research studies as compared to the other marketing mix elements such as product, price and promotion (Theodosiou and Leonidou, 2003, Chhabra, 1996, Quester and Conduit, 1996, Shoham, 1996, Yip, 1997, Zou et al., 1997). Most of the research available on these issues focuses on general distribution strategies and distribution channel infrastructure standardization between home and host country (Jain, 1989).

The adaptation of distribution strategy is described as 'the readjustment of distribution (criteria to select the distribution system, transportation strategy, budget for distribution, and distribution network) to the export market (Lages and Montgomery, 2004:1190). According to Theodosiou and Leonidou (2003), distribution marketing strategy is one of the most adapted, this being attributable to both foreign market – (e.g. Differences in disposable incomes, purchasing habits, and distribution infrastructure) and company related issues such as variation in the level of involvement, product line, and sales volume reasons (Michell et al., 1998, Akaah, 1991, Ozsomer and Cavusgil, 1991, Quester and Conduit, 1996).

According to Theodosiou and Leonidou (2003) physical distribution exhibited the greatest degree of adaptation, as a result of differences in: (a) the special documentation and ordering procedures required in international product shipments;

(b) the availability of transportation facilities to carry goods to and within foreign markets; (c) the number, type, and technology of the warehouses abroad; and (d) the level of inventories needed to be maintained in overseas markets, usually determined by territorial size, infrastructural facilities, and purchasing/consumption habits.

The results of some research studies show that standardization and adaptation of distribution strategy had no serious effect on profit performance (Shoham, 1996, Albaum and Tse, 2001). Lages and Montgomery (2004) shows adaptation of distribution strategies have positive impact on export performance. He further argues that greater firm's commitment to exporting leads to distribution adaptation strategies. The literature is silent on the commitment as relational factor between the focal firm and distribution agent and its impact on standardization/adaptation of marketing mix elements. Andaleeb (1995) examined how the behaviour intension of channel members moderated by trust perceptions when dependence is high or low.

2.1.4 Standardization/adaptation strategies for industrial products

Various researchers have proposed that product type plays a major role in standardization/adaptation decisions (Ward, 1973, Jain, 1989, Johanson and Arunthanes, 1995, Chung, 2003). Product standardisation is mostly used for industrial goods than customer's products and services because these latest have to be adapted to the culture of the country (Czinkota and Ronkainen, 2012). According to Ward (1973) for industrial products more adaptation were related to operations of the product, whereas for consumer products more adaptations were related to styling of the product.

The researchers also suggest that industrial markets are more standardized than the consumer markets (Jain, 1989). The reason for this is because industrial markets

typically have a small number of buyers whose needs do not vary as greatly from one country to another (Boddewyn et al., 1986, Cavusgil et al., 1993, Jain, 1989). Contrary to this, consumer markets typically have larger numbers of buyers, which may mean more segments with a variety of needs than in industrial markets. Price as marketing element is usually more standardized by companies in business market than in consumer markets because business markets are less price-sensitive (Hollensen, 2011).

Table 2. 1 Standardization/adaptation strategies for industrial products

Author/Year	Standardization/adaptation strategies for industrial products
James M. Ward (1973)	Product and promotion adaptation by European Firms in U.S markets for consumer and industrial products.
Bakker (1977)	The uniformity of marketing standardization/adaptation policies for industrial goods.
Boddewyn et al. (1986)	The degree of standardization by product type (non-durable and industrial).
Johanson and Arunthanes (1995)	Ideal and actual product adaptation in US exporting firms.
Wind and Douglas (1987)	Global standardization strategy for consumer and industrial products.
Walters (1986)	The attractiveness of standardization strategies is very situation specific i.e. variables considered are nature of the product and nature of operating environment.
Cavusgil, Zou and Naidu (1993)	Product and promotion adaptation in export ventures, an empirical investigation using both consumer and industrial products in conceptual framework as Product/industry characteristics.
Jain (1989)	Marketing programs and process standardization for industrial and consumer products.
Alashban A.A. (2002)	Brand-name standardization/adaptation: Antecedents and consequences for both consumers and industrial products.
Chung (2003)	Selection of standardized marketing strategies in the home-host scenario based on product type, consumer behaviour, marketing infrastructure, political environment and firm size.

Johanson and Arunthanes (1995) describes various export market factors such as export market government regulations, infrastructure, market lag, competitive intensity, cultural differences, and customer preference differences as adaptation determinants for industrial and consumer goods. Chung (2003), describes various factors which effects the selection of standardized marketing strategies in the home-host scenario include product type, consumer behaviour, marketing infrastructure, political environment, and firm size. The literature suggests that there are only limited studies available on standardization/adaptation strategies of industrial products (Jain, 1989, Chung, 2003, Cavusgil et al., 1993, Wards, 1973). This research would be worthy contribution to the existing literature of standardization/adaptation for industrial products.

2.1.5 Standardization/adaptation strategies for developing countries

The marketing strategies of small industrial manufacturers have been the focus of researchers since last few decades (Weinrauch et al., 1991). According to Douglas and Wind (1987) there is considerable diversity in local and between countries especially for developing countries for industrial markets. It is further argued that in developing countries, the industrial markets may differ significantly in technological sophistication, business, philosophy and strategy, emphasis on product quality and service and price for large MNCs (Wind and Douglas, 1987, Hill and Still, 1984).

It is evident from the literature review that standardization/adaptation strategies for developed countries differ from the developing or lesser-developed countries (Hill and Still, 1984). According to Hill and still (1984:62), the consumer diversity becomes more perplexing when MNCs transfer home country products from modern

economies like US/UK and try to modify to fit to LDCs market needs. Similarly, it is assumed that standardization/adaptation choices for industrial products in developed countries also differ from LDCs (Wind and Douglas, 1987).

2.1.6 Measuring purely qualitative constructs within standardization/adaptation continuum

As this research uses qualitative case study method to explore the impact of network actors on strategic decisions of SMEs such as standardization/adaptation of marketing programs by exploring the relational variables of networks such as trust, commitment, power and dependency and social ties, we aim to develop the themes through open and axial coding. Unlike, the quantitative studies for standardization/adaptation of marketing programs where, measures for most of the constructs are available in the literature (Özsomer and Simonin, 2004), this research relies more on the themes developed from the interviews with the respondents. Core criteria for coming up to conclusion whether it is a product or price standardization/adaptation the respondents are talking about strongly relies upon the literature available. Though we do not use the quantitative measures used such as standardization/adaptation measured with a 12-item scale based on the scales of Szymanski et al. (1993) and Ozsomer et al. (1991).

This research work use conceptual constructs to come to conclusion for standardization/adaptation of marketing programs. Following is the table developed from literature where different researchers have used determinants to measure standardization/adaptation of marketing programs:

Table 2.2 Summary of literature review for determinants used to measure standardization/adaptation of marketing programs

Standardization/adaptation of marketing mix elements	Author/Year	Determinants used for standardization/adaptation of marketing programs
1.Product standardization/adaptation		
- Product standardization/adaptation	Ozsomer (2004)	Product's physical characteristics, Brand name, packaging
- Product adaptation	Ward (1973)	-Product usage (operational)
	Kotabe (1990)	-Labelling -Quality -Packaging -Styling -Costs Situation specific approach
	Takeuchi and (1986)	Porter Focus on commonalities across markets
- Product strategy elements	Griffith (2010)	-Research and development -Design -Attribute -Functionality -Stages of life cycle
- Product Adaptation	Kotabe and (1989)	Omura Product adaptation includes minor adjustments or significant modifications in: -Measurement unit -Sizes -Brand name, -Labelling and usage instructions - Packaging product features -Chemical constituents -Quality level -Styling -Characteristics (Operating conditions, use, repair needs etc).
- Product Adaptation (Industrial verses consumer)	Johanson and Arunthanes (1995)	Export market factors: - Export market government regulation - Infrastructure

		<ul style="list-style-type: none"> - Market Lag - Competitive intensity - Cultural differences and - Customer preference differences
- Elements of standardization/adaptation	- Waheeduzzaman and Dube (2004)	<ul style="list-style-type: none"> -Product Characteristics -Company Characteristics - Degree of centralization -Head quarter and subsidiaries -Organizational culture
- Factors for global marketing standardization	- Viswanathan and Dickson (2007)	<ul style="list-style-type: none"> -Homogeneity of customer's response - Transferability of competitive advantage -Similarities in the degree of economic freedom
- Factors for contingent view of standardization	- Viswanathan and Dickson (2007)	<p>Economic factors:</p> <ul style="list-style-type: none"> -Economy of scale <p>Competitive factors:</p> <ul style="list-style-type: none"> -Competitive positioning <p>Environmental factors:</p> <ul style="list-style-type: none"> -Legal -Political -economic <p>Organizational factors:</p> <ul style="list-style-type: none"> -Corporate orientation -Head office and subsidiary
- Determinants of standardization	- Shoham (1999)	<p>Determinant to find impact on export performance</p> <ul style="list-style-type: none"> -Country image -Competitor's similarity -Physical market environment -Legal environment -Governmental influences -Media similarity
- Standardized marketing strategies in home-host scenario	- Chung (2003)	<ul style="list-style-type: none"> -Product type -Consumer behaviour -Marketing infrastructure -Political environment -and Firm size
2.Price standardization/adaptation	Ozsomer (2004)	Pricing policy
-Pricing strategy elements	Griffith (2010)	-Price setting

			-Price sensitivity - Ease of switching - Positioning
- Price adaptation	Lages and Montgomery (2004)		Determination of pricing strategy: -Concession of credit -Price discount policy and -Margins
3.Promotion standardization/adaptation	Ozsomer (2004)		- Sales promotion -Product positioning -Advertising theme -Media Allocation and -Advertising copy
- Promotion standardization	Griffith et al. (2003)		The effect of : Market similarity Process standardization Environmental similarity Mode of entry On: Advertising message standardization Packaging standardization
- Brand name standardization	Alashban, A. A. (2002)		Based on SCP (Structure-conduct-performance) -Environmental factors -Market structures -Cost saving -Sales volume
- Strategy Elements	Griffith (2010)		-Research and Development -Creative -Media -Production -Post ad research
4.Distribution standardization/adaptation	Ozsomer (2004)		-Distribution structure -Customer service -Roles of sales force
- Distribution strategy elements	Griffith (2010)		-Channel selection -Governance strategy -Margin strategy

It is evident that from the literature Table 2.2 that there is no consensus on the usage of specific determinant to find out about standardization adaptation of marketing programs such as product, price, promotion and distribution. Therefore for this

research work we have totally relied on the respondent answers for determining what factors they believed influence standardization/adaptation of marketing mix elements within business network context.

To find the influence of network actors on standardization/adaptation of marketing programs, the determinants we used for this research are relationship factors such as trust, commitment, power and dependency and social ties. This literature review here helps us to focus on when we are saying 'price is standardized' is based on what criteria. For example for price standardization, the most of the respondents used the term 'similar pricing' or 'same price' they offered to their buyers. . They usually were increasing the prices of the products after each three to four months and for new customers they were using new prices. Whereas for old buyers they said they offer discounts or same pricing even after the increase in the price.

Similarly it was quite impossible to give a list of determinants for product standardization/adaptation. This research sample was taken from four different industries and the nature of the product and durability was varying across the industrial such as for surgical products, there were two kinds of products i.e. disposable and reusable. Apart from the nature of the product it was found that across all the industries the rest of the determinants for product standardization/adaptation were quite similar such as packaging, branding, product usage (reselling), labelling, styling and costs factors. As the main focus of the research was to explore the impact of relational factors such as trust , commitment, power and dependency and social ties on the standardization/adaptation strategies therefore we did not confined the list of determinants for product standardization/adaption based on the variance in the slight nature of the product across four sample industries. We could not use similar promotional determinants as are available in the literature such as sales promotion,

product positioning, advertising themes, media allocation and advertising copy (Ozsomer, 2004) or advertising message or standard packaging (Griffith et al., 2003) because of the huge difference in product nature and the type of the buyers in business to business markets.

The determinants for distribution channel choices were also quite different than the consumer products based on the nature of the product. We use the distribution channel selection criteria, Government strategy (Griffith, 2010) and distribution structure, customer's service and role of the sales force (Ozsomer, 2004) for this research. Due to boundless spectrum of the determinants for standardization/adaptation of marketing mix we only have used limited studies in the literature. The main focus remained same as the influence of relational variables on SMEs owner manager decisions to have similar or different marketing strategies for all 4 P's.

2.2 SMEs standardisation/adaptation strategies

This section of literature aims to explore the international marketing strategies of small and medium size enterprises. Internationally oriented SMEs tend to have formal planning system (Baired, Lyles et al., 1994). Developing standardisation/adaptation strategies for international marketing program is the part of that planning. The research studies indicate that small firms using strategy performed are better than non-strategy small firms (O'Regan et al., 2006). Plethora of research work has been done on global strategies of MNCs (Prahalad and Hamel, 1993, Roth and Morrison, 1992, Ghoshal, 1987) however the international strategic options of small firms have not been studied in depth (Baired, Lyles et al., 1994). Standardisation/adaptation strategies are studied in depth for all major marketing mix

elements i.e. product, pricing, placing or distribution and promotion using strategies from MNCs perspective comparing with SMEs. Within these limited studies available for SMEs according to Forman and Lancioni (2002) smaller firms, generally tends to use more standardized pricing strategies instead of adaptive strategies like the larger firms because these smaller firms do not have the resources or expertise required to use these adaptive strategies. There are two aspects of standardisation/adaptation i.e. processes and programs (Sorenson and Wiechmann, 1975). Standardisation/adaptation for this research study does not include processes and are just confined to marketing programs of SMEs , as the adaptation of processes in business relationships are already studied by various authors (Hallen et al., 1991) and therefore the standardisation /adaptation of marketing processes are beyond the scope of this research. Following is the list of major journals which shows publications on the topics relevant to standardization/adaptation of marketing mix for small firms.

Standardisation/adaptation of marketing programs for MNCs and SMEs may differ on the bases of various factors for example one of these factor may be the size of the firm (Etemad, 2004). Most of the research work has been done on global strategies of MNCs. However the international strategic options of small firms have not been studied extensive (Ghoshal, 1987, Roth and Morrison, 1992, Baired et al., 1994, Prahalad and Hamel, 1993).

Early research for international marketing strategies of SMEs dealt with export performance of SMEs and standardisation/adaptation strategies (Lanzara, 1987). Focus of the research remained low on how selective and situational adaptive strategies results in export market expansion and growth. According to Bonaccorsi (1993) product adaptation strategies were a success factor for Italian SMEs in

international markets, whereas price has lesser impact on success of the SMEs in international markets. It's always been difficult for SMEs to enter in international markets than MNC's. Standardisation/adaptation strategies are inevitable for SMEs selling their products in international markets. Use of internet to support SMEs internationalization can lead to price standardisation (Hamill and Gregory, 1997).

Hornby Goulding et al. (2002), argue that locally oriented SMEs use more standardize approach for e-commerce activities. Literature suggests that SMEs generally tends to use mass production (Svensson and Barfod, 2002) and more standardized pricing strategies instead of adaptive strategies because these smaller firms do not have the resources or expertise required to use these adaptive strategies (Miller, 1993). Miller (1993) considers product adaptation as hurdle to enter in international markets. Within the literature for SMEs standardisation/adaptation Moen and Servias (2002) has proposed stage model for SMEs and suggest that as SMEs passes through the stages the international marketing strategies changes. A research framework for standardisation strategy about service firms operating in the city market scenario was proposed by Chung and Wang (2007).

Merrilees and Tiessen (1999) has developed holistic models of SME international marketing, but importantly in a way that is firmly grounded in the operations, decisions and behaviour of real-world SMEs. Crick and Bradshaw (1998) argue that successful SMEs are more open towards standardisation/adaptation strategies than unsuccessful SMEs. Shoham (2002) argues that product adaptation improves export performance using mixed samples of SMEs and MNCs. The researchers reveal the link between adaptations of international marketing strategies, perceived competitive advantages and firm performance (Albaum and Tse, 2001, Navarro et al., 2010).

Table 2.3 List of Journals for literature on SME's standardization/adaptation

Journal/Book	No. Of articles published
1. <i>Journal of International Marketing</i>	7
2. <i>International Marketing Review</i>	3
3. <i>Journal of Global Marketing</i>	3
4. <i>Journal of Marketing Management</i>	
5. <i>Journal of Small Business and Enterprise Development</i>	1
6. <i>Journal of International Management</i>	1
7. <i>Strategic Global Marketing: Issues And Trends</i>	1
8. <i>Managing Export Entry and Expansion: Concepts and Practice.</i> Pager Publishers	1
9. Elsevier Science	1
10. <i>Journal of Electronic Commerce Research</i>	1
11. <i>European Journal of Marketing</i>	2
12. <i>Tampere University of Technology</i>	1
13. <i>Industrial Marketing Management</i>	1
14. <i>Journal of Marketing Communications</i>	1
15. <i>Management Decision</i>	1
16. <i>34th EIBA Annual Conference, International Business and the catching up economies: Challenges and opportunities</i>	1
17. <i>Journal of World Business</i>	1
18. <i>Journal of Management</i>	1
19. <i>Journal of International Management</i>	1
20. <i>Journal of Business and Industry marketing</i>	1
21. <i>Asia Pacific Business Review</i>	1
22. <i>Small Business Economics</i>	1
23. <i>Journal of Centre for European Studies</i>	1
24. <i>Journal of International Business and Cultural Studies</i>	1

For SMEs with their limited resources and with other constraints to enter international markets taking promotional strategy decision are crucial. Adaptations of international marketing strategy components give SMEs competitive advantage over other SMEs those confined themselves to standardize strategy for certain reasons, and that might increase the firm's performance (Albaum and Tse, 2001). Literature review reveals that more research on SMEs exporting in international markets within the context of international marketing strategies focuses on the relationship between the choice of standardisation/adaptation strategies for marketing mix component and export performance (Lages and Melewar, 2001, Lages and Montgomery, 2004, Matthyssens et al., 2008a, Solberg and Durrieu, 2008, Schilke et al., 2009, Navarro et al., 2010) and the finding shows that product and placing adaptation strategies have positive impact on export performance whereas pricing and promotion adaptation strategy should be considered after assessment (Shoham, 2002). Cloninger and Swaidan (2007) claims that primary motive for standardisation/adaptation must be competitive advantage but result shows mixed outcomes.

Literature reveals that for SMEs promotion is the important factor in internationalization of SMEs such as brand development/building (Cheng et al., 2005), brand diversification (Spence and Essoussi, 2010), brand adaptation (Wong and Merrilees, 2007, Merrilees and Tiessen, 1999), adapting positioning (Dow, 2001) and advertising (Kanso and Nelson, 2006). From literature it is extracted that majority of articles are about standardisation/adaptation programs for SMEs (Knight, 1996, Lanzara, 1987, Miller, 1993, Bonaccorsi, 1993, Hamill and Gregory, 1997, Crick and Bradshaw, 1998, Merrilees and Tiessen, 1999, Shoham, 2002, Albaum and Tse, 2001, Dow, 2001, Horby et al., 2002, Kanso and Nelson, 2006, Lages and Montgomery, 2004, Ruzzier et al., 2006, Chung and Wang, 2007, Wong and Merrilees, 2007, Chen

and Wong, 2003, Larimo and Kontkanen, 2008, Matthyssens et al., 2008b, Schilke et al., 2009, Spence and Essoussi, 2010, Svensson, 2006) and only a few articles focuses on processes (Boeck et al., 2009, Shin, 2006, Chung, 2008, Solberg, 2002, Le Hieu and Truong, 2010).

It is inferred that mostly product and promotion elements of marketing mix are explored within the context of standardisation/adaptation of international marketing and almost none of the article have written about placing element. Only few research articles focus on degree of standardisation/adaptation for SMEs (Lages, 2008, Cloninger and Swaidan, 2007, Larimo and Kontkanen, 2008). Most of the articles have internationalization as core activity of exporting SMEs and the reason for selecting standardisation/adaptation of marketing mix element (Nkongolo-Bakenda et al., 2010, Ruzzier et al., 2006, Jansson and Sandberg, 2008, Le Hieu and Truong, 2010, Solberg and Durrieu, 2008).

The recent articles on standardization/adaptation of marketing strategies focuses on the choice of strategies and export performance such as product strategy and export performance (Zaiem and Zghidi, 2011), price adaptation and export performance (Sousa and Novella, 2014), marketing process adaptation and new product performance implications in export markets (Griffith, Lee et al., 2014), relationship between strategies of standardization/adaptation of the marketing mix and performance in international context (Wei, Rashad Yazdanifard, 2014).

Table 2.4: Summary of literature review for SME's standardisation/adaptation strategies

S.No	Core area of research	Author /Year
1.	Marketing standardization and export performance	Solberg and Durrieu (2008), Shoham (2002), Chung (2008), Solberg and Durrieu (2008), Schilke, Reimann and Thomas (2009), Matthyssens, Pauwels and Vandenbempt (2008),
2.	Adaptation of marketing mix and export performance	Lanzara (1987), Albaum and Tse (2001), Lages and Montgomery (2004), Navarro, Losada, Ruzo and Diez (2009), Zaiem and Zghidi (2011)
3.	Brand standardization/adaptation for SMEs	Uusitalu, Wendelin et al. (2010)
4.	Price standardization/adaptation in website marketing ; B2B e-commerce adaptation	Hamill and Gregory (1997), Hornby, Goulding et al. (2002), Boeck, Bendavid et al. (2009), Constantinescu-Dobra (2011)
5.	Process adaptation of SMEs to standardize the relationship with firms , firm performance	Jansson and Sandberg (2008), Griffith, Lee et al. (2014),
6.	Product adaptation and export performance as hurdle to enter foreign markets; product adaptation as success factor	Bonaccorsi (1993), Miller (1993), Knight (2001), Cloninger and Swaidan Peggy (2007)
7.	B2B relationship driven model for standardization/adaptation and brand standardization, distributor support and price adaptation	Merrilees and Tiessen (1999), Sousa and Novello (2014)
8.	Standardization of service sector SMEs	Chung and Wang (2007)
9.	Distribution standardization/adaptation by SMEs	Moen and Servais (2002),
10.	Standardization/adaptation of marketing mix by SMEs	Svensson and Barfod (2002), Larimo and Kontkanen, Ruzzier and Kone (2006), Ruzzier and Kone (2006), Le Hieu and Troung (2010a), Hise (2010)
11.	Standardization/adaptation of advertising by SMEs; host market positioning; Advertising standardization by MNCs as compare to SMEs	Solberg (2002), Dow (2001), Kanso and Nelson (2006)
12.	Standardization/adaptation of branding in SMEs B2B networks, International brand development model.	Cheng, Blankson et al. (2005), Wong and Merrilees (2008), Spence and Essoussi (2010)
13.	Standardization/adaptation and stage model	Moen and Servais (2002)
14.	Standardization of the manufacturing sector with upstream and downstream firms using IT software such as ERP.	Shin (2006)
15.	Antecedents of standardization/adaptation	Tan and Sousa (2013)

2.2.1 Summary of literature for SMEs standardization/adaptation strategies

The analysis of the articles on standardisation/adaptation strategies for SMEs shows an upward trend between 1987- 2015. The data illustrates that networking and its impact on marketing activities standardisation/adaptation is relatively new area of investigation therefore, despite the crucial role that networks play for SMEs in international business virtually no research has explored the role of networks and its impact on standardisation/adaptation strategy of SMEs in international markets. It's concluded from the given table for selected studies on SMEs standardisation/adaptation of marketing program that about 65% of the research studies have used quantitative research approach and rest of 35% have used qualitative research method. Most of the research samples are taken from developed countries such as British SMEs, Denmark, France, Norway, Portuguese, and Italy etc. The topics covered includes strategy development in international markets; STRATADAPT scale measure of marketing strategy adaptation; branding as an opportunity of SMEs' standardized advertising analysis of marketing standardisation strategies; the adaptation of host market positioning strategies; model building for standardisation/adaptation etc.

2.3 Literature review for SMEs interaction/relationships in business network and strategic decisions

The networks are essential to the SMEs. The SMEs in comparison with MNCs faces lack of resources while marketing their product internationally (Moen and Servais, 2002). Network enables SMEs to do business more effectively. Network alliances provide best options to overcome these shortfalls or in capabilities of SMEs in

international markets, it is observed that SMEs heavily rely on their networks of international marketing (Carson et al., 2004, Hung, 2006, Shaw, 2006). More importantly, alliance partners represent an important source of host country knowledge to SMEs (Jain et al., 2001). Networks and the importance of belonging to, or having a network, has been the focus of numerous scientific articles the last 10–15 (Havens and Senneseth, 2001), comprised of customer-oriented SMEs network/clusters (Vanhaverbeke, 2001), SMEs networking analysed using the structural, relational and usage dimensions associated with network frameworks (Carson et al., 2004), Personal traits of CEOs in inter-firm networking (Wincent and Joakim, 2005, Wincent and Westerberg, 2005).

Marketing networking in SMEs is defined as ‘the network processes that are undertaken by SME in managing their marketing activities ‘(Carson et al., 2004:370). SMEs are linked backward and forward with suppliers, distributors, whole sellers, retailers and customers. The close and lasting business relationships between suppliers and customers are indeed important, be they within a given country or between the countries (Hallen, 1986).

From the literature, there is clear evidence that SMEs actively network (Pache, 1990, Szarka, 1990, Johannisson, 1986). According to the researchers networks facilitate SMEs to have access to the resources (Cabrol et al., 2009, Johannisson, 2000). Networks provide opportunities to SMEs in local and international markets (Julien and Ramangalahy, 2003) by providing information of local and international markets to SMEs (Jain and Jain, 2001). The literature confirms that networks influence marketing activities of the firms in international markets (Carson et al., 2004). All these arguments lead to the conclusion that business networks potentially have influence on international marketing strategies of SMEs. Yet none of the articles on

standardisation/adaptation of SMEs had explored the influence of network relationships on standardisation/adaptation strategies of SMEs in business to business context.

2.3.1 Strategic decision-making for SMEs within b2b network perspective

In business to business networks, the decisions has to be controlled by or made together with the other actor in network (Mattsson, 1969).A network approach involves all organizations in the firm's environment, hence it will inevitably have an impact on how a firm should think strategically (Axelsson and Easton, 1992:181). IMP group have made most of contribution at the level of functional strategy (i.e. marketing and purchasing strategy) and business strategy (Snehota, 1990). International marketing and purchasing (IMP) group has strong conceptual and theoretical view of the strategy in comparison with other school of thought in strategic management (Baraldi, Brennan et al., 2007). Given school of thought related to strategic development covers almost four decades of strategic management development across various subjects *ibid*. The strategy as practise is relatively the most recent school of thought for strategic development in last four decades (Baraldi et al., 2007).

In business relationships if the strategic change is for long-term bases it is preferred to say 'strategy-making' rather strategic change (Johanson and Vahlne, 2011). Johanson and Vahlne (2011) consider the strategy-making process as a continuous process and not a discrete effort. Based on given by Johanson and Vahlne (2001), the process is interaction, which is supported by mutual trust and commitment established overtime. According to Johanson and Vahlne (2011), the trust and commitment facilitates the

informal coordination that guides the strategic change process. Therefore we can say that the trust and commitment between the actors can lead to specific strategic decisions by focal firms in business networks. The business marketers intend to develop long-term relationships with its suppliers and actors, and trust has assumed a central role in marketing theory development (Dwyer, Schurr and Oh, 1987). The Johansson and Vahlne emphasize to develop such a strategy which is relevant to all interdependent actors. According to (Johansson and Vahlne, 2011) a strategy development process is the outcome of joint actions between network partners. Partners in international markets may also affect the firm's marketing activities and take part in shaping marketing strategy of the SMEs.

Baraldi, Brennan et al. (2007), discusses the conventional approaches to strategy assuming that the strategic problem is to allocate known and controlled resources in order to achieve business goals. The IMP approach is sceptical about the degree of control over the resources that a firm can achieve, since many of the important resources available to the firm are under the control of other actors and can only be controlled through the medium of interactive relationships and networks (Ford and Hakansson, 2006). Therefore it is evident that relationships and networks play a vital role in controlling the resources and developing the strategy to better utilization of the resources.

It is evident that the business network research implications are all, more or less in the area of strategy. Axelsson and Easton (1992) frame it by saying that 'thinking about how a network approach involves all the other organizations in a firm's environment means that it will inevitably have an impact on how a firm should think strategically'. The business networks analysed using different perspectives such as network relationships, network as structures, networks as positions and networks as

processes. This research aims to provide a link between strategy and the network view of the world. Johanson and Mattsson offer specific approach to strategy through the concept of strategic position. Easton (1992:182) offered a theoretical development by separating the production system, by which they mean the activities and resources, from the actors so that may consider their interest, perceptions and positions which can , in turn , be linked to strategic action. Further to this theoretical development, separating actors from production system in industrial network is analytically helpful because strategic action presupposes actors (Easton, 1992). In an industrial network context, the actors make interpretations of conditions in the industry and they act. This theoretical development by Easton (1992) also groomed the idea that not all the actors involved in production department have contact with other actors.

The long-term orientation of parties in business networks strongly influences the strategic decisions of the focal firm. Literature suggests that the relationship factors used in this research study are interlinked to one or other, such as when strong interdependence between firms was recognised, there was also strong trust (Young and Wilkinson, 1989). Trust and dependence have both been shown to be positively related to cooperation (Andaleeb, 1995, Anderson and Narus, 1990, Anderson and Narus, 1984, Skinner et al., 1992). According to Narayandas and Rangan (2004), some relationship factors are antecedents for other relationship factors such as satisfaction and co-operations are considered as antecedents for trust and commitments or some relationships variables co-exists in dyad relationships such as trust and commitment co-exists with power and dependency in dyadic relationships.

2.3.2 IMP perspective on strategy development

The focal of strategic research by IMP group is not similar as with the conventional strategic management research work. The major research work by IMP group shows the important and explicit efforts to address the direct link between IMP perspective and strategy or strategizing (Turnbull and Valla, 1986, Ford et al., 2002, Baraldi et al., 2007, Hakansson and Snehota, 1995, Hakansson and Snehota, 1989, Håkansson and Group, 1982).

Snehota (1990: 164) defines the strategy as ‘the pattern of activities determinant of the gain in a context of market exchange’. A distinction has been made between management of strategy (or attempt to steer and affect the course of these activities, including plans and policies) and the strategy itself (which is indeed the emerging pattern of activities that may or may not have been really affected by managerial attempts’ (Baraldi et al., 2007: 881). Here strategy is thought of as ‘the pattern of company’s choices that are significant for its economic performance over time, and that it becomes committed to (Ford et al., 1998: 64).’ The relationship and network approach by IMP group identifies the firm’s portfolio of relationships and its network positional resources as the key factors in strategy formulation (Baraldi et al., 2007:885).

A firm’s strategy is both enabled and constrained by its external relationships and overall network position (IMP) group. There are certain dark sides of the IMP perspective for strategy development such as, it is complex to conceptualize and it neglects intra-firm perspectives and is problematic in terms of managerial guidance. For strategy formation it believes that strategy emerges from interaction, negotiations and adaptations in each relationship and at network level description. Most of the

research done by (IMP) group for strategy development uses qualitative case studies and surveys. Broadly speaking there are three types of industrial networks identified that affects the marketing manager most i.e. supplier networks, distribution network and product development networks (Ford et al., 2006). Relationships are basically socially constructed (Johanson and Vahlne, 2009:1414). Interpersonal networks are associations or social systems of individuals or groups that facilitate access to resources or relevant sources of information (Hung, 2006:360). These interpersonal networks are informal networks and SMEs use these networks to have access to the resources, information and opportunities in international markets. Weak ties, strong ties concept was first introduced by (Granovetter, 1983, Granovetter, 1973) .

2.3.3 Literature review of business networks and relationship factors

The primary focus of the marketing is the ‘relationship exchange’ (Hunt, 1983) within the context of international marketing. Albaum and Peterson (1984:162) defines ‘International marketing’ as ‘marketing activities relevant to products or services that directly or indirectly cross national borders’. The relationship among the firms has multidimensional impact on the firms in business networks. This literature review summarizes the impact of relationships between organizations on international marketing strategies within business network context.

A crucial aspect of SME’s marketing is how these firms create, use and maintain relationships with relevant market actors (Knight, 2001). The relationships seem to develop through social exchange processes in which the firms involved enact the relationship interactively and sequentially (Kelley and Thibaut, 1978). The relationship ties of network actors such as suppliers , customers and distributors with SMEs are vital for developing international marketing strategy (Cabrol et al., 2009).

The relationship ties in SMEs networks can exist between persons i.e. the personal networks as well between the organizations as inter-organizational networks. The strong relationship ties between SMEs and network actors might have influence on SMEs marketing strategies than a weak tie within network. The relationship ties are usually strong in personal networks in B2B businesses, whereas in Inter-organizational network both strong and weak ties are found (Kontinen and Ojala, 2011). These SMEs use direct export entry mode to enter in international markets. Some firms use export via distributors but most of them do export via agents. Some of the SMEs also mentioned about the export buying agents. It refers to buyers who are located in the exporter's home country and provide services such as identifying potential and negotiate prices.

Business to business marketing can be traced back to 1980's (Hadjikhani and LaPlaca, 2013). The significant contribution to the b2b marketing theory has only been made during the last three decades (LaPlaca, 2008, Sheth and Parvatiyar, 1995, Wilkie and Moore, 2003). Sheth and Parvatiyar (1995) has linked the development of business to business marketing to three stages of market development such as a) pre-industrial, b) industrial and c) post-industrial eras. According to Hadjikhani and LaPlaca (2013), early development in business to business marketing theory was dominated by theory of exchange or transaction based marketing till 1980's and after 1980's the behavioural theory (relationship bases marketing) has gained momentum. The behavioural theory development in business to business marketing dominated post-industrial era.

The term 'business-to-business marketing' is used to describe the marketing activities of any kind of organization which has exchange relationships with other organizations or businesses (Turnbull, 1994). The origins of b2b marketing as an

area of academic research lie mainly in the study of marketing in an industrial (as opposed to consumer) context in the 1960's and 1970s when the subject was typically referred to as 'industrial marketing'(Turnbull, 1994:6). This research work is more focused on the behavioural aspects of business to business marketing theory and therefore is more about relationship marketing in business to business context. Business relationships between companies have been observed in a range of studies over the period of 50 years (Chou and Zolkiewski, 2009, Ford et al., 2002, Parvatiyar and Sheth, 2000, Araujo and Iacobucci, 1996, Ford et al., 2008, Naude` and Turnbull, 1998).

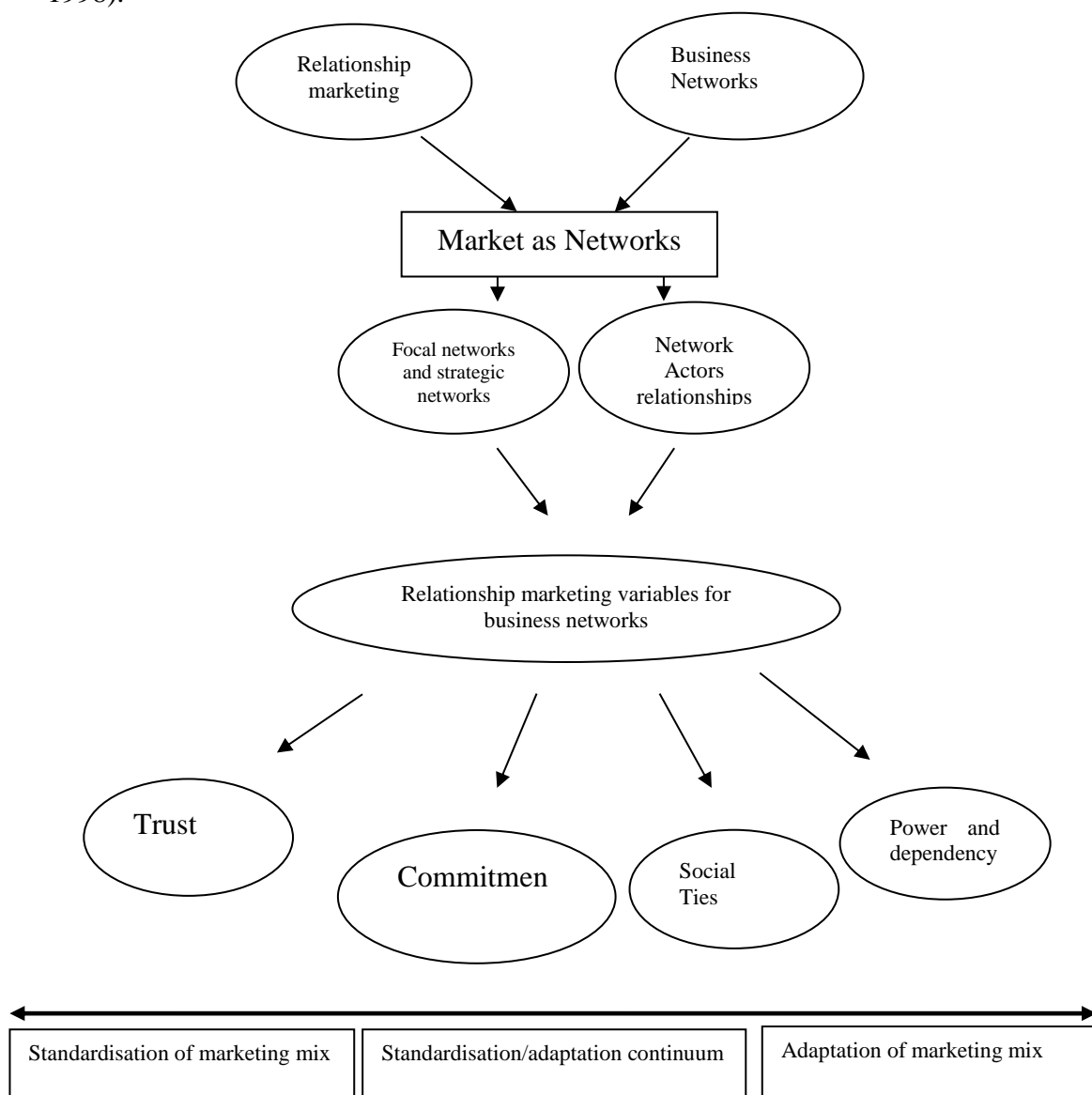


Figure 2.2 Snapshot of literature review on business networks

Narrowing down the focus of literature, further from relationship marketing, which as an umbrella term covers both market-based relationship marketing i.e. the CRM and relationship marketing network based research, this research focuses on network based business marketing theories. Moller (2013) clearly distinguished these two theoretical concepts in his theory map of relationship marketing and business networks research approaches. According to Moller (2013) 'Market-as-network' approach provides a theory of network context for examining all types of networks and network relationships.

The business network relationships are analysed using three broad aspects such as the economic, behavioural and technological aspects Hadjikhani and Laplace (2013). A large number of researchers have introduced behavioural elements of commitment and trust into the interaction perspective (Morgan and Hunt, 1994). Within the context of business network analysis, the social factors can include formal relations, informal relations in dyad relations of network actors. Interaction perspective also benefits from behavioural theory elements such as power, commitment, interdependency and conflict in the study of marketing channels (Emerson, 1962). A study on strength of weak ties Granovetter (1983) and power and dependency in dyad relations (Emerson, 1962) has broaden our understanding of how the social and behavioural aspects influence firms in business networks.

2.3.4 Markets as networks

Markets historically are defined by neo classical economists as 'market is not an empirical reality but a set of assumptions explaining conditions for productions (Stigler, 1968). Johanson and Vahlne (2011:484) argue that for studies of specific business firms, however, we cannot be satisfied with viewing market exchange as

assumptions. Relevance for business management must be based on empirical reality. We need a theoretical approach that can explain specific exchange conditions for specific business firms even in the same industry. According to Thorelli (1986) the networks are not the same as 'administered markets', as a network may comprise only a small part of one or several markets. Indeed, it would be typical in most markets to find a number of competing networks. The business networks differ from the traditional markets with regard to relations between actors. Markets are networks of relationships, in which the firms are linked to each other in various, complex and, to a considerable extent, invisible patterns (Johanson and Vahlne, 2009). In traditional market concept there would be no relationship between actors and the interdependencies among parties are regulated by market price mechanism. Whereas in business networks, the actors are linked to each other and interaction between these parties helps exchange processes. The mutual intension of both parties leads to the business relationships. The actors in business networks are tied to each other through a number of bonds such as technical, economical, administrative and social. These social bonds between actors and SMEs are called social ties.

2.3.5 Business networks

Networks are defined as 'set of two or more connected business relationships, in which each exchange relation is between business firms that are conceptualized as collective actors (Emerson, 1981). Firms may have direct relationship with the range of partners, e.g. suppliers, customers, competitors, government and non-government agencies (Johnsen and Johnsen, 1999) . According to Hakansson and Snehota (1989) 'Relationships make it possible to access and exploit the resources of other parties and to link the parties' activities together. The SMEs network relationships with actors are further explored on grounds of personal relationship (Cabrol et al., 2009)

and business relationships (Hakansson and Ford, 2002). Do these personal and business relationships have any impact on standardisation/adaptation decisions of SMEs? The actors in business networks are involved in marketing activities (Carson et al., 2004), and SMEs marketing led-decision are indeed influenced by the networks (Gilmore et al., 2006).

Business networks may be more or less tightly structured in terms of relationships and connection strength and they may be more or less linked to each other in the environment. They also are more or less stable or changing, as the networks are to be considered the part of the environment of the firm (Anderson, Hakansson et al., 1994). The classical concept of the environment assumes that there has been as clear boundary between the firm and the environment, where the environment was defined as ‘anything that is not the part of the organization itself’ (Miles, 1980:195). This classical concept for the interface between firm and environment is reviewed as ‘the firm is embedded within a business network context that is itself enveloped by an environment’ (Anderson, Hakansson et al., 1994).

Thorelli (1986) argues that a network may be viewed as consisting of ‘nodes’ or positions (occupied by firms, households, strategic business units, trade associations and other types of organizations. Thorelli believes that position of the firm in the network is of great strategic significance. According to Thorelli (1986:39), power, information, money and utilities flow along the links of the network. Thorelli posit that network idea is especially applicable in industrial and international marketing and to the marketing of complex services such as strategic planning consultation. Thorelli (Thorelli) argues that networks may be tight or loose, depending on the quantity (number), quality (intensity), and type closeness to the core activity of the parties involved) of interaction between the positions or members.

Focal firms are engaged in the business relationships with customers firms, suppliers firms, and intermediary firms and other cooperating firms (Johanson and Mattsson, 1987). Business networks are defined as sets of connected business relations. According to Thorelli (1986), the term networks refer to two or more organizations involved in long-term relationships. This infers that if the firms have random transaction for once or twice with other firms in markets may not be the part of network. A wide variety of literature is available on time frame and transactions of firms in networks ranging from single transaction to multiple.

Easton (1992), describes networks as stable and not static. According to Easton (1992) the continuing processes of interaction between firms are stabilised since they take place within the context of existing relationships. However such relationships are also changing, partly in response to events external to the relationships and partly because of the transactions which help to define them. New relationships are formed and old relationships disappear. This research focuses on the firm's behaviour towards new customer's verses old customers or new suppliers verses old suppliers. The small firms in business networks respond differently with new customers as compare to old customers.

As the world becomes more global, the reliance on a network of relationships with external organizations becomes extremely important (Nasir and Altinbasak, 2009). To better understand the networks we need to understand the structure and institutions within the environment within which network exist. According to Chell (2008:53) the structures that comprises the environments are institutions that make up the societies and nations states in which the entrepreneur and firms are located. These firms create an extensive network which affects the firm's ability to take decision and their activities. Chell (2008) argument leads to the understanding that networks may also affect firm's marketing decisions further heading to the concept that network affects SMEs standardisation/adaptation decisions as well.

Numerous definitions of ‘networks’ are given within the context of particular research interests.

Table 2. 5 Definitions for Network

Author and Year	Definitions of Networks
Johanson and Vahlne (2011),	Business networks are defined as sets of connected business relationships.
Thorelli, B. Hens (1986),	The term networks refer to two or more organizations involved in long-term relationships.
Brereton and Jones (2002)	Networks are based on social relationships, family, friends, neighbours, as well as customers, vendors and creditors.
Human and Provan (1997)	Networks are defined as “intentionally formed groups of small and medium-sized profit-oriented companies in which the firms (1) are geographically proximate, (2) operate within the same industry, potentially sharing inputs and outputs, and (3) undertake direct interactions with each other for specific business outcomes.”
Dubini and Aldrich (1991)	Networks are defined as patterned relationships between individuals, groups and organizations.
Ceglie and Dini (1999)	Network refers to a group of firms that co-operate on a joint development project -- complementing each other and specialising in order to overcome common problems, achieve collective efficiency and conquer

	markets beyond their individual reach.
Zain and Imm Ng (2006);	A network is defined as the relationship between a firm's management team and employees with
Axelsson and Johansson (1992)	customers, suppliers, competitors, government, distributors, bankers, families, friends, or any other party that enables it to internationalize its business activities.
Johansson (2000)	Networks are interconnected, dyadic relationships in which various ties can be analysed in terms of content. Information ties provide business information, secondly, exchange ties extend access to resources, thirdly, influence ties legitimate the entrepreneur's activities and create barriers to entry'
Shaw and Conway (2000:369)	Networks can be defined 'as the composite of the relationships in which small firms are embedded, which serve to link or connect small firms to the environments in which they exist and conduct their businesses'.
UNIDO (1999)	The term network refers to a group of firms that co-operate on a joint development project -- complementing each other and specialising in order to overcome common problems, achieve collective efficiency and conquer markets beyond their individual reach.

2.3.6 Theoretical foundations for interaction and relationships in business networks

Before proceeding further to business networks, it is essential to develop the understanding for theoretical development and theoretical foundations of business networks. This part of literature review is comprised of core concepts and theories of business networks such as Interaction model and a network approach developed by IMP Group members.

2.3.6.1 The interaction model (Hakansson 1982)

Hakansson (1982) proposed 'Interaction' perspective for studying business to business relationships. According to (Hadjikhani and LaPlaca, 2013), 'network interaction perspective' is quite aligned with theories given such as organizational behaviour and dynamics, social exchange and system theories. This approach shows showing buyer-seller relationships by putting interaction at the centre makes it impossible to make sense of what happens between business companies by looking at just one of them'' (Ford and Hakansson, 2006:14). Buyer-seller relationships are interactive (Gadde and Snehota, 2000). The interaction model is used for description and analysis of buyer-supplier relationships in business networks (Hakansson, 1982).

A focus on the content of social ties fits well with IMP group's ARA model, a dimension of which is actor's interaction among their social bonds. Here, in this research as we emphasize more on Interaction model by IMP group, which also imply the concept of exchange relationships between actors and part of it also consider the social exchanges between the actors.

IMP research project on industrial purchasing focused on interaction in the form of exchange and adaptation between suppliers and customers using 800 customer-

supplier relationship cases (Turnbull and Valla, 1986, Håkansson and Group, 1982) . It was observed that the firms in customer-supplier relationships adapted products, processes and routines to each other (Hallen et al., 1991).

2.3.6.2 A network approach to business marketing

According to Ford, Gadde et al. (2006) a network approach in business marketing context is comprised how the companies look outside the company at the surrounding network of other companies to find its customers, its competitors, its own suppliers and those companies with which it has to cooperate. Further, he stressed that marketers need to understand the network dynamics to develop successful marketing strategies.

Industrial network approach perspective differs from that of traditional marketing and buying behaviour approaches. According to Axelsson and Easton (1992), it integrates two different field of endeavour. It shuns markets and adopts relationships. Industrial network approach is positive and therefore does not include normative principles into its models.

2.3.7 Moving from interaction to relationships

Business relationships are likely to be more complex and long-term (Hakansson and Ford, 2002). Simultaneously the relationship elements of behaviour are rather general and long-term in nature. Interactions, by contrast, represent the here and now of the inter-firm behaviour (Axelsson and Easton, 1992:08). The network analysis of inter-firm behaviour distinguishes between the relationships and interactions (Johanson and Mattsson, 1987). For the purpose of network analysis, the researcher focused on the relationship between the focal firm and actors in business networks as the interaction between the firms may not have long-term implications and thus have less impact on

strategy development. The long-term business relationship between the focal firm and actors can have more impact on the international marketing strategies.

To clearly understand the difference between the interaction and relationship Johanson and Mattsson (1987) describes relationships rather general and long-term in nature as compare to interactions which represents the here and now of the inter-firm behaviour and constitutes the dynamic aspects of the relationship. For further understanding of the conceptual differences between interaction and relationships please see : Relations and interactions in industrial markets(Johanson and Mattsson, 1987).

2.3.7.1 Interaction

IMP (International marketing and purchasing) group identified four elements in buyer-seller interaction model, such as a product or service, money, information and sociality (Turnbull and Valla, 1985). Johnston, Lewin et al. (1999) , describes five different levels for interaction between firms and their network in international scenario such as 1) international relations that might exist between two countries for example international trade where the governments are highly involved; 2) interaction that might exist between one nation(society) as whole and industry of another nation ; 3) International trade represents the third type of interaction; 4) Domestic industrial relations are fourth category; 5) Government interaction with domestic industries represents the fifth type of interaction. According to Johnston, Lewin et al. (1999:262) the type of interaction which exists in international trade might include triads as well. Because of the number of relationships frequently involved, these are not simply dyadic relationships; rather they are relationships among the network of the firms.

Johanson and Mattsson (1987) identified four elements of interaction i.e. mutual orientation, the dependence, bonds of various kinds and investments. Almost all these elements of relationships are described in upcoming topics. Central construct of social exchange theory is that of connections. 'Two exchange relationships are connected to the extent that exchange in one relationship is contingent, positively or negatively, upon the other relationships'. This concept allows the researchers to move beyond the dyad relationships and more broadly explore system-wide effects. Considering above mentioned, A may affect C through B simply because there are connected exchange relationships between all three parties (Axelsson and Easton, 1992: 6). Networks in b2b industry facilitate the SMEs to have more integrated linkages not only with customers and suppliers but also with cargo-agents, governments and competitors. The reason for not using ARA model (Ford, 1980) is that it lacks the behavioural factors while investigating the business networks. Recent development in b2b marketing theory reveals that now days the 'business environment' is viewed as a web of relationships, a network, rather than a neoclassical market with many independent suppliers and customers (Johanson and Vahlne, 2009:1411) .

Social exchange refers to the interpersonal relationships which exist between members of the buying and selling centres (Metcalf et al., 1992:29). Whenever a person or group negotiates with another person or group over the allocation of valued resources, a minimal social-exchange network exists (Markovsky et al., 1988:220).

2.3.7.2Connections

The term connected means that exchange in one relationship is linked to exchange in These webs of connected relationships are labelled business networks (Johanson and Vahlne, 2009:1414)

Actor bonds connect actors and influence how the two actors perceive each other and form their identities in relation to each other. Bonds become established in interaction and reflect the interaction process (Hakansson and Snehota, 1995:27)

According to Smith and Laage-Hellman (1992), in network model the relationships which link actors are inter-connected. Social exchange theory describes the connectedness as ‘two relationships, A-B, B-C, are connected when exchange between A and B to some extent affects exchange between B and C and vice versa’ (Yamagishi et al., 1988) . ‘Two exchange relations are connected to the extent that the exchange in one relation is contingent, positively or negatively, upon exchange in the other relation’ (Cook and Emerson, 1984:03). According to Anderson, Hakansson et al. (1994), two connected relationships of interest themselves can be both directly or indirectly connected with other relationships. Considering this definition of connectedness, there is triad relationship between the customers, suppliers and competitors or we can also describe the triad relationship between distributor, customer and manufacturer/suppliers. According to Smith and Laage-Hellman (1992:44), a connection has so far remained an underdeveloped concept in industrial network theory. This research work focuses on the connections between a focal firm i.e. SMEs with actors and almost covers all following listed connections by (Laage-Hellman, 1988).

1. One customer, interacting with two suppliers.
2. One supplier, interacting with two customers.
3. Supplier, intermediary, end user triads.

Possible combination of connections used in this research work.

1. SMEs – Supplier
2. SMEs- Customers
3. SMEs- Government
4. SMEs- Cargo-agent
5. SMEs- Competitors
6. SMEs- Customer-Competitor
7. SMEs-Customer-Distributor
8. SMEs-Supplier-Competitor
9. SMEs-distributor-competitor
10. SMEs-Distributor-Government

According to Smith and Laage-Hellman (1992), the connections are activated by means of each actor's relationships with several other actors. A desired activity requires resources from all linked firms usually known as actors. These resources would include access to customers or supplier as well as flow of goods, services, information etc. The connections are further classified as i.e. actor based, resource based and activity based. Actor-based connections are caused by actor's subjective acting or networking within give structure (Laage-Hellman, 1988).Whereas the resource-based connections show the dependency of actor to another actor in the network due to the resources offered by actors. Such connections cannot be avoided or eliminated by individual actors without first changing the structure. The term 'structure' means the network structure. According to Laage and Hellman (1992:51), activity based connections are related to activity structure of the network. The researcher further argues that connections arise because of the existence of structural dependencies among different activities.

2.4 Relationships in Business Networks

Networks become the most essential element in international as well as local markets that each country's manufacturing activities and international trade cannot be discussed without the networks anymore (Ando and Kimura, 2003:03). Networks influence on firm's strategies is foreseeable in developing economies as well as in developed economies. Vast majority of research confirms that firms are connected with numerous relationship networks which may also determine their strategies and performance (Rowley et al., 2000, Granovetter, 1973, Gulati, 1995, Peng and Zhou, 2005). To develop the international marketing strategies the SMEs needs to have greater understanding of networks by focusing on contents of its links and not simple counting how many links it has (Blackburn et al., 1990).

Business relationships are central element in the business network definition (Johanson and Vahlne, 2011:39) Business relations are created through enactment processes in which intentions, interpretations and expectations are important (Johanson and Vahlne, 2011:486). Business relationships in industrial markets are always seen as long-term relationships. The continuum of short-term and long-term relationships shows the remarkable changes in marketing by moving from single transaction to long-term buyer-seller relationship (Johanson and Mattsson, 1987). This shows a paradigm shift in the field of marketing from the marketing mix strategies to relationship marketing Gummesson (2002). This research work contributes to existing knowledge on marketing by beautifully linking relationship marketing factors and its impacts on marketing mix elements considering the business networks as vital part of the marketing activities of the firms such as SMEs.

Relationship marketing requires understanding the distinction between the discrete transaction, which has a ‘distinct beginning, short duration, and sharp ending by performance,’ and relational exchange, which ‘traces to previous agreements [and].. is longer in duration, reflecting an ongoing process’’(Dwyer et al., 1987:13). In industrial marketing context, the relationship marketing is referred as ‘marketing oriented toward strong, lasting relationships with individual accounts’’ (Jackson, 1985:2). Therefore it is obvious that the relationships in industrial marketing or business to business context are studied considering long-term orientation. Ganesan (1994) found the antecedents of long-term orientation in buyer-seller relationships. Buyers and sellers having long-term orientation focuses on achieving future goals and are concerned with both current and future outcomes. Hence from strategy development point of view, it seems critical for buyer and sellers in business networks to have long-term orientation. The researchers in marketing literature have attempted to define the characteristics of rationalism as ‘expectation of continuity of a relationship’ (Kaufmann and Stern, 1988, Dwyer et al., 1987, Noordewier et al., 1990, Ganesan, 1994). The author further is trying to differentiate the term long-term orientation with longevity of relationship.

2.4.1 Network-actor relationships

According to Cook and Emerson (1984), the industrial networks are structures of dyadic exchange relationships, tied together in series, consisting of groups of independent firms coordinating their activities and resources and working together towards of common goals. The actors can be the individuals or it can be the organization or institutions in the networks. In business networks the actors are identified as suppliers, customers, competitors, cargo-agents and governments (Hakansson and Snehota, 1995). The actors in business networks influence the

marketing activities of the SMEs (Carson et al., 2004). Following individuals/organisations are identified as 'actors' in business network of SMEs, which may potentially influence marketing activities of SMEs:

1. Customers
2. Suppliers
3. Distributors (Cargo-agent)
4. Competitors
5. Government
6. Banks

Research reveals that firms are frequently involved in a set of different, close and lasting relationships with important suppliers and customers (Hakansson and Snehota, 1989). Focal firms presumably in turn are engaged in a number of additional business relationships, firms operate in networks of connected business relationships (Anderson et al., 1994, Cook and Emerson, 1978).

Relational networks can be defined from a number of perspectives. Podolny and Page (1998:03) define relational network forms of organization as any collection of actors ($N \geq 2$) that pursues repeated enduring exchange relations with one another and, at the same time, lacks a legitimate organizational authority to arbitrate and resolve disputes that may arise during the exchange. This research includes the network relationships of SMEs in local as well as in international markets. Survival and competitive advantage of SMEs in international markets depends on the ability to establish and manage international and local partners (Etemad, 2004; 2003; 1999). 'Geographical location of SMEs partners appears to be still strictly rooted locally. Hence, despite trends towards globalisation, the local

system is still a source of competitive advantage for SMEs and a strategic resource as a supplier of specialised knowledge and competencies (Chiarvesio et al., 2004:1516).

The firms are considered as an actor performing activities and employing resources (Henderson and Quandt, 1971). To comprehend the concept of direct or indirect relationship in business networks, the network functions are characterized with respect to the affects it has on actors. Primary function is considered as direct relationship, we mean the positive and negative effects on the two partner firms of their interaction in a focal dyadic relationship. The secondary functions i.e. the indirect relationship, also called network functions; capture the indirect positive and negative effects of relationships because it is directly or indirectly connected to other relationships. Anderson, Hakansson et al. (1994) further argues the secondary functions can be as important as the primary ones, or even more so.

The business marketing is very much about organizing the relationships (Håkansson and Östberg, 1975). For the purpose of securing a stable client base rather than investing in formal marketing strategies small firms will seek to personalize relationship with their contacts in client companies. The changes in network structures in transition (Gilmore et al., 2001a:2) are the changes that incurs in network structures over time due to the changes in marketing activities such as adding new customers, switching to new suppliers, or adding new distributors for marketing activities of SMEs shows that networks have dynamic nature and hardly any network be a static. As the influence is dependent on the content of the existing relationships, the existing relationship of SMEs with other actors in networks such as suppliers, distributor's customers are seen within the content of marketing activities (Hadjikhani and Håkansson, 1996).

2.4.1.1 Customers relationships with b2b SMEs

A number of research studies have been conducted using buyer-seller or customer-manufacturers exchange relationships as core focus of network research in business to business context (Metcalf et al., 1992, Lags, Lancaster and Lages 2008, Wagner 2010, Doney and Cannon, 1997). According to Metcalf et al (1992:28), the exchange of these elements in buyer-seller relationship may become routinized over time which leads to the development of a clear set of roles or responsibilities that each partner is expected to carry out.

Within the context of marketing relationships, there has always been a strategic advantage in staying close to customers especially where an industrial market serves several large, influential OEM or user customers (Johnston et al., 1999). The buyer-seller relationships of the past were mostly informational and unidirectional, which describes that more an industrial marketer knew about the customer, the better (Johnston et al., 1999). The literature review suggest that the firms doing businesses internationally, there is higher level of interdependency in industrial buyer-seller relationships and the exchange partners belonging to different culture or countries are more difficult to manage as compare to having transactions with domestic industrial exchange partners (Cannon, et al., 1999, Ford 1980).

According to Kennedy et al. (2001:73) increasingly, businesses are focused on the development of long-term and mutually beneficial relationships with the customers, other organizations, and employees. In this research work customers are companies and not the consumers (Gilmore et al., 2001). In dyad and triad relationship with customers, the trust is a key factor that influences the ability of a sales person to

influence a prospect and obvious benefits are long-term relationships with customers (Swan et al., 1985).

The literature review reveals that various researchers has focused on buyer-seller relationship along with the relationship marketing factors such as trust , commitment , relationship policies and practices , mutual cooperation and customer satisfaction (Lages, Lancaster and Lages., 2008). Another work by Swan, Trawick et al. (1985), studies the relationships between the industrial sales people and the customers using trust as outcome variable. Customers with long-term orientation are not likely to change vendor, and their accounts are likely to be attractive to the vendor (Ganesan, 1994:14). This kind of customer's orientation does influence the strategic decision of customers.

2.4.1.2 Competitors relationships with b2b SMEs

This section of literature review focuses on firm's dyadic and triad relationship with competitors and its influence on international marketing strategies within industrial networks. The competition is defined as one of co-relation dimension of the relationships between actors in business to business context (Easton and Araujo, 1992). Exchange relationships have primacy in industrial networks, however Easton and Araujo (1992:79) stresses that other kind of non- exchange relationships are also important such as relationship with competitors. In such kind of non-exchange relations, the information is both transmitted and exchanged between the firms and its competitors. The researchers further argue that such kind of exchanges need not follow the economic exchange structure.

This research work emphasize on competitors as actors in industrial network, hence to understand the competitors as actors we first need to understand the core concept

of competition in industrial networks. In such kind of non-exchange relations between firms and its competitors, usually it is found that there is negative connection between actors Cook et al. (1983). Competition occurs when the two actors have objectives which are in conflict but the locus of their objective is under the control of a third party.

At another point, Easton and Araujo (1992:72) assert the competition might occur between a supplier and a customer's customer in terms of the technology to be used in the value-added processes, the attention and resources to be applied to one or the other and their relative demands in terms of timing and logistical coordination. According to Markovsky et al. (1988), a negative connection exists if B and C can substitute as providers of A's resources. Easton and Araujo (1992:72) competition occurs when the two actors have objectives which are in conflict but the locus of their objective is under the control of a third party. The researchers believe the third party is most often a business to business customer. Apparently it is believed that SMEs would not be having relationships with competitors. Whereas Gilmore et al. (2001) in empirical studies emphasized that there is considerably more communication between SMEs and competitors than it is generally reported in literature.

Within industrial networks, SME's certainly comprehends the importance of having relationship with the competitors (Chetty and Wilson, 2003). The competitors are considered as part of industrial networks. SMEs maintain the relationships with the competitors for the reasons such as to get information about market and customers, getting orders from the customers they usually do not have access (Gilmore et al., 2001b). The SMEs use networking to maximize the market opportunities that foster the chances of survival and growth for SMEs by interacting with customers and competitors (Gilmore et al., 2001). The literature on standardization/adaptation of

marketing elements also suggests that as competition increases for exporting firms, these firms tend to adapt its products, promotion, pricing and distribution strategies to the export market (Lages and Montgomery, 2004). This research will extend the literature by focusing on how competitors in business network relationship influence standardization/adaptation of marketing elements.

2.4.1.3 Suppliers relationships with b2b SMEs

Literature review reflects an increasing strategic attention to the benefits that can be gained from relationship with suppliers (Gadde and Snehota, 2000). It further argues that importance of suppliers in relationship context is based on economic benefits and consequences, continuity of relationships and sourcing strategy of buying firm. Suppliers are linked to the SMEs as actors (Hakansson and Snehota, 1995). The number of suppliers for SME's varies depending on the type of product manufactured by these SMEs. Similarly Gadde and Snehota (2000) argue that 'the critical supplier relationships of a company are often complex in terms of the range of products and services supplied and people involved.

The literature suggest that relationship factors plays important role in dyad relationship between SMEs and suppliers such as trust, commitment, power and interdependency and social ties (Han et al., 1993). According to Doney and Cannon (1997) in industrial marketing context, when the purchase situation involves modified rebuys and new tasks requires greater decision making on the part of buying organization with more people in decision-making process, greater is the uncertainty and therefore the risk could be operative. To make current purchase decisions and long-term relational commitments, buyers must determine the extent to which they can trust suppliers and their salespeople. The literature also suggest that

companies can exercise only limited control over a vendor as suppliers pursue their own business logic in relationships to customers.

The literature on buyer-supplier relationship focuses on single source strategy and multi-source strategy within purchasing context (Khaiheang lee., 1999). When SMEs tends to have more than one supplier they prefer to have multi-source strategy for their company in purchasing raw-material from the suppliers. This single source strategy or multi-source strategy may also influence the patterns of transactions of SMEs i.e. buyers have with suppliers in the networks which is evident from interaction process in networks (Håkansson and Group, 1982). The buyer's in b2b industrial networks tends to have few suppliers whereas the suppliers are inclined to have more customers for their firm.

Companies make different use of supplier relationships, depending on the nature of their business, the kind of technology used and the context in which they operate (Gadde and Snehota. 2000). Power and dependency in buyer-seller relationship has been the focus of researchers in industrial marketing research (IMP Marketing group). According to Andaleeb (1995) when a buyer is dependent, it implies that critical resource is available from the supplier. In this situation the SMEs are buyers of raw-material from suppliers, therefore the SMEs are considered in power position (Bjor Axelsson IMP Journal 4(1).

Trust increases the length of relationship in buyer-supplier relationship (Doney and Cannon, 1997). This research does not focus on prerequisites of trust or the development process of trust; rather it focuses more on consequences of trust in dyadic or triad relationship on strategic decisions of SMEs in b2b context.

2.4.1.4 Distributors relationships with b2b SMEs

The distributors as an umbrella term is used by managers and scholars for different types of channel intermediaries such as wholesaler, retailer, distributors (dealers), agents, and value added resellers (Ellis, 2010). In business to business context the distributors performs many upstream and downstream functions. This literature focuses on dyad relationship of SMEs in business networks with the intermediaries such as freight forwarders, shipping agents and air cargo-agents in distribution and its impact on international marketing strategies. Channels of distribution are defined as ‘an organized network of agencies and institutions, which in combination perform all the activities required to link procedures with users to accomplish the marketing task.’ claimed Keegan and Green (1999:461). Marketing channels can create place, time, form, and information utility for buyers.

In business to business context, the SMEs use conventional approach ‘catalogue or one channel approach’ to sale the products to its customers in international markets. With increasing attention towards the use of online selling and store options offers a multi-channel approach to SMEs (Merrilees and Fenech, 2007). The samples SMEs are using both one-channel and multichannel approaches to sale the products to the customers in international markets. The exhibitions are also used as part of multi-channel marketing for selling abroad. The reason for using catalogue is its visual appeal and a broad range of experiential values to the customers (Mathwick et al., 2001).

The behavioural factors such as power and conflict in distribution channel have been the focus of many researchers for nearly half a century (Brown and Frazier, 1987, Dwyer, 1980, El-Ansary, 1975, El-Ansary and Stem, 1972, Walker, 1972, Wilkinson 1974). In distribution networks, it is possible for companies to have multiple

relationships simultaneously with (Ford et al., 1998) Book. The intermediaries in distribution channel have direct or indirect relationship with actors in business network. SMEs uses domestic –based sales representatives / manufacturer’s own sales force i.e. the type of sales representatives resides in the home country of the manufacturer and travels abroad to perform the sales function. Some of the SMEs were also intended to open foreign sales subsidiary or some already had foreign sales subsidiary.

The inter-firm relations in marketing channels began in earnest in the late sixties (Young and Wilkinson, 1989:109). Exploring the literature on channel members as network actors reveals that there is strong relationship between trust and co-operation and co-operation is considered as component of trust in these marketing channel relationships (Young and Wilkinson, 1989). In channel relationships, when a channel member control resources needed by other channel member, there emerges a set of power relations that enables the party in control of the resources to exert influence (Andaleeb 1995:159). Channel researchers most often rely on Emerson’s (1962) definition for dependence based on the conceptualization of power-dependence theory, such as ‘each party’s dependence on its partner is determined by (1) its motivational investment in the relationship, and 2) the replace ability of the partner.

The literature suggests that ‘Power’ has been studied as structural construct in relationships for channel members (Geyskens, 1999). The literature suggests that if a power structure exists within a channel, self-perceived power defined as control over marketing strategy variable should be positively correlated with attributed power (El-Ansary and Stern, 1972). Therefore it is obvious that power in channel relations do influence marketing strategies. Therefore, all else being equal, increasing total interdependence demonstrates to channel members that efforts to maintain the

relationships are reciprocated by its partners (Anderson and Weitz, 1992). According to Geyskens et al. (1996), the higher interdependence between the channel members leads to continue relationships for effective reasons. The literature suggests that the firms in business relationships tends to continue their business relationships due to the reasons such as inter-firm adaptation and inter-organizational learning by which the trust is built (Granovetter, 1985, Hellen et al., 1996).

2.4.1.5 Government agents relationships with b2b SMEs

The literature suggest when firms sale its products on international levels, the complexity increases and the relationships are developed at international levels beyond the relationship between the firms, there are governmental relations that must be considered (Johnston et al., 1999). He further argues that government interaction with domestic industries representing fifth type of interaction, both support and regulates domestic industries. Zhou, Wu et al. (2007), considers the social relationships with government as the part of social network of small firms. Social networks with government officials are critical to providing the kind of information which reduces uncertainty and risk for small firms in international operations (Zhuo, Wu et al., 2007).

Government's role as non-exchange relationships has been identified by researchers as vital part of business networks (Morgan and Hunt, 1994). Governments as third parties in b2b industrial network support manufacturing SMEs by proving them information and support these small firms to sell the products in international markets (Hakansson and Snehota 1995). The government as an actor can be the supplier who supplies the raw-material to the SMEs. In certain cases they are the customers as well buying goods from these SMEs. It's been proved by plenty of scholars that networks

have positive relationship with export performance of SMEs and strategic decision of SMEs (Schilke, Reimann et al., 2009).

To overcome drawbacks of being small in size and resource constraints or lack of knowledge of the local and international markets or to grab new market opportunities in local and international markets SMEs widen its b2b and B2G networks. The rationale for building B2G network ties with central or local government officials are likely to be different from that for building b2b network ties with suppliers, retailers, and competitors (Peng and Luo, 2000). Governments support SMEs in business activities by providing certain rebates, tax exemption, tax free zones etc. Governments also provide platform to the SMEs to introduce their products in international markets. For SMEs it is also essential to build relationships with government agencies such as Export Promotion Bureau, Trade Development Authority and many more. The literature suggests that in the relationship between Government and firms, the government support and regulates domestic industries (Johnston et al., 1999).

There is clear evidence of social network ties with government for small firms (Peng, 2003). Business associations and local institutions may play a crucial role in changing and shaping the emerging network among the SMEs (Vanhaverbeke, 2001). Networking with government institution includes alliances, associations, and collaborations between same types of firms such as for SMEs in textile sector (APTMA) All Pakistan Trade Mill Association.

There is dyad and triad both types of relationships of firms with government agencies in industrial networks (Johnston et al., 1999). Johnston et al. (1999) has extensively written about the potential government-industry relations for strategic responses in international business. He further suggested that for international businesses more

complex industrial interaction occurs such as political and legal influences are affected by the trade barriers, traffic and involvement of the government agencies.

2.5 Relationship marketing factors for interaction in business networks

The relationship marketing factors are studied in detail to find out the strategic impact of this relationship on focal firms in business networks. The literature suggests multiple perspectives for strategies in business networks. Mintzberg (1988) used five alternative metaphors for strategy. Easton (1992) used a similar approach by having four metaphors for strategy in business networks, networks as relationships; structures; processes; and positions. More recently Carson et al., (2004) has described three dimensions of SMEs networking within the strategic marketing context, i.e. structural dimension, relational dimension and marketing network processes i.e. the usage dimension. This research focuses on the relational dimension of the networks for exploring strategic implication on standardisation/adaptation programs in SMEs rather focusing on processes only.

The decision making in SMEs takes place in a particular setting which is developed by business interactions between companies in a network context comprising an intricate net of actors and resources (Hakansson, 1982). The export oriented SMEs sells products in international markets to customers by creating B2B network with other stakeholders in local/international markets. SME owner-managers as respondents are predominantly decision-makers for international marketing activities of these SMEs (Jämsä et al., 2011, Zaheer et al., 1998). This demonstrates that the decision making in SMEs presupposes the relationships between companies, which comprise of business relationships /interaction between these actors. According to

Johanson and Vahlne (2011), the focal firm is always in the network. A very limited work has been done in literature on how strategy-making is analysed within business networks and its connections context (Johanson and Vahlne, 2011). The significance of business relationships and its strategic implications were first realized in a research project on industrial purchasing (Hakansson and Ostberg, 1975).

The literature suggests that the focus is still on focal firm and marketing mix perspective (Kotler et al., 2008, Solomon et al., 2009). Only recently the focal firm and network view perspective has been argued (Hennart 2009, Johanson and Vahlne 1990, 2009). There is a need to explore holistic view of network paradigm in focal firm relationships with its actors in business network. The relationships in business networks have been the focus of researchers since last half a century. According to (Johanson and Vahlne 2011) the results of an IMP research project based on 85 Swedish supplier firm's relationship with customers with international operations 90% of the focal relationships were affected by connected relationships. The project data do not encompass the supplier side relationships and focal firm relationships from actor's perspectives. In business relationship context Wilson (1995) ascertained an extended list of relationship variables such as commitment, trust, cooperation, mutual goals, interdependences, performance satisfaction, comparison level of the alternative Cl alt, adaptation, non-retrievable investment, shared technology, summative constructs and social bonds.

Out of the extended list of relationship factors our research aims to focus on those relationship factors which influences strategic choices of the firms in business networks and we avoid to use those relationship factors which results in network processes rather programs such as cooperation, mutual goals, performance satisfactions, comparison level of alternatives, adaptation , non-retrievable

investment, shared technology, summative constructs and the relationship factors included in this research work are comprised of four variables such as trust, commitment, socialites and power and dependence.

2.5.1 Trust

The concept of trust has been the notion of the various researchers in social and management sciences (Hadjikhani and Hakansson, 1996, McQuiston, 2001, Friman et al., 2002). Trust is considered as the most important element for successful and long-term relationships (McQuiston, 2001) and the relationships are sine qua non approach (Easton and Araujo, 1992). Trust is essence of doing business with other parties in the markets. It is basically the trust that makes SMEs to believe that other firms will fulfil their commitment. Itami (1987) describes the trust is an intangible asset of firms. According to Ring and Van de Ven (1992), trust primarily is based the other party will to fulfil its commitments and that the relationship is equitable. The literature substantiate that the term trust has been used in the literature as early as in 1950s (Deutsch, 1958) and presumably the first attempt to investigate experimentally the phenomena of trust. The concept of trust has been studied in philosophy, economics, social psychology (Larzelere Hutson, 1980), management (Morgan and Hunt, 1994) and more specifically in marketing studies of business to business relationships (Kelly and Schine 1992, Blois, 1999).

To bring clarity in conceptualization of trust, this literature focuses on the definitions of trust considering relationship marketing in the b2b context, trust as mediating or moderating variable in qualitative research, trust in dyad interaction between the SMEs and actors, trust in b2b network context, the impact of trust on strategic decisions for business to business markets. The term 'trust' has appeared in majority

of the papers published on the topic of relationship marketing. Trust exist when a firm believes its partner is honest and benevolent (Larzelere and Huston, 1980).

The trust in marketing literature has been studied for the developing countries conceptualizing 'trust' in western context (Andaleeb and Anwar, 1996, Batt, 2000, Lee and Dawes 2005). According to Abdul et al., (2012) customer trust is not only based on personalise trust sources such as customer dependence, product quality and service quality, it is also influenced by generalised trust sources. This research clearly reveals that trust in developing countries is based on relationship between traders and final buyers.

Trust is defined as 'an attitude displayed in situations where a person is relying on another person is risking something of value, and /or a person is attempting to achieve a desired goal (Bialaszewski and Giallourakis, 1985:207). Various authors have encompass the definition of trust around the concepts of believe in other party's reliability, confidence and cooperation in an exchange relationship. Such as Moorman, Zaltman and Deshpande (1992) define trust as 'A willingness to rely on an exchange partner in whom one has confidence'. Anderson and Weitz (1990) describe trust as 'One party believes that its needs will be fulfilled in the future by actions taken by the other party.' Dwyer, Schurr and Oh (1987) describe it as 'A party's expectation desire coordination, will fulfil obligations and will pull its weight in the relationship'. Schurr and Ozanne, (1985) defines it as 'The belief that a party's word or promise is reliable and that a party will fulfil his/her obligations in an exchange relationship.

Trust has been studied in buyer-seller interaction in business to business context (Swan et al 1985, Hawes et al 1989, Moorman et al 1993, Doney and Cannon 1997,

Andaleeb 1995, Abdul et al 2012) and antecedents of trust development with role of buyer-seller interaction (Swan et al 1988, Crosby et al 1990, Lagace et al 1991). Trust has also been studied in buyer-seller relationship for services (Parasuraman et al 1991, Berry 1995, Crosby et al 1990). According to Wilson (1995), trust is a fundamental relationship model building block and as such is included in most relationship models.

Stretching the literature to interpersonal/inter-organizational trust, it's been found that 'Trust' has been studied in various business relationships such as relationship in marketing channels with channel members (Morgan and Hunt 1994), buyer-seller dyadic relationships (Doney and Cannon 1997, Kennedy et al 2001). As the trust is pivotal for relationships, therefore relationships between SMEs and network actors are also based on trust. The relationships between the actors and focal firm exist at different levels in B2B networks. In business settings, three levels where the intermediary may mediate trust are recognised as interpersonal, intra-organisational and inter-organizational trust (Basu 1986). Trust inter-relates actors with SMEs and affects their courses of action (Hakansson and Snehota 1995). Trust has been studied at the inter-personal level by sociologist, psychologists, and economists (Buskers 2002).

Based on Wilson (1995) integrated model for buyer-seller relationships, the trust is considered as a relationship factor in dyad business network for this research work. As the trust is observed in dyad relationship between the actors therefore this research work focuses more on interpersonal trust and its influence on strategic decisions of SMEs within standardization/adaptation continuum. Trust is needed in an uncertain context where parties are interdependent, but trust only exists when one party can rely on another party to act in an expected way (Huang, 2010).

Trust influence decisions such as higher trust would lead to higher confidence (George and John 2004). Confidence is a future-oriented concept and is important in marketing (Thorelli 1986:38). Trust among different nodes in the network (George and John 2004:03) we can also find –trust levels among different actors such as suppliers at different nodes.

2.5.1.1 Trust and strategic decisions in business to business networks

Literature suggest that most of the research related to ‘trust’ has focused on the nature of the trust, antecedent of trust (Doney and Cannon 1997, Ganesan1994)and consequences of trust, inter-organizational trust (Heide 1994), trust in interpersonal dyads (Rotter, 1967, Schlenker et al., 1973), trust in public institution (Lewis and Weigert, 1985), factors affecting trust (Moorman, Deshpande and Zaltman 1993).Very limited research has been done on the effects of trust or trust outcomes on strategic marketing decisions and the influence of trust as relational factor on standardization/adaptation is yet to explore. Geyskens et al., (1996) found the effects of trust on commitment and continuity of inter-firm relationship. Considering the Moorman et al., (1992) definition of trust ‘ trust is the willingness to rely on an exchange partner in whom one has confidence’, the Ganesan (1994) describes the important aspect of definition is the notion of trust as belief, a sentiment, or an expectation about an exchange partner that results from partner’s expertise, reliability and intentionality.

Ganesan(1994:03), based on the definition of trust by Moorman et al., (1992) described two component of trust as 1)credibility, which is based on the extent to which the retailer believes that the vendor has requires expertise to perform the job effectively and reliably and 2)benevolence, which is based on the extent to which the retailer believes that the vendor had intentions and motives beneficial to the

retailer when new conditions arise, conditions for which a commitment was not made.

Considering the above mentioned dimensions of the trust, credibility and benevolence encompasses the consistency, stability and control over the pattern of behavioural exhibit (Ganesan 1994) and this ultimately influences the strategic decision made by organizations. Ganesan (1994) focused on an individual's trust on another individual in the network. According to Swan et al (1985), trust is built over time and trusting person, the buyer, assumes a risk. He further explains that trust building starts with a low-risk commitment and develops over time as the salesperson successfully fulfils a series of promises and commitment, hence considered commitment as antecedents for trust.

Trust has been studied in various business relationships such as relationship in marketing channels with channel members (Morgan and Hunt 1994, Geyskens et al.,1996, Andaleeb 1995, Geyskens, Steenkamp et al., 1999), buyer supplier relationships (Doney and Cannon 1997, Young and Wilkinson,1989), relationship with customers (Swan, Trawick et al., 1985) and relationship of industrial organizations with government (Buchanan, 1974). The relationships between customers and SMEs are based on trust; therefore trust is pivotal for relationships and hence enhances flow of information in business networks.

2.5.2 Commitment

The term 'commitment' has been the focus of various researchers in dyad and triad network relationships context (Buchanan, 1974, Morgan and Hunt 1994, Geyskens et al 1996, Ulaga and Eggert 2004, Ulaga and Eggert 2006, Narayandas and Rangan 2004, Dwyer, Schurr and Oh, 1987). In recent literature for social science research

the term 'commitment' has been found as multi-faceted construct within country research (Morgan and Hunt 1994, Anderson and Weitz 1992). According to Geyskens (1996:304), it is not clear to what extent research findings and insights obtained in one particular country are applicable to other countries. Due to this phenomenon, very limited research dares to focus on cross-country relationship marketing variables.

Commitment is defined as ' a desire to continue the relationship in the future and a willingness to make short-term sacrifices to maintain the relationship'(Anderson and Weitz 1992).Commitment as a vital element in network relationships has been studied in dyad and triad relationships between the actors in business networks, such as most of the studies shows commitment between exchange partners in marketing channels (Geyskens et al 1996, Anderson and Weitz 1992) and in buyer seller relationships (Ulaga and Eggert 2004), relationship between dealers and suppliers (Dwyer and Gassenheimer 1992).

Geyskens further define commitment as affective commitment and calculative commitment. Most of the research conducted in the past has focused on affectively motivated commitment (e.g. Kumar et al 1995a, Kumar et al 1995b, Morgan and Hunt 1994, Anderson and Weitz 1992). Based on the view by (Buchanan 1974), Geyskens describes an effective commitment as 'the desire to continue its relationship because it likes the partner and enjoys the partnership. Calculative commitment in contrast is the extent to which channel members perceive the *need to* maintain a relationship given the significant anticipated termination or switching cost associated with leaving. Therefore this kind of commitment results from very calculated behaviour about cost and benefits of being in that relationship.

Dwyer, Schurr and Oh (1987) in the relationship development model describe that commitment does not develop fully until the relationships enter the fourth stage of the relationship development. The original model of Uppsala Internationalization process, consider the 'commitment' to markets, the later version considers the commitment to business networks (Johanson and Vahlne 2009, Chetty and Blankenburg Holm 2000). The network members influence SME's marketing activities (Carson et al., 2004). The need for commitment to the business' values evidences a willingness to affect, and indeed change, the attitudes of the networks actors (Jämsä, Tähtinen et al., 2011:147).

2.5.3 Network ties/Social Capital

This section of literature review focuses on the concept of social ties in b2b networks and strategic impact of social ties on standardization/adaptation of marketing elements such as product, price, promotion and distribution. Aiming the above mentioned, the literature encompass all sorts of social ties in b2b networks such as friends, business partners which potentially can influence small firms marketing strategies. The social ties between the individuals are considered as the part of the firm's social capital in business networks. Social capital has been studied for more than three decades within the major fields such as sociologists, political scientists, economists and organisational theorists (Burt, 1993).

Organizations can be viewed as social groupings with relatively stable patterns of interaction over time (Katz and Kahn 1966, Weick 1969). Business relationships are also studied as social exchange process (Doney and Cannon 1997). Social networks are defined as 'a specific set of linkages among a defined set of persons, with the additional property that the characteristics of these linkages as a whole may be

involved (Mitchell 1962:2). Network analysis is one of the methods of conceptualizing organizations from both static and dynamic perspective (Tichy et al., 1979). Not all pairs of objects are directly joined, and some are joined by multiple relationships. Network analysis is concerned with structure and patterning of these relationships and seeks to identify both the causes and consequences (Tichy et al., 1979).

Social networks as sub-network of business networks are form of durable social capital (Gordon and McCann, 2000). The literature suggests that social networks have been the focus of research in field of international marketing (Cunningham and Homse 1986, Ellis and Pecotish 2001). Bjorkman and Kock (1995) describes the social network as ‘the network of individuals who are linked through interactions consisting mainly of social exchanges, but information and business exchanges can also take place through those social relations.

Network ties plays crucial role in network research. Nelson (1988: 40) describes networks as “sets of ties linking several actors”. Wider literature shows that those dealing with aspects like social capital have illustrated that social capital is a process with structural and relational aspects (Anderson and Jack 2002, Ojala and Kontinen 2011). The social ties can be developed with any of the actors in business networks. Social ties strengthen the supplier’s relations (Asanuma 1985, Baker 1990, Dore 1983, Gerlach 1992, Helper 1990, Simitka 1991). A social network of small firms provides foundations for describing and characterising a firm’s set of formal network of relationships and organizational actions (Adler and Kwon, 2002, Gulati, 1995).

2.5.3.1 Social ties for small firms

The literature suggests that the role of social ties have been studied in the context of small firms (Ojala 2009, Chetty and Agndal 2007, Coviello and Munro 1997, Graves and Thomas 2004). Small firms in the developing country such as Pakistan usually face more difficulties accessing customers in international markets. Due to the limited resources and small social network, these small firms in domestic markets place high priority on attending trade fairs and using trade agencies as a means for generating foreign leads (Reid 1984, Walters 1983).

The literature suggest the social ties plays vital role in internationalization of small and medium enterprise by providing more foreign market opportunities (Reid 1984) and influencing export initiation (Ellis and Pecotich 2001). Social ties for SMEs further leads to the development of competitive advantages through the accumulation of international knowledge and development of formal business linkages across the countries (Shi et al 2007).

The networks are considered as the source of social capital for SMEs (Jämsä, Tähtinen et al., 2011). The relationship ties of networks within SMEs are also vital for developing international marketing strategy. Johanson and Vahlne (2011) has beautifully written about how the business relationships in business networks brings the strategic change for focal firm, which in long-run converts in strategies of that focal firm and has developed propositions for future research. The major areas he focused on are: the strategic change with relationship partners leads to development process; strategic change is continuous process; insiders or outsiders to the business networks. According to Gulati et al. (2000:204) concurrent with the interest in inter-firm relationships in the strategy, the literature shows a growing interest in

understanding how the social context in which firms are embedded influences their behaviour and performance.

2.5.3.2 Social ties and strategic decisions in b2b networks

Social ties are channels for information and resource flows (Ghoshal and Tsai 1998). According to Granovetter (1983), weak ties provide the bridges; the decision making however, is influenced mainly by the strong-ties network in each group. Focusing on structural and relational dimensions of the social ties, Tsai and Ghoshal (1998) has described three dimensions of social capital, i.e. structural, relational and cognitive dimension. According to Tsai and Ghoshal (1998), structural dimension of social capital manifested social interaction ties, whereas trust and perceived trustworthiness manifested the relational dimension of social capital. Tsai and Ghoshal(1998), considered the social interaction ties as structural dimension of the business network which may stimulates trust and trustworthiness perceived as relational dimension of the social capital.

The reason to consider the social ties as an important relationship factors for this research work is that the literature on network has documented the implication of the strong ties and weak ties on strategic decisions of the firm (Granovetter, 1985). Frequent and close social interactions permit actors to know one another, to share important information, and to create a common point of view (Tsai and Ghoshal, 1998).

2.5.3.3 Formal ties

Considering the social aspect of b2b networks, literature further focuses on the kinds of social network ties (Ojala, 2011). The social networks are concerned with ‘social relationships’ that may have impact on formal business relationships. Considering

this view by Bjorkman and Kock (1995), social network encompass personal relationships with business professionals and government officials, as well as with friends and relatives. Social ties can be conceptualized and operationally defined at various levels of analysis (Tsai and Ghoshal,1998), including individuals (Belliveau, O'Reilly and Wade, 1996), organizations (Burt, 1992), inter-organizational arrangement (Baker 1990) and societies (Putnam, 1995).According to Dubini and Aldrich (1991), formal relationships consist of relationships between all the employees of each firm whose role is boundary-spanning whereas personal or informal networks are related to all persons that the owner-manager can meet directly. The researchers reveal that 'formal ties' exist between business partners, involved in business exchanges and are essentially social. Various researchers agree that the formal relationships refers to the relationship with other business actors and are related to business activities between two or more actors in the network, whereas informal relationships are related to social contacts with friends and family members(Ojala, 2009, Coviello, 2006, Coviello and McAuley, 1999, Coviello et al., 1998).

2.5.3.4 Informal ties

According to Zhou, Wu et al. (2007), the stream of research on informal social networks confirms the existence of information social networks within small firms in major economies such as *Gaunxi* in china (Peng and Luo, 2000, Park and Luo, 2000) , *kankei* in Japan, *immak* in Korea, or *blat* in Russia to acquire information and to deploy resources. The information acquired through theses informal social networks can influence the strategic decisions made by these SMEs in international trade. For example guanxi social network in china helps to reduce transaction cost, increase

transaction values through facilitating exchange of resources, information and knowledge (Standifired and Marshal, 2000).

Various researchers have emphasizes that, informal social networks or network of social relationships serves as the initial basis from which forma networks of business linkages are developed in new territories (Chen and Chen, 1998, Chen, 2003). Closeness defined by Ford et al. (1996:166) implies: ‘the extent of mutual understanding and predictability of behaviour that exists between two parties’’. Jackson (1985) discusses the importance of being close to the customer in industrial markets, and Dawson (2000) suggests that close relationships are source of differentiation.

2.5.3.5 Strong ties

The literature in social sciences suggests that strength of network ties in business relationships is categorized as strong or weak. Strong ties are characterised by frequent and stronger social interactions, where information is perceived to be more trustworthy (Granovetter, 1985). Strong and weak ties, multiplex or single in business networks has clear implications for firm’s strategic behaviour and performance (Zaheer et al., 2000). The literature suggests that researchers have used two items to measure the tie strength in networks such as closeness of a working relationship and communication frequency (Hansen, 1999, Levin and Cross, 2004). Hansen (1999) used a work-related meaning of closeness given the organization context and according to him, the new ties are those ties having no prior contact. The communication frequency/ interaction frequency is considered as the number of times the dyads interacts during a given time. According to Shi, Adamic et al. (2007), a social network tends to have a much higher probability of close triads than other random connections. According to Shi, Adamic et al. (2007), there are many

situations where one may wish to use only trusted contacts to gather or disseminate information.

2.5.3.6 Weak ties

The social ties are considered as the bridge between the network actors (Tsai and Ghoshal, 1998). With the weak ties the company can cover various areas without making very large investments (Axelsson 1992). Weak ties usually are between individuals who do not have much in common, including other contacts and the information they tend to pass will be different (Shi, Adamic et al., 2007). According to Granovetter (1983) the sporadic interactions of weak ties are effective means for gaining novel information and accessing to diverse pools of information sources.

Granovetter (1983) in his article the strength of weak ties: A network theory revisited argues that our acquaintances (weak ties) are less likely to be socially involved with one another than are our close friends (strong ties). The weak ties between the individual/firm and its acquaintances are rather a bridge between two densely knit networks. Weak ties are used as communication channels (Axelsson, 1992:193)

We can summarize the social capital/social ties literature by saying that, these networks have the advantages of transmitting personal and experiential information more effectively as being more flexible and adaptable to changing circumstances (Burt, 1997). The flow of information through these social ties with different actors in business networks has clear implication on strategic decisions made by small and medium enterprises in developing countries.

2.5.4 Power and dependency

Power and dependency is considered as one of the relationship factors in buyer-seller dyad relationship using interaction approach (Axelsson and , 1992). The power

structures have profound influence on their operations (Axelsson and Easton, 1992). Literature suggests that in dyad business relationship of competitors and manufacturers there are bases for power-dependence factor (Axelsson and Easton 1992). For example such bases might include size or access to resources, customer dominance in particular and in general particular quality of offering and so on. It is evident from the literature that the relationships are more dependent when they are located close to each other in the network e.g. involving common actor, activity or resource (Smith and Laage-Hellman, 1992). This argument gives more emphasize on structural closeness or distant between the actors or nodes in business networks. The relationships which are more distant may also be important to each other (Johanson and Mattsson, 1987). Therefore, in these distant relationships the actors in business networks holds different power positions and it also suggests that usually the connection in such relationships are indirect such as working via one or several intermediaries known as triad relationships (Markovsky et al., 1988).

2.5.4.1 The network position

Exploring the literature on 'Network position' it's been found that each actor is engaged in number of exchange relationships with other actors and these relationships defines the position of the actor in the network (Axelsson and Easton, 1992:211). The position characterises the actor's link to the environment and is therefore of strategic significance (Axelsson and Easton, 1992:211). According to Johanson and Mattson (1985), the focal firm can make the exchange more beneficial by improving its bargaining position in dyadic relationship or positions in the network.

Understanding the network position and role of an actor requires an understanding of the actor's relationships with other actors in the network (Johnston et al., 1999:266).

Thorelli (1986) discusses the position in networks as 'a position is a location of power to create and /or influence networks'. He argues that the position of the company in a given network depends on three major factors: the domain of the company, the position of the company in other networks, and the power of the company. Peplau (1979) describes the power in relationship by using an example of dating. For example, college students Al, Bea and Cleo each want to date and the norms prohibit them from dating more than one person at a time. Suppose Beas and Cleo both vie for Al's attention and have no other prospects, while Al, would be happy to date either Bea or Cloe. This creates a B-A-C network, where A (1) may 'negotiate' with B (Bea) or C (Leo), but only date one of them. According to Peplau (1979) such circumstance do tip the balance of power in dating relationship

Dahl (1957) describes and distinguishes the bases for power between reward, coercive, referent, legitimacy, expertise and informational power. According to Markovsky and Willer et al. (1988) power position can influence decisions as outcomes of negotiations among individual or actors. A narrow definition of position is that 'Each actor is engaged in a number of exchange relationships with other actors and these relationships define the position of the in the network (Axelsson and Easton, 1992:211). The researcher further argue that position of the actors in the network always changes, not only because new exchange relationships are developed, old ones interrupted and others change in character, but also because the counterpart's positions are changing and, furthermore, the positions of third parties, with whom the focal actor has no direct relationships, are also changing. Due to the dynamic nature of the network positions, in this research we emphasize more on power position rather just position of the actors. The aim is to find the influence of the power position on strategic decisions made by actors in b2b networks.

Mattsson (1984) defines a position as a role' that the organisation has for other organisations that it is related to, directly or indirectly'. Mattson provides a link to strategy by identifying four strategic situations in relation to network position; entering and exiting an established network, defending and changing existing positions. He on to describe goes two strategies that the focal firms can use in given situations. These analyses are complex and contingent.

Within the context of inter-organizational network relationships, power is a vital concern. According to Axelsson and Easton (1992:191) In an industrial network perspective a key aspect of network strategy will be to form dyads or action sets in order to strengthen the firm's inter-organizational power, or position, in one or more organization sets. Axelsson (1982) discussed related issued regarding power position of focal firms as compared with other networks and its implications on strategies and activities of the firms.

2.5.4.2 Inter-dependencies

The literature suggests that the parties in business relations are mutually dependent on one another to achieve overall objectives of both the firms. This interdependence/mutual dependence has been observed in different dyadic relationships in business networks, such as dependencies in channel member relationships (Ganeson, 1994). Firms in industrial systems are interdependent rather than independent (Easton, 1992 b: 16). Interdependence between companies means that the strategy process is interactive, evolutionary and responsive, rather than independently developed and implemented Hakansson and Ford (2000: 137). The "strategizing" task is about identifying the scope for action, within existing and potential relationships and about operating effectively with others within the internal and external constraints that limit that scope (Hakansson and Ford, 2002:137).

We can say that the interaction between the dyads in the networks may result in strategic decisions for the SMEs (Ford, Gadde et al., 2008). According to Johansson and Vahlne (2011), the interdependencies and the associated ties between the parties have two consequences i.e. power-dependency theory (Cook and Emerson, 1978) and resource dependency theory (Pfeffer and Salancik, 1978). According to Hakansson and Snehota (1995) supplier-customers relationships were strongly interdependence with other relationship of the two parties.

The literature suggests that there is lack of studies on the interdependence of actors and its impact on strategic decisions within standardization/adaptation continuum. Since only few researchers have focused on the effects on interdependence, Geyskens (1996) had found the effect of interdependence on affective and calculative commitment.

2.5.4.3 Power in relationships

Power and its counterpart dependence are examined as important relationship factors in various exchange relationship framework developed (Bonoma, 1976, Dwyer and Gassenheimer, 1992, Frazier, 1983b, Narayandas and Rangan, 2004). According to Narayandas and Rangan (2004), the literature shows mixed results on how initial power positions play out in long-term relationships.

Andaleeb (1995) studied how control and dependence as relationship factors influence trust and behaviour outcomes. He further suggests that relationship between dependence and controls is equivocal.

Various research studies suggest that asymmetrical power and dependence structures results in dysfunctional relationships (McAlister et al., 1986, Gundlach and Cadotte 1994). According to Andaleeb (1995) power and its counterpart dependence has purported ability to explain exchange behaviours and outcomes. He further suggests

that it is important to examine the implications of power in the context of other variables. Such as those dependence relationships in which trust is at the core, these relationships exhibit a completely different tenor and are characterized by stability and integrative behaviours. Andaleeb (1995) describes how important it is to assess how channel member's behavioural intentions are moderated by different level of dependence.

Power shifts in exchange relationships from manufacturers to other parties in network lead to exchange difficulties (Buzzell et al., 1990). Power is central concept in network analysis (Thorelli, 1986:38). Thorelli (1986) defines power as the ability to influence the decisions or actions of the others. The relationships have effects on knowledge developments *ibid* (Dyer and Hatch, 2006, Gulati 1999a, b, Gulati and Gargiulo, 1999). Focal firm relationships with one of the actors in the business networks may also effects the focal firm relationships with other actors in business network (Hakansson and Snehota, 1995, Johanson and Vahlne, 2011).

Ganesan (1994) found that uncertainty from vendor's and from retailer's perspective reduces the dependences of the channel members; therefore it is evident that more certain the actors are in dyadic relation results in more dependence, whereas investment by both parties such as vendor and retailer increases dependencies in channel members (Anderson and Weitz, 1992, Ganesan, 1994). According to Andaleeb (1995) dependence influence intent to cooperate and willingness to adopt a strong stance but had no effect on intentions to exert controls. From an industrial network perspective, the international firms establish and develop network positions in foreign markets (Johanson and Mattson, 1988).

Table 2. 6: Summary of literature review for b2b actors in industrial network and relationship factors

Author/Year	Context /Level of Analysis	Relationship marketing factors as antecedents, mediators, moderators or outcome	Outcomes
Lages, Lancaster and Lages (2008b)	SMEs and its customers in purchasing departments	Relationship practises, commitment, trust in relationships, mutual cooperation and customer satisfaction	The research findings reveals that relationship performance is high-order concept, composed of several distinct, yet related dimensions such as Relationship policies and practises, relationship commitment, trust in relationships, mutual cooperation and customer satisfaction. A scale is developed to measured relationship performance and also suggests the implications for relationship marketing theory.
Swan, Trawick et al. (1985)	Industrial relationship salespeople with customers	Trust building in dyad relationship as an outcome variable	The quantitative study results shows that customer's trust is based on the salesperson being perceived as dependable, honest, competent, having a customer orientation, and being likeable.
Andaleeb (1995)	Marketing relationships channel	This study examines the moderating effects of high and low trust on potential behavioural intensions of channel members in a contrived channel dyad when perceived dependence was high or low.	The quantitative research results shows how in a relationship in which the buyer's dependence is low, the party's cooperative intentions can be enhanced if it perceives that the partner can be trusted. While cooperation is not essential when dependence is low, the results indicate that higher trust engenders a propensity to cooperate.
Morgan and Hunt (1994)	Relationship distribution between channel members	Trust and commitment are considered as key mediating variable for relationship	Developed relationship marketing model for trust and commitment

Geyskens, Steenkamp et al. (1999)	Marketing channel relationships	marketing. Economic and non-economic satisfaction as mediating factor affecting trust and commitment within channel members	A quantitative study that shows that satisfaction conceptually and empirically is separable from the related constructs of trust and commitment.
Geyskens, Steenkamp et al. (1998)	The relationships in marketing channels	The role of trust, antecedents and consequences of trust	The study result shows that trust contributes to satisfaction and long-term orientation over and beyond the effects of economic outcomes of the relationships using a meta-analysis.
Geyskens, Steenkamp, et al. (1996)	Relationship between exchange partners in marketing channels	Affective commitment and calculative commitment, trust and interdependence	Geyskens et al offers a set of hypothesis stating the joint impact of trust and interdependence on both effective and calculative commitment across countries.
Ulaga and Eggert (2006)	Dyadic relationships in business to business network/ Buyer-seller relationships	Relationship marketing variables such as Trust as mediator of the satisfaction –commitment link and relationship value as a construct in relationship models	Used quantitative sampling with MANOVA, this paper explores how to integrate performance-based measures such as relationship value in network of relationship marketing.
Metcalf et al (1992)	Buyer-seller relationship in business to business context	The factors that engender close relationships between buyer-seller such as exchange, co-operation and adaptation (of processes).	A quantitative research based on extension of IMP interaction model, results suggests that signification relationship was found between information exchange and social exchange, cooperation and adaptation. Information and social exchange serves as general predictors of degree of cooperation between buying and selling firms.
Young and Wilkinson (1989)	Dyadic relationship between manufacturers and distributors or	Trust and co-operation in marketing channels and co-operation is considered as	A preliminary study using qualitative research method on trust and co-operation as relationship factors are inter-related in marketing channels.

Narayandas and Rangan (2004)	retailer and suppliers Buyer-seller relationships in mature industrial markets	precondition for trust. Relationship factors such as power of parties, expectations, trust and commitment between dyads and at firm levels.	Using a clinical field research methodology to observe the phenomena for developing and sustaining the relationships between dyads and at firm levels.
Levin and Cross (2004)	A two party dyadic exchange relationships	The strength of weak ties and mediating role of trust	A quantitative study describing the strength of weak ties and role of trust in effective knowledge transfers.
Buchanan (1974)	The relationship between large government and industrial organizations	The commitment between managers and large government organizations as outcome of organizational experiences.	A quantitative study measuring commitment using organizational experiences which can inculcate commitment between managers and large government organizations.
Dwyer, Schurr et al. (1987)	Buyer-seller relationships	Power, trust and commitment	The relationship factors such as power, trust and commitment are described in different phases of relationship development such as awareness, exploration, expansion, commitment and dissolution.
El-Ansary and Stern (1972)	The relationships in distribution channel members	Power as a function of dependence	The power relations were measured between wholesalers and dealers in the heating and cooling equipment supply channel in Franklin country using quantitative research methods.
Dwyer and Gassenheimer (1992)	The triad relationship between dealer and suppliers in industrial channels	Power, influence and satisfaction in triad relationships between a buyer and two competing suppliers	This study compares behavioural characteristic, power, influence and satisfaction with different levels of commitment to long-term collaborative exchange within the supplier and dealer in office equipment furniture.
Humphrey and Schmitz (1998)	The inter-firm relations in developing transition economies	Trust in inter-firm relations	Trust and inter-firm relationships in developing and transition economics. This research discusses about why minimum trust is lacking and difficult to construct in the

Anderson and Weitz (1992)	The relationships in distribution channel	To build and sustain commitment, antecedents of commitment, Trust	republics of the former Soviet Union. It also examines how extended trust can be made to grow in industrial supply chain. The author has developed a model of commitment and pledges using quantitative research methods.
Nevins and Money (2008)	b2b relationships in distribution channels	Trust mediating relationship between short-term orientation and performance and individualism and performance of channels members.	The result of this study highlights the impacts of trust in cross-cultural channel relationships. The findings also suggest that the use of explicit legal contracts in distribution channels negatively affects the distributor's performance.
Medlin, C.J. (2004)	Interaction in business relations (Business markets)	A time perspective for interaction in business relationships and broadly categorizing the interaction in actor bonds and social bonds.	The results of this study suggests that the behavioural patterns emerging from actor bond are more related to trust, commitment and intensions whereas the behavioural patterns emerging from social bonds are more related to society, power and culture usually related to structuration process.
Finch, Wagner et al. (2010)	Business to business relationships in dyad relationship of distributors with supplier/manufacturers.	Trust and social capital in ARA model and social exchange context	The results reveal that in cross-cultural context in distributors and manufacturer relationships, the greater level of trust may overcome the barrier to positive performance by distributors. The study also suggests that distributor's effectiveness was negatively related with the strategic performance with high use of explicit contracts.
Swan, Bowers et al. (1999)	The relationship between customers and salesperson	Development of trust between sales person and customers, trust as antecedent, trust as	A literature review on trust in customers and salesperson context. The results show that trust has a moderate but beneficial influence on the development of positive customer attitudes, intensions and behaviour.

		moderator and consequences of trust on customer's attitude, intension and behaviour.	
Johnston, Lewin et al. (1999)	Dyadic relationships in industrial networks/ Buyer-seller dyadic interaction	Power position, exchange relationships, interdependencies between the firms in industrial network selling abroad.	A conceptual paper based on theoretical development for industrial networks and government role. Described the levels of interaction for industrial markets selling abroad.
Wagner (2010)	Network relationships such as firms with customers	Trust as a crucial factor considering long-term orientation in network relationships	A conceptual paper based on the role of trust in network relationships and type of trust along with problematic aspects of trust in network relationships.
Shi et al (2007)	Dyad and triad relationships in social network data set	Strong ties in dyads and triads	A quantitative research for studying the connectivity of strong ties in social network for transmitting the information.
Zhou,Wu et al. (2007)	Small firms relationships with governments and other firms	Interpersonal ties and social contacts, strong ties, weak ties	A quantitative research focusing on internationalization and performance of born-global SMEs and the mediation role of social networks.
Swan et al. (1988)	The relationship between purchaser and industrial salespeople	Trust, its components, trust dimensions	This article describes the conceptualization of trust in an industrial sales setting and how trust is measured empirically.
Forkmann, Wang et al. (2012)	Dyadic relationships in business networks	Network pictures, power position and strategic decisions	A conceptual study for maintaining and continuation of network relationships and strategic decisions.
Granovetter (2005)	Relationship between nodes, people, firms or other social units	Strong ties, weak ties, embedded ties, Arm length ties	Social structures and social ties affects many important economic outcomes such as price and choice of alliance partners and strategies
Skarmeas, and	Relationship between	Trust, commitment and	Findings reveal that trust, commitment and satisfactions

Katsikeas et al. (2008)	importing distributors and exporting manufacturers for industrial products	satisfaction are considered as antecedent factors for relationship quality.	are the higher order constructs for relationship quality and that there is no link between environmental uncertainty and relationship quality.
Saleh, Ali et al. (2013)	The relationship between b2b importer and consumers	Trust and commitment as predictor of relationships and consequences of these on relationship between b2b importer and consumers.	Focused on predictors and consequences of trust and commitment on relationship between b2b importers and customers. These findings have strategic implication for maintaining and developing the relationship between b2b and consumer goods importers.
Dorsch, Swanson et al. (1998)	The relationship between the Customers (b2b manufacturers) and vendors	Trust, satisfaction and commitment leads to relationship quality	A quantitative research results shows that relationship quality is higher construct of trust, commitment and satisfactions and strategically implication of research results.
El-Ansary and Stern (1972)	The relationships in distribution channels	The power measurement	The author has considered the impact of power over marketing strategy and has measured the relationship between power, dependence and sources of power.
Frazier (1983b)	Inter-firm relationship/dyadic channel relationships	Inter-firm power and dependence in distribution channels	An approach to measure inter-firm power in distribution is developed based on power sources. The dependence determines the firm's dependence determines the former's firm's level of power over the later firm.
Anderson and Narus(1984)	Distributor-manufacturer working relationships from a distributor's perspective	Manufacturer's control, cooperation and satisfaction	Manufacturer's control, cooperation and satisfaction are considered as outcomes of behavioural variables in interaction between manufacturer and distributor.
Ivens and Pardo(2007)	Supplier-buyer dyad relationships	Trust, commitment and satisfactions	Trust, commitment and satisfactions are considered as relationship quality dimensions. This quantitative research use resource-based theory as foundation to work on relationship quality for key accounts relationships against

Leuthesser (1997)	Buyer-supplier relationships	Trust and mutual understanding , interaction frequency and relationship quality	ordinary relationships. This study examines the relationship behaviour in business markets, focussing specifically on the extent to which relational behaviour by suppliers influences relationship quality and sales performance with buyers.
Mohar, Fisher and Nevin (1996)	Relationships between dealers and manufacturers	Mediating effects of Integration and control in inter-firm communication	The study results suggest that when level of integration or manufacturer control is high, the effect of collaborative communication on outcomes is weaker than when integration or control is low.
Ellis and Pecotich (2001)	Social ties, Cosmopolitan ties (Buyer-seller and third party)	Social factors as antecedents for export initiation in SMEs	A qualitative research using case study method explores the influence of antecedent's social ties on export behaviour across industries.
Stuart and Sorenson (2007)	The network relationships in social network context	Social ties and strategic networks	The literature review on given topic suggests that most entrepreneur and young ventures are strategic in their formation of relations.
Farrelly and Quester (2003)	Sponsorship Business to business relationship	Trust and commitment as relationship marketing concepts	This study examines the effects of marketing orientation on trust and commitment.
Zaheer, Mcevily and Perrone (1998),	The relationship between manufacturer and supplier	Effects of trust on export performance	In comparison with inter-personal trust, the inter-organizational trust emerges as the dominant influence on exchange processes and outcomes. It examined nature of trust in buyer-supplier trust.
Doney and Cannon (1997)	Buyer-seller relationships	Nature of trust , inter-organizational trust in buyer-supplier relationship	The research study reveals that trust of supplier firm and trust of the salesperson (covering indirectly through supplier's firm trust) influences buyer's anticipated future interaction with the suppliers.
Hunt and Nevin (1974)	Relationship in distribution channel	Power in distribution channel; sources and	This study asses the relationship between power and sources of power in a channel distribution.

Schoorman , Mayer and Davis (2007)	The relationship between organizations	consequences. Trust in organizations	This study describes an integrative model of organizational trust and literature review on trust in organizations along with new dimension of trust in organizations.
Holm, Eriksson et al. (1996)	Business relationships and international marketing relationships	Cooperation in international marketing relationships and commitment as key variable in business networks	A quantitative research formulates a LISREL model that analysis the cooperation in international business relationships between suppliers and customer firms.
Geyskens, Steenkamp et al. (1998)	Marketing channel relationships	Trust as key mediating variable in marketing channel relationships	A meta-analysis for generalization of trust in marketing channel relationships.
Blois (1999)	Business to business relationships	Trust in marketing studies	The use of the concept of trust in an particular group of marketing studies has been examined and criticized for failing to take account of five issued related to this such as trust and reliance and trustworthiness.
Coviello, Munro(1997)	Informal and formal network relationships	Formal and informal network relationships results in accelerated internationalization process for SMEs.	Using multi-site case research on the software industry this study empirically integrates the traditional models of incremental internationalization with network perspective.
Dirks and Ferrin (2001)	Organizational relationships	The role of trust, high level of trust and low level of trust.	The theoretical framework presented in this article provides insight into the processes through which trust effect on organizational out comes.
Ferrin, Bligh and Kohles (2008)	The dyadic inter-personal and intergroup relationships	Trust as mediating variable and cooperation	This study developed models for analysis of data from two joint ventures business simulations provided support for the spiral models in interpersonal and inter-organizational relationships. The results suggest that trustworthiness-cooperation

Ganesan, (1994)	S. Buyer-seller relationships	Commitment, trust and dependence as determinant for long-term orientation	model considered trust perceptions as crucial mediating role in the development of cooperation in both interpersonal and inter-group interaction. This study presented a framework tested with 124 retail buyers and 52 vendors supplying to those retailers. The results reveal that trust and dependence play key roles in determining long-term orientation in relationships.
Bucklin (1973)	The relationship between manufacturers and channel members	The channel control, and strategies for coordination	The control model in this study allows manufacturers in multi-firm channels to better understand channel forces and to better develop adaptation strategies.
Mayer, Davis et al. (1995)	The relationship between organizations	Trust, antecedents of trust and outcomes of trust	A definition of trust and model of trust describes the antecedents and outcomes of trust.
Wilson, D.T. (1995)	Buyer-seller relationships	Trust, commitment, social bonds and cooperation as relationship factors.	This study describes the existing literature on interaction model and offers an extended list of relationship on buyer-seller relationship in business marketing.
Kennedy, Ferrell And LeClair (2001)	The customer's relationships with manufacturers and salespersons	Antecedents for trust in customer's relationship on manufacturers and salespersons	The findings reveal that buyer-seller trust results from salespersons competence, low-pressure selling tactics, service quality, manufacturer ethical concern, and general tendency to trust others. Whereas manufacturer's trust is fostered by satisfaction with the ownership experience and general tendency to trust.
Swan, Trawick et al. (1985)	The relationship between industrial salespeople and Customers	The antecedents of trust	The results reveal that customers gain trust in salespersons because salesperson is dependable, honest, competent, customer oriented, and likable. This research suggests a general model of trust building.
Lee and Dawes (2005)	The relationships in Chinese business markets	Buying firm's trust in supplier's salespersons Antecedents of trust and long-term orientation	This research work suggests a model for trust and long-term orientation in Chinese market construct.

Batt (2008)	Social, intra and inter-firm networks	Social capital generally referred as trust and concerns for one's association and community norms	A conceptual paper that explores the re-emerging concept of social capital in business networks and further suggest exploring the social capital impact on the performance of business networks.
Markovsky, Willer, et al. (1988)	The dyad and triad relationships for individuals and corporate(business) actors	Power relations in exchange networks	This paper offers a network-exchange theory of how a social structure affects the experiences and behaviours of its members.
Bjorkman and Kock (1995)	The relationship between individuals and buyer-seller social relationship	Trust, gaining information and pre-requisites for business exchange	The research results shows that he social and personal relationships in Chinese context are pre-requisites for information and business exchanges.
Human and Provan (1997)	Inter-organization relationships such as SMEs with market firms in networks	Trust, commitment and power in small business networks as affecting the structures and outcomes of the small firms.	The qualitative and survey research work based on the study of two large networks of small firm in US wood product industry and develops a model and testable propositions for network structure and outcomes.
Jack ,S.L. (2005)	Strong and weak ties for business activities	Strong and weak network ties	This article is an extension to the work of Granovetter and the outcomes of study suggest that it is the strong ties that are instrumental to business activities and are used extensively to provide the knowledge and information but are also used to maintain and enhance personal/business reputation.
Emerson (1962)	The relationship between persons and group in power-network	Power-dependence relations and balancing operations in such relations.	The theory put forth in this paper is in large part contained implicitly in the ties of mutual dependence which bind actors together in social systems.
Kontinen and Ojala(2011a)	The networks ties in family SMEs	Types of ties such as formal, informal and intermediary	The results of this study contributes to the network theory of internationalization considering network ties in family

		ties, strengths of ties such as weak ties, strong ties.	SMEs and in opportunity recognition the new ties (mainly formed in international markets in exhibition) contribute more and family ties are less crucial.
Kontinen and Ojala (2011c)	Relationship between individuals and groups in business networks	Social capital, strong and weak ties	This study examines the role of bridging social capital in the initial entry and post-entry operations of eight family SMEs with regard to French market. When SMEs internationalize, they need new social ties from international trade exhibitions and trade fairs.
Chetty and Wilson (2003)	The SMEs relationships with competitors (vertical networking)	Competition in domestic markets and collaboration in international markets	The results for this research study suggests that SMEs having relationships with competitors in vertical network do compete with competitors in domestic market, whereas when these SMEs internationalize , they tend to collaborate with competitors to acquire more resources.
Kontinen and Ojala (2011b)	The relationship between network ties for SMEs	The network ties as new opportunity	The study reveals that network ties works as new opportunity by focusing on developing relationships with new formal ties in international market rather existing or informal ties for Eight family owned small and medium size enterprise.
Huang and Wilkinson (2006)	The inter-firm relationships	Power and Trust as two dimensions in business relationships	This study results shows how the governance structure of a business relationship considering trust and power as central elements evolves and its impact on learning and adaptation of process for firms.
Ballantyne and Williams (2008)	The relationship between consumers and firms in b2b context	Trust and social bonds as mediators to calculate cost and benefits of relationships	
Weber, J.(2001)	The relationship between supplier and customers/reseller	The relationship factors are considered as common characteristics such as cooperation and trust ,	This research focuses on developing competitive advantage in supplier-reseller partnerships and simultaneously it also consider the customers interest which can be overlooked due to opportunitism in supplier

			balanced interdependence, mutual commitment	/customer relationships.
David, F (Ford, 1984)	The relationship between buyer and seller in industrial markets		Commitment, level of conflict, perceived adaptability and perception of distance are considered as relationship dimension.	A quantitative study that shows that there is a strong association between buyer's assessments of the technical and commercial skills of their suppliers and the extent of commitment to them.
Bakker , Leenders et al. (2006)	The relationships between NPD teams		Trust as social capital and source of knowledge sharing	In NPD teams, the knowledge sharing is more due to the social capital with team members and studies the value of trust in knowledge sharing.
Ellis, P.D. (2000)	Exchange relationship in marketing firms		Social ties as a source to exchange information for international markets	The study results confirm that knowledge of foreign market opportunity is commonly acquired via existing interpersonal links rather than collected systematically via market research.
Barnes, Naude et al. (2007)	Buyer-seller relationships	dyadic	24 items were used including social ties, power, trust and commitment.	The research aims to find perceptual gap by exploring dyadic views of three different relationship durations. The finding suggests that buyers and sellers often have common views within relationships but perceptual gaps were more apparent in short-term relationships and relationship development may not follow a linear development path over time.

2.6 Non-relational factors in network research

In this research, the relational factors used are defined based on the Carson et al., (2004) concept of relational dimension in marketing networking. According to Carson et al., (2004) the *relational* dimension is defined in terms of network linkages and measured in terms of the strength of the marketing network linkages such as trust, commitment and co-operation. How the non-relational factors are in network.

2.6.1 Nature of the product /Product characteristics

The nature of the product and the nature of the industry have obvious influences on the standardization adaptation choices of marketing mix (Jain, 1989). This is also discovered that standardization occurs more for the industrial products and less for the consumer products (Waheeduzzaman and Dube, 2004). Various authors have focused on product characteristics as a major element influencing standardization/adaptation decisions of the firms (Boddewyn and Grosse, 1995, Cavusgil et al., 1993, Jain, 1989, Walter, 1989, Chung, 2003). Chung (2003) categorized the product in four such as SVs (Services); CDs (Consumer durable goods); CNDs (Consumer non-durable goods) and IGs industrial goods. Chung (2003) supports the argument that standardization/adaptation strategies vary depending on the nature of the product.

Extending further, the characteristics, of the product includes the product quality, product attributes, usage and product life cycle PLC. It is evident that personalized sources of trust such as dependence, product quality and service quality do impacts customer trust for traders (Abdul et al., 2012). Personalize sources of trust are interpersonal interaction based variables (Abdul et al., 2012). Barends et al. (2007) has used term quality from two different perspectives i.e. quality for brand image and

quality (reputation) as the factors influencing buyer-seller dyadic relationship in industrial markets.

For the quality as brand image, Prendergast, Marr and Jarrat (1996), identified the brand name of product as being an important variable in contributing towards customer retention. Research by Davis and Buchannan-Oliver (1998) discovered that buyer-seller relationship may be formed based upon a firm's brand. For the quality as reputation, Cunningham and White (1973:201) discovered that a 'favourable reputation' associated with a supplier, proved to be an important pre-requisite for purchase among industrial buyers of machine tools.

According to Fornell et al. (1996) product perceived quality is an evaluation of the most recent experiences and subdivided the product quality into 1) customisation, or the degree to which it meets specific needs, and 2) reliability, or the degree to which it is free from defects. Various researchers has claimed that 'product quality is a determinant for customer satisfaction (Churchill Jr and Surprenant, 1982, Cronin Jr and Taylor, 1992, Kennedy et al., 2001). The higher level of perceived service quality would result in greater customer satisfaction (Abdul et al. 2012:307). According to Parasuraman et al. (1988), reliability implies the ability to perform and deliver, dependability and accurately. Kennedy et al. (2001) found that the product quality is positively associated with trust on salesperson.

Batt (2000) measured product quality using 14 items three dimensional scale such as. The higher level of perceived service quality would result in greater customer satisfaction (Abdul et al., 2012:307). According to Parasuraman et al. (1985), perceived service quality refers to the global evaluation of a firm's service delivery system and satisfaction is a 'post consumption' experience that compares the

perceived quality with the expected quality. Perceived service quality and satisfaction are two distinct constructs. Lacobucci et al. (1995) described the differences between service quality and customer satisfaction as that quality relates to the managerial delivery of service while satisfaction reflects customer's experiences with that service. There is a positive relationship between service quality and customer's satisfaction in retail stores (Sivadas and Baker-Prewitt, 2000). Kennedy, Ferrell et al. (2001) has found the positive relationship between service quality and trust on salespersons.

According to Metcalf, Frear et al. (1992), the buyers and sellers are increasingly engaged in collaborative efforts to produce quality products while containing cost. Metcalf, Frear et al. (1992) describes that in order to improve the product quality with low cost producers, the manufacturers tends to adapt the strategic partnership style relationships. From his argument it is evident that manufacturers with their suppliers try to develop such kind of relationship that is based on trust between the dyads that each party would offer quality product and exchange in return. Therefore there is clear evidence in the literature that product characteristics such as product quality, product attributes and product brand image not only affects the standardization/adaptation of marketing mix but it also influence the dyad relationships between SMEs and customers or SMEs and suppliers and this phenomenon is yet to be confirmed through this research study in b2b context.

2.6.2 Company characteristics i.e. Size of the firm

The literature shows clear evidences that company characteristics does influence the standardization/adaptation decisions of marketing mix elements (Waheeduzzaman and Dube, 2004). According to Chung (2008), firm size is considered as another

factor which might have influence on the choice of marketing standardisation strategy. Chung (2008:89) further argues large-sized firms are likely to employ an adaptation strategy because of the amount of resources required to implant such as strategy. By size of the firm we mean the number of full time employees (Chung 2003). The literature for standardization/adaptation shows the links between firm size and product standardization/adaptation strategies (Chung 2003). According to Chung (2003), firm size is negatively related to product adaptation strategy only, suggesting small firms are more flexible to offer product modifications as compared to MNCs producing in bulk quantities.

Small firms are likely to be niche marketers. It is therefore worthwhile for small firms to use product adaptation (Chung 2003). Size of the firm is also linked with the position of the firm in business networks. The larger is the size of the firm, the more influence it have on its counterparts.

2.7 Literature on data analysis using network strategic approach

Considering the mode of investigation and the importance of clarity in how to collaborate the data analysis with business network approaches, this section discusses the strategic approaches used for network data analysis in existing literature and how the data analysis is structured for exploring relationship marketing variables in business to business context. The existing work on the researched area suggests that different methodological approaches have been used to analyse business networks with different implications and outcomes (Jack, 2010).

Existing literature on business networks reflect the strong foundation for data analysis. To cope with the first criticism industrial marketing approaches (IMP) Jack (2010) explicate that quantitative techniques are more associated to measure extent of networking activity and hence ignore the content of relationship and what actually goes on and in between the connections, whereas qualitative methodological approaches enables the researchers to have more in-depth theoretical understanding for relationships between two nodes. The qualitative methods for network research provide more knowledge about content of network relations, the processes involved; how network evolve, change and develop over time.

In the support of case study method to be used in industrial network research Easton (1995:371) elaborates that the case research is perhaps the most appropriate methodology for research into 'Industrial Networks' and that there exist an epistemological defence for case research which is at once powerful and appeals, certainly at the most superficial levels to our common-sense notion of the world.

2.7.1 Level of analysis within context of business networks

It is been found that network analysis has been done in and between individuals, groups and organizations (Fombrun, 1982). As the unit of analysis for business marketing manager should not be single purchases or sales or projects or deals, or sales territory or market, but each relationship that forms part of her total portfolio of relationships (Ford et al., 2006:47). Network analysis is a powerful means of describing and analysing sets of units by focusing explicitly on their interrelationships (Fombrun, 1982: 280) At organizational level, the unit of analysis can be individual, department or project within the organization (Fombrun, 1982). At inter-organizational level of analysis, the unit is the single organization or industry

classification set. To develop a conceptually meaningful strategy of analysis this research focuses on dyadic and triad relationships between two nodes in same network among different actors, for instance, SMEs owner-manager relationship with supplier or SMEs owner-manager relationship with distributor in industrial network. The initial focus is on transactional network or exchange network with subsequent relationship marketing variables. The strength of the network approach is its focus on the relationships among individuals in the organization (Fombrun, 1982: 281). The strengths and weaknesses of the different network strategies are also applicable to the analysis of interactions within the networks.

2.7.2 Typology of network strategies

According to Fombrun (1982), the three sets of methodologies can be distinguished that decompose the original network into following:

Table 2.7: Strategies of network research

Strategy	Focus	Usage
Nodal (Tushman 1977)	its individual nodes	Focus is on network as seen by node occupant.
Dyadic (Tichy and Fombrun 1979)	all possible pairwise combination of nodes	Focus is on the relationship between pairs.
Triadic (Tichy et al., 1979)	an inventory of all possible triads of nodes	Focus is on the relationship linking three nodes

Source: Fombrun (1982)

For using qualitative research approach in network research, the researchers need to consider the context and circumstances of actors (Krackhardt 1995).

2.7.3 Dyadic Approach as tool for data analysis

The dyads are the nearest nodes in business networks or the smallest group in any business networks. It is vital to explore embedded context within which dyadic business relationships take place. Dyadic relationships in business networks had been the focus of several models and frameworks (Anderson and Narus, 1990, Anderson and Weitz, 1989, Dwyer et al., 1987, Frazier, 1983a, Hallen et al., 1991). Dyadic approaches are grounded in information about the whole network summarized in terms of pair distances. Proximities are derived for every pair of individuals in the network using any of number of techniques (1982:282). At a dyadic level of analysis, the quantitative researcher has used three strategies such as co-relational, spatial and structural, targeting the properties of the pair to explore the causes and consequences at pair level.

The dyadic business relationship connectedness with other relationships in business network aimed to capture the embedded context within which these dyad relationships occurs leads to conceptual development. Anderson, Hakansson et al. (1994) considers business networks as sets of connected relationships and therefore as an integral part of this, they formulate business network constructs from the perspective of a local firm and its partner in a focal relation that is connected with other relationships’.

2.7.4 Triadic Approach as tool for data analysis

The existing research on triads demonstrates vigorous support to the presence of triad relationships in the industrial networks especially in international business relationships (Jansson and Sandberg, 2008). Especially international business relationships usually an intermediary exists that has contacts with both the selling

party and the buying party such as an agent, dealer or distributor i.e. these relationships are triadic in nature (Havila et al., 2004, Jansson and Sandberg, 2008). Recently, some theories have moved beyond two-party exchange contexts to focus on networks of exchange relations (Markovsky et al., 1988:220). Triad are known as simplest of small groups i.e. and non- dyadic (Smith and Laage-Hellman, 1992).

According to Axelsson and Easton (1992), the triad were chosen to simplify the network analysis. Further to this, triad helps to categorised the various strategies that a focal firm may choose to transform its relationships with two significant other actors. According to Arto and Ojala (2009) in intermediary relationships ,usually there is no direct contact between the seller and the buyer.

In his research work Havila, Johanson et al. (2004) used triad relationships approach to explore the trust and commitment factors between manufacturer-industrial customers, supplier-distributor and manufacturer and subsidiary. The literature suggests that it is essential to study both the dyadic and triad relationships. Havila, Johanson et al. (2004), proposes that a triadic approach (instead of a dyadic) should be applied in situations where the social interaction pattern indicate that the business relationship had the form of a triad as in such cases the business relationships functions as entities, i.e. the triads where social interaction is interlinked.

According to Fombrun (1982:288), a triadic approach would contribute to developing systematic theories of relationships between individuals in organizations. As the triadic strategies are inherently sociological in orientation, the literature provides clear evidence for use of triad strategies to explore social factors such as network ties (Fombrun 1982). Therefore it is evident that both dyad and triad approaches are

confidently used in qualitative research in network and interaction context (Havila et al., 2004).

2.7.5 Measuring relationship factors used in data analysis

Business relationships are a company's primary assets. Without them it cannot buy, sell, produce or deliver products or services. The development of relationships requires both investment of time, money and resources and the marketer's task is to maximize his company's benefits from those relationship investments. The decisions regarding variables are based on the network context, as the part of the network within the horizon that the actor considers relevant is the actor's network context (Hakansson and Snehota 1989). According to Anderson, Hakansson et al. (1994), the actor's network context is theorized in the three dimensions i.e. actors, activities and resources: the *actors*, who they are and how they are related to each other; the *activities* performed in the network and the ways in which they are linked to each other; the resources used in the network and the patterns of adaptation between them.

The literature review reveals that various researchers have focused on the relationships between SMEs and actors in business networks (Lages et al., 2008b, Zhou et al., 2007, Street and Cameron, 2007, Smith and Holmes, 1997, Human and Provan, 1997, Chetty and Wilson, 2003, Kontinen and Ojala, 2011a). The challenge to better understanding of important interaction patterns between an owner-manager of SMEs and the network requires the concept development and formulation of theories (Cook, 1977). For the purpose of exploring the network further in relation with its marketing strategy, the networks are considered as analytical construct (Carson et al., 2004). By analytical construct, here it is assumed that networks are not

just a physical structure but are regarded as processes which from time to time may be dealt as organized pattern of activities (Hakansson and Snehota, 1995).

This interaction between the small manufacturer firms and its actors leads to ‘why’ and ‘how’ these small manufacturing firms develop long-term relationships within business networks and as the cause and effect these small firms and develop its behaviour towards other firms in network. The literature review suggests that various researchers have used relationship marketing factors such as trust and commitment as key mediating or moderating factors (Morgan and Hunt, 1994, Ulaga and Eggert, 2006, Nevins and Money, 2008), trust and commitments as mediator or moderators in marketing channel relationship (Geyskens et al., 1998).

A ‘moderator’ modifies strength or direction (Wu and Zumbo, 2008), whereas in qualitative research rather using moderators we have used the term as ‘reducing the impact of or aggravating factors’ and for meditating factors the terms used are ‘intervening factors using interaction approach. Considering the SME’s network as analytical construct (Blackburn and Curran, 1990) ,the aim of this research is to explore the impact of dyad and triad relationships of SMEs with actors and its influence on international marketing decisions such as standardization/adaptation. Therefore the decisions regarding standardization/adaptation of marketing mix elements made by SMEs under the influence of business network actors is the outcome of research.

2.7.6 Determining the relationship factors of this research

Following criterion were used to determine the relationship factors for this research:

2.7.6.1 Determining the ‘Trust’ in business networks

The literature suggest various researchers used quantitative research methods for measuring trust in business relationship context by developing measure scales. Holden (1990) offered sales trust scale for traders and was used to asses trust in an industrial buyer-seller relationship. Kennedy et al. (2001) used same scale to measure trust in salesperson and manufacturer relationship. Hawes et al. (1989) examines and compares the two group’s perceptions earning the buyer's trust i.e. of manufacturers' reps and purchasing executives. The results indicate statistically significant differences over the two groups in their perceptions of how various trust earning components contribute to the development of buyer trust using empirical approach. Levin and Cross (2004) used scales to measure the trust in dyad relationships. Trust has been discussed as the key constituents of relationship quality and as mediator of the satisfaction –commitment link (Ulaga and Eggert 2006).

Swan et al. (1985) developed a normative model of trust building using statistical methods. Swan et al. (1985) model describes how industrial salespeople gain the trust of customers, finding that customer trust is based on the salesperson being perceived as dependable, honest, competent, likable and having a customer orientation. The conceptual framework developed by Abdul et al. (2012) depicts the determinants of customer trust for traders in rural India.

Trust has also been considered as the antecedent of behavioural outcomes (Geyskens et al., 1998). There is clear evidence that ‘Trust’ has also been studied as mediating or intervening factors (Nevins and Money 2008, Levin and Cross 2004, Geyskens, Steenkamp et al., 1998, Bligh and Kohles 2008) and moderating or reducing or aggravating factor (Andaleeb 1995) in business relationships, which is also applied as core theme in this research work. Trust as intervening factor directs certain decisions

made by actors in business to business networks and hence influences strategic decision of the firm (Andaleeb, 1995).

Some studies used trust as mediating variable which affect the overall performance of task decided (Gill and Butler, 1996). Morgan and Hunt (1994) theorized trust and commitment as key mediating variables for successful relationship marketing. Dirks and Ferrin (2001) discusses two different models in which the trust has positive effect on attitudes, perceptions, behaviours and performance outcomes within organizational settings. He further have developed the model where 'trust' hinders (i.e. moderates) the effects of other determinants on attitudinal, perceptual and behavioural and performance outcomes via two distinct perceptual models. According to this model, trust operates in a straight forward manner: Higher the levels of trust are expected to result in more positive attitudes, higher level of cooperation and other forms of workplace behaviour and superior levels of performance.

Andaleeb (1995) used the construct of 'trust' as moderating variable to find the impact of trust on behavioural intention of channel members using quantitative research methods. According to Andaleeb (1995) the high trust condition provides fairly strong (but not riskless) assurance that fair and expected outcomes will be realized. According to Andaleeb (1995), the level of trust strengthens or weakens the relationship with important behavioural ramification.

Dwyer and Lagace (1986) also has developed a framework of trust in business relationship. This framework elaborates each partner's propensity to trust in exchange relationship based on direct experience with the exchange partner which is therefore situational. By examining the trust propensities of buyers towards seller's different levels of trust are developed as possible outcomes such as mutual high trust, mutual

low trust, and mixed level of trust between buyer and seller, initiated by buyers and sellers. Another model developed by Holden (1990), elaborates that characteristics of sales person and characteristics of company are positively related to the trust salesperson and trust in the company. Dwyer et al. (1987) have developed the framework for the development of the trust in business relationship using five different phases for relationship development such as awareness, exploration, expansion, commitment and dissolution.

This research work focuses more the outcomes of trusts within the context of international marketing strategies. Very limited work has been done on the outcomes of trust on strategic decisions. Kennedy et al. (2001) in conceptual model for trust in buyer-seller relationship described repurchase intension and anticipation of the future interaction as outcome of trust in buyer-seller relationships opposed to the most of the research focusing more on antecedents of trust (Doney and Cannon 1997) or trust building stages(Swan et al., 1985). Kennedy et al. (2001) used five item scale developed by Holden (1990), this reveals the lack of work done on trust using qualitative research method. According to Sheth and Parvatiyar (1996), a trusting relationship can extend beyond that of buyer-seller to one of the organizational trust extending to the retailer or manufacturer.

Trust affecting marketing decisions can be observed as ‘anticipation of future interaction in dyadic business relationship’. Kennedy et al. (2001) describes anticipation of future interaction focuses on buyer’s desire to interact with same salesperson that served him/her in the initial purchase of the product, if need should arise again. The results of Kennedy et al. (2001) research shows that a buyer who trust the seller is more likely to want to continue his/her interaction than a buyer with the low level of trust. At another point Kennedy et al. (2001) defines repurchase

intention as ‘the intention to repurchase a particular brand of the product again. Holden (1990) also support the argument that trust results in purchasing loyalty. This research work would extend the trust impact from just a future intention to strategic marketing decisions by focusing how trust in dyadic relationships affects SMEs international marketing decisions.

2.7.6.2 Determining ‘Commitment’ in business networks

The term commitment has been the focus of various researchers in business networks relationships (Buchanan 1974, Morgan and Hunt 1994, Lages, Lancaster and Lages 2008). The literature review suggests that researchers use quantitative measures to calculate commitment in network relationships such as in commitment in marketing channel relations is measured using a seven-point Likert type response format (Geyskens et al., 1996); commitment between industrial organizations and government (Buchanan 1974); commitment in buyer-seller relationships (Dwyer, Schurr and Oh 1987).

Commitment has been used as mediating and moderating variable in various business relationships (Morgan and Hunt, Gyeskens, Steenkamp et al., 1998, Ganesan 1994, Wilson 1995). In a conceptual paper by Dwyer, Schurr and Oh (1987), the commitment represents the highest stage of relational bonding and has been defined clearly in terms of three measureable dimensions Scanzoni (1979) offers three measureable criterions for commitment such as inputs, durability and consistency. According to him input is the first criterion of commitment that the parties provide relatively high level of inputs to the association (Blau, 1964). Second criterion for commitment is that there should be some durability of the association over time. According to MacNeil (1980:95), ‘organic solidarity consists of a common belief in effectiveness of future exchange’. The third criterion consistency is described as ‘the

consistency with which the inputs are made to the association' (Dwyer, Schurr and Oh 1987).

This research work rely on commitment as qualitative construct (Dwyer, Schurr and Oh 1987), which can be observed in SMEs business relationships with customers (Lages, Lancaster and Lages 2008), buyer-seller relationships (Dwyer, Schurr and Oh 1987), suppliers (Holm et al., 1996), distribution channel members (Morgan and Hunt 1994) and government (Buchanan, 1974) as mediating or moderating variables (Morgan and Hunt, Gyeskens, Steenkamp et al., 1998, Ganesan 1994, Wilson 1995). The criterion we used to determine this construct 'Commitment' are based the criterion used by (Geyskens et al., 1996) as affective commiment and calculative commitment and the criterion used by (Dwyer-schur and Oh 1987) i.e. inputs, durability and cosistency. To find out the committment between dyad and triads these constructs of commitment were being the focus in the interview questions such as:

'How often you would prefer to use same supplier for purchase of raw material? And for what reasons?

Similary the questions were develop for distribution channel members such as:

'What are the reasons for selecting similar distribution channel? Do you think the relationship with the channel member influnce your decision of channel selection or continue using similar channel again?

2.7.6.3 Determining 'Social ties' in business networks

Social networks as mediator for internationalization and performance of born-global SMEs had been studied by Zhou et al. (2007). Social networks mediate the performance impact of internationalization for SMEs (Zhou et al., 2007). Adler and

Kwon (200:23) define social capital as goodwill residing in actor's social relations and contrast analysis of social capital that focus on the ' content of these ties'.

Social networks as mediator for internationalization and performance of born-global SMEs had been studied by Zhou et al. (2007). Social networks mediate the performance impact of internationalization for SMEs (Zhou et al., 2007). Adler and Kwon (200:23) define social capital as goodwill residing in actor's social relations and contrast analysis of social capital that focus on the ' content of these ties'. The strength of the ties can be measured by "a combination of the amount of time, the emotional intensity, the intimacy (mutual confiding), and reciprocal services" (Granovetter, 1973:1361). This research focuses on how these weak ties and strong ties influence strategic decision of standardisation/adaptation. Literature is silent on these issues. The strength of the ties can be measured by "a combination of the amount of time, the emotional intensity, the intimacy (mutual confiding), and reciprocal services" (Granovetter, 1973:1361).

For this research work, to determine such quantitative constructs for pure qualitative work, based on the literature review we have developed research questions to be used in in-depth interview (Tsai and Ghoshal, 1998: 469) such as:

- How frequently do you interact with which actor in business network?

The literature review suggests that determining the social tie contrast using question has also been used by Marsden and Campbell (1984). Marsden and Campbell (1984) constructed two 'socio-matrixes' from data on the social interactions among the 15 business units based on the following two questions:

- (1) 'With people of which units do you spend the most time together in social occasion?
- (2) 'Please indicate the units which maintains close social relationships with your unit'

Supported by the literature review, for this research work we have used the social ties as mediating variable in focal firm business relationship with actors (Levin and Cross 2004), and its impact on strategies (Granovetter 2005, Ellis and Pecotish 2001, Stuart and Sorenson, 2007) for exploring the effects of business relationships on standardization/adaptation of marketing mix elements.

2.7.6.4 Determining 'Power and dependency' in business networks

The construct of power and dependency has been explored in business relationships by various researchers (Medlin, C. J., 2010, Johnston, Lewin et al., 1999) such as dyadic relationships (Forkmann, Wan et al., 2012), triad relationships (Markovsky et al., 1988), Inter-firm relationships (Huang and Wilkinson, 2006), buyer-seller relationships (Narayandas and Rangan, 2004, Dwyer et al., 1987), relationship with distribution channel members (El-Ansary and Stern 1972, El-Ansary and Stern 1972, Frazier 1983, Hunt and Naven, 1974), relationship between dealers and suppliers (Dwyer and Gassenheimer, 1992).

Based on the literature review we used the bases of power-dependence factors to determine the power and dependency constructs (Axelsson and Easton, 1992). Such as size of the firms in dyad or triad relationships and access to resources, customer dominance in particular and in general particular quality of offering and so on. The closeness factor in dyad and triad was also considered because it is evident from the literature that the relationships are more dependent when they are located close to

each other in the network e.g. involving common actor , activity or resource (Smith and Laage-Hellman, 1992). The other factors used to determine the power and dependency were inter-dependency (Easton, 1992), position in the network (Bonoma, 1976, Frazier 1983, Dwyer and Gassenheimer ,1992, Narayandas and Rangan, 2004) and control (Andaleeb, 1995).

To explore the constructs of power and dependency for this research work between various dyad and triad settings we developed the questions for in-depth interview such as:

Manufacturer-customer relationships in dyad settings:

Who decide what product should be produced? Is it the customer or does your firm also influence the product decisions?

Distribution channel selection decision in triad settings:

Is it the customers who decide what channel of distribution would be used or your company?

Do you think that relationship with distribution channel members have any influence on distribution channel selection?

These questions were further extended to add the relationship factors such as trust:

Do you think, there is trust worthy relationship between you and distribution agents?

How do you think trust between you and distribution agent influence selection of distribution channel?

2.8 Conclusion

The literature review was broadly divided into two parts. First part of literature review summarises the research work done on MNCs standardisation/adaptation of marketing program and processes in general and specifically focus more on SMEs standardisation/adaptation strategies. Literature review identifies the theoretical/conceptual framework gap in literature on standardisation/adaptation in general (Waheeduzzaman, 2004, Jain, 1989, Ryans, 2003). In addition to this theoretical/conceptual research work has been quite limited in international area from SMEs perspective focusing developing countries (Shaw, 2006, Gilmore et al., 2006, Elango and Pattnaik, 2007).

Second section of literature has added to a comprehensive overview of networks in business markets and marketing strategies Second part of literature review described the marketing networks in B2B market context and further explored the network from two perspectives such as structural and relational aspects. The business networks are explored through literature review in great detail for network structures such as nodes, relationship between actors, type of relationship i.e. long-run or short-run and dyad or triad relationships and other relationship factors such as trust, commitment, power position and strong or weak ties.

We will conclude the literature review by saying that ‘Despite the exclusive importance of networks in conducting international business less number studies explored SMEs networking for international marketing strategies such as standardization/ adaptation and strategic approach (Carson et al., 2004, Rocks et al., 2005), therefore this research work will be a novel contribution to the existing literature on business networks and international marketing strategies with standardization/adaptation continuum’

Table 2.8 Terminologies used in research

Terminology used	Author/Year	
Nodes	Thorelli (1986)	A network may be viewed as consisting of ‘nodes’ or positions (occupied by firms, households, strategic business units, trade associations and other types of organizations.
Trust	Schurr and Ozanne (1985)	The belief that a party’s word or promise is reliable and that a party will fulfil his/her obligations in an exchange relationship.
Commitment	(Anderson and Weitz 1992)	Commitment is a desire to continue the relationship in the future and a willingness to make short-term sacrifices to maintain the relationship.
Social Exchange	(Metcalf et al., 1992:29)	Social exchange refers to the interpersonal relationships which exist between members of the buying and selling centres.
Social Network	(Mitchell 1962:2)	Social networks are defined as ‘a specific set of linkages among a defined set of persons, with the additional property that the characteristics of these linkages as a whole may be involved.
Power	Thorelli (1986)	Power has been defined as the ability to influence the decisions or actions of the others.
Interdependence	Hakansson and Ford (2000:137)	Interdependence between companies means that the strategy process is interactive, evolutionary and responsive, rather than independently developed and implemented.
Connected	Cook and Emerson 1978: 725)	Connected means the extent to which "exchange in one relation is contingent upon exchange (or non-exchange) in the other relation"
Connections	Anderson, Hakansson et al. (1994)	Two connected relationships of interest themselves can be both directly or indirectly connected with other relationships.
Social ties		
Formal ties and Informal ties	Dubini and Aldrich (1991)	Formal relationships consist of relationships between all the employees of each firm whose role is boundary-spanning whereas personal or informal networks are related to all persons that the owner-manager can meet directly
Strong ties	(Granovetter 1985)	Strong ties are characterised by frequent and stronger social interactions, where information is perceived to be more trustworthy.
Weak ties	Granovetter (1983)	Our acquaintances/weak ties are less likely to be socially involved with one another than are our close friends /strong ties.
Bridging ties	(McEvily and Zaheer 1999)	Bridging ties are defined as ‘those that link a focal firm to contacts in economic, professional and social circles not otherwise accessible to the firm’.

Cooperation	Morgan and Hunt (1994) (Metcalf, Frear et al. 1992)	Cooperation, from the Latin <i>co</i> , meaning ‘together’ and Cooperation, as a term used here, occurs when two or more parties have objective s which are mutually dependent. Or Cooperation, from the Latin <i>co</i> , meaning ‘together’ and Cooperation, as a term used here, occurs when two or more parties have objective s which are mutually dependent.
Performance Satisfaction	Wilson (1995)	We define performance satisfaction as the degree to which the business transaction meets the business performance expectations of the partner. Performance satisfaction includes both product specific performance and non-product attributes.
Conflict	Easton and Aurojo (1992:73)	Conflict is defined as a situation governed by opponent centred strategies
Competition	Easton and Araujo (1992)	Competition occurs when the two actors have objectives which are in conflict but the locus of their objective is under the control of a third party.
Focal firm in network	Anderson, Hakkanson and Johanson (1994)	Perspective of a focal firm and its partner in a focal relation that is connected with other relationships.
Dyad relationships	(Hakkanson and Snehota 1995)	The dyads are the nearest nodes in business networks or the smallest group in any business networks.
Triad relationships	(Thibaut and Kelley, 1959: 191)	A triad can be said to exist “. . . when three individuals are observed to interact on successive occasions. These three are seen to come together repeatedly or to be in communication often, conversing, exchanging products, and so on.”
Economic satisfaction	Geyskens et al (1999)	Economic satisfaction is defined as a channel member’s positive affective response to the economic rewards that flow from the relationship with its partner, such as sales volume and margins
Non-economic satisfaction	Geyskens et al 1999; Dwyer and Gassenheirmer 1992; Mohr et al 1996)	Non-economic satisfaction is defined as a channel member’s positive affective response to the non-economic, psychosocial aspects of its relationship, in that interaction with the exchange partner are fulfilling, gratifying and easy.
Network Size	Carson et al., (2004)	The network size is defined as the actual number of direct contacts used by the owner-manager in each SME.
Dependent	Andaleeb (1995).	When a buyer is dependent, it implies that critical resource is available from supplier.
Product adaptation	(Lages and Montgomery, 2004:1190).	The strategy of product adaptation is defined as ‘the degree to which the product (brand name, design , labelling, variety of main exporting product line, and quality) differs between the domestic and export market’
Price adaptation	(Lages and Montgomery,	Price strategy adaptation refers to the degree to which the pricing strategies (determination of pricing

	2004:1190).	strategy, concession of credit, price discount policy and margins) for a product differ across national boundaries
Promotion adaptation	(Lages and Montgomery, 2004:1190).	The adaptation of promotion strategy is defined as the adjustment of the domestic promotion program (advertising idea/theme, media channels for advertising, promotion objectives, and budget for promotion, public relations emphasis, and direct marketing/mailing) to the main export market.
Distribution adaptation	(Lages and Montgomery, 2004:1190).	The adaptation of distribution strategy is described as 'the readjustment of distribution (criteria to select the distribution system, transportation strategy, budget for distribution, and distribution network) to the export market.
Marketing program standardization	Ozsomer and Simonin (2004)	Marketing program standardization (MPS) is defined as the pursuit of similar marketing programs across different countries or regions with regard to product offering, promotional mix, and price and distribution structures.
Distributors	Ellis (2010)	The distributors as an umbrella term is used by managers and scholars for different types of channel intermediaries such as wholesaler, retailer, distributors (dealers), agents, and value added resellers

3 Literature review on SMEs in Pakistan

3.1 Introduction

The chapter enrich the research context by enhancing the understanding and role of SMEs in emerging economies such as Pakistan. This chapter outlines the role of SME's and its contribution in Pakistan's economy. The literature reveals that very little has been done for the role of strategic marketing planning in SMEs in Pakistan (Mian 2008). Further to this literature review shows virtually not any research done on B2B networks and its influence on SMEs international marketing decision within the context of standardisation adaptation in Pakistan. Brief overview of the SMEs from four major industries such as Food industry, Leather goods industry, Sports goods industry and surgical goods industry has been specified to understand the SMEs networks and marketing activities within the context of developing economy such as Pakistan. The chapter is concluded by summarising current status of SMEs with the importance of strategic marketing planning for SMEs in Pakistan in given four industries.

Due to the research question requirement and context development, it becomes essential to understand the definition of SMEs on national as well as international level. Chapter 3 i.e. 'The literature review on SMEs in Pakistan' elaborate various definitions of SMEs comprised both from developed and developing countries to clearly understand the difference between them. The literature review also includes some data on SMEs from Pakistan a developing country.

3.2 Role of SMEs in emerging economies

According to (Ceglie and Dinni, 1999) ‘SMEs plays a key role in triggering and sustaining economic growth and equitable development in developing countries. ’ Across different countries there are some common criteria’s to define SMEs; however definition of an SME on the basis of a specific criterion is not uniform across countries. For instance, developed country may define an SME to be an enterprise with less than 500 employees or less than employees, while in developing countries the cut-off to be 250 employees. Most of the researchers have used only one criterion i.e. number of employees (Ayyagari et al., 2007). In Pakistan SME Development Authority in (SME policy 2007) defines SMEs ‘as an enterprise less than 250 people employed with paid-up capital up to Rs. 25m with an annual sale of Rs. 250 m. Further focusing on the differences between developed countries and developing economies Kureshi (2009:66) spotlight the differences in definition of SMEs as follows:

‘SMEs are generally defined worldwide based upon three attributes, namely: a. Number of employees, b. Paid-up Capital, and c. Annual Revenues. The cut-off values for these three attributes are however different in different economies/countries. Developed economies such as USA, Germany, Japan, EU and UK etc. have much higher cut-off values for paid-up capital and annual revenues when compared to developing economies’.

In emerging economies the cut-off value for SMEs is much lower. For example in Nepal numbers of employees are 50-99 only for small and medium size enterprise (Industrial Enterprise Act, 1997). On the contrary the developed countries like the American Small Business Administration (SBA) define SMEs as stand-alone enterprises with fewer than 500 employees (Baired et al., 1994, Beamish et al., 1999, Jain, 1989, Lu and Beamish, 2001). Another way to define SMEs is based on dividing

SMEs into micro, small and medium size enterprise based on same criteria i.e. number of employees, paid capital and revenue. Although the no of employees and other variables are different in different countries but the no of SMEs in these economies is more than 90% (Sanidas, 2002). Literature review is expanded on the basis of industrial sector scope, SMEs from Pakistan.

Table3. 1 SMEs defined in developed verses developing countries

Name of the country	No. Of Employees	Paid up Capital	Annual Revenue	Source
USA	500	-----	Greater than \$500,000.	SBA
UK	Less than 250	Kl, -----	-----	Business Link
JAPAN	Fewer than 300	¥100 million.	-----	SME Agency (1998)
SOUTH AFRICA	1000	-----	10,000,000 Rand	South Asia working paper 04
EUROPE	Less than 250	€ million;	€ 40 million,	European Commission
PAKISTAN	250	Rs. 25m	250 million RS	(SMEDA policy 2007)
BAGLADE SH	1-100	TK 100-300 million	TK 100-300 million	South Asia working paper 04
NEPAL	1-100	30-100 million	30-100 million rupees	Industrial Enterprise Act, 1997

(Source: Adopted from South Asia working paper and SMEDA (Pakistan))

The SMEs in manufacturing sector from developing countries not only differ on the basis of definition from developed countries but there may have been the huge difference in internal and external factors affecting international marketing strategies. These facts about SMEs induce the academics to further pave their way towards more research on SMEs which benefits both academics and stakeholders of SMEs. For example almost all the SMEs selected as primary cases from four different industries provides OEM services to its customers. The SMEs from such emerging economies such as Pakistan, India or Bangladesh have a competitive advantage over the SMEs

from developed countries of paying low labour cost which ultimately results in low production cost (Crick, 2002). This gives a competitive advantage to SMEs from Pakistan to sale the products in international markets with the price including high profit margin.

3.3 SMEs in Pakistan's context

In Pakistan the manufacturing is the largest sector of the economy and has 18.4% contribution to the GDP, of which small and medium enterprises sector has emerged as a lifeline of Pakistan's economy constituting nearly 99.06 percent of all economic establishments (Rehman, 2009). Small to medium size enterprises plays vital role in economic development of country such as Pakistan. Growth in SMEs sectors has direct impact on Pakistan's export and it contributes almost 30 % to the GDP of Pakistan on average during the time period of last five years (Shah et al., 2011). The main sectors included in SME's sample were Footwear Industry, automotive parts, dairy industry, meat industry, leather industry, sports goods, fabrics, garments, bed wear, towels, tents and canvas, horticulture, cutlery, gems and jewellery, blankets and traveling rugs, furniture sector, pharmaceutical sector, services sector etc. *ibid*. Out of all these major sectors in small scale industry, for this research study we have selected cases from four major industries, such as:

1. Food industry
2. Leather goods industry
3. Sport goods industry
4. Surgical goods industry

Moen and Servais (2002:56) states that 'most international marketing research builds on samples from one nation. This inhibits the researcher's ability to generalize the

results'. According to Kureshi (2009) there are 3.2 million economic establishments operating in Pakistan, out of which, the number of SMEs is over 93% of the 3.2 million entities fall in the category of SME. The Economic Census of Pakistan reports the share of SME in industrial employment to be approximately 78 %. Nearly 53 % of all SME activity is in retail trade, wholesale, restaurants and the hotel business whereas the contribution of industrial establishments and those involved in service provision is 20 % and 22 % respectively. Among the SMEs involved in retail, wholesale and restaurant business, 98 % employ less than five persons and 99 % less than ten persons. The manufacturing and other sectors also follow a similar pattern with 87 % employing less than 5 persons and 98 % employing less than 10 persons. The share of SME in the manufacturing value addition is estimated to be around 35 % *ibid*.

It is inevitable to run a business without other firms in the environment such as suppliers, customers, distributors and competitors. Like other firms SMEs exist in networks of suppliers, buyers and competitors (Berry, 1998:32). Type of networks within SMEs in Pakistan is comprised of formal network and informal networks with its actors in business networks. Internet portal for industrial network on SMEDA web site (IN) is the major source to link with the customer in international buyers.

3.4 Major Industries in small and medium size enterprises

3.4.1 Food Industry

Food manufacturing SMEs are generally operating as low-tech SMEs (Avermaete et al., 2004). In Pakistan's the main heart of industry is Punjab and most SMEs are very young and owned by individuals and concentrates on few areas such as textile,

apparel, leather, food and beverages sectors (Dasanayaka, 2009). The small scale food manufacturing units usually produce following products:

Table3. 2: List of products manufactured in food industry, Pakistan

So. No.	List of products
1.	Confectionary products
2.	Frozen Processed Foods
3.	Packaged Foods
4.	Halal Frozen foods
5.	Beverages

SMEs in food industry are usually members of the following associations as the part of formal networks:

1. Pakistan Food Association (PFA)
2. Halal Products and Services Association of Pakistan (HAP)
3. All Pakistan Food and Beverage Association

Pakistan's small scale industry concentrates on few major industries such as food and beverages manufacturing nearly contributes more than 20% from 100 % contribution by small scale industries (Dasanayaka, 2008). These SMEs in food sectors are also connected with other organizations in local and international markets such as suppliers, distributors, banks, subsidiary firms, private food associations, web portals and government associations. This research focuses on the SMEs producing confectionary products such as biscuits, chips, bubble gums etc. The SMEs in food manufacturing sector are now a day's targeting Halal products consumers. There is huge demand for Halal products not only from Muslim countries but from other countries where the customers want to have halal or kosher products. FM2 described

it in detail how they are targeting those potential areas where they can have more sale for example halal products.

3.4.2 Leather goods industry

Leather industry, including leather products, is the second largest export earning sector after textiles in Pakistan. Leather goods industry manufactures goods for industrial buyers as well as for final consumers. This research selected only those SMEs selling to the industrial buyers in international markets. Leather goods manufactures not only product accessories but these SMEs also product apparels. There are several formal networks that these SMEs are linked with such as Lahore Garment Consortium (LCG), Lahore Fashion Apparel Network (LFAN) (Fayyaz et al., 2008). All these firms are small to medium size enterprises producing denim products and other fashion products such as leather jackets, leather coats etc.

Fayyaz, Khan et al. (2008) research focuses on how the clusters of these private associations facilitate the SMEs to carry business activities. His results reveals that these formal networks provide businesses, information , friendship, competence, organizational credibility, access to the resources and improve financial performance for these SMEs. SMEs in leather industry are the members of associations in formal business networks. Some of these associations are listed below:

1. Pakistan Leather Garments Manufacturers and Exporter Association
2. Pakistan Tanneries Association
3. Pakistan readymade garments manufacturers and exporters association

3.4.3 Sports goods industry

SMEs in Pakistan produce a wide range of sports goods, accessories, games and athletic equipment (Sandhu et al., 2011). Small scale industry for sports goods is

major source of foreign exchange for Pakistan. The major competitors for sports goods industry are India, Taiwan and South Korea. The city of Sialkot is famous for exporting surgical, leather and sports products around the world(Ahmad and Mazhar, 2010, Ali, 2010).

The major countries importing sports goods from Pakistan are; USA; Germany; UK; France; Hong Kong; Italy ; Spain; Netherland; Dubai; Belgium; Chili; Canada and Denmark (Export Promotion bureau Pakistan). Most of these SMEs producing sports goods are concentrated in Sialkot, Pakistan (Ali, 2010).

3.4.4 Surgical goods industry

This study focuses on the small surgical industry which is concerned with the manufacturing of surgical and beauty instruments from Sialkot, Pakistan and is actively participating in business marketing networks. The surgical industry got its real boost in the 1960s, when the government of Pakistan gave various incentive and bonus schemes to this industry (Ali, 2010). Small and medium enterprises (SMEs) have made Sialkot Pakistan's leading centre in per capita terms for manufactured exports (Nadvi, 1999:1606). These sample SMEs are manufacturers and exporters of beauty, dental, surgical and hospital instruments in international markets. Pakistan has specialization in producing non-powered surgical instruments. Major importing countries for surgical goods are United states, Germany, United Kingdom, France, Italy, UAE, Japan, Brazil, Mexico and Europe (Small and medium size enterprises in surgical industry show backward such as with stain less steel furnaces (Sandhu et al., 2011) and forward linkages with other firms in business networks. Literature suggest that research has been done on clustering in surgical industry in Pakistan (Nadvi, 1999). These clusters are consisting of many small and medium enterprises (SMEs)

with its major markets in United States and Europe. These firms are member and registered with the following association in Pakistan as part of its formal networks.

1. Sialkot Chamber of Commerce and Industry and Surgical Instruments
2. Surgical Instruments Manufacturing Association of Pakistan.

These surgical small manufacturing firms are also networked with actors such as customers, suppliers, distributors and competitors as part of formal networks. Within these formal networks, the surgical firms are also connected with informal networks such as friends, family or family businesses etc. There are more than 300 SMEs manufacturing surgical instruments along with process specialized sub-contractors, and 1000 ancillary supply and support units in Sialkot, Pakistan (Nadvi, 1999). These surgical manufacturing units are increased from 300 to 1000 unit in Sialkot only by the year of 2010 (Ali, 2010).

The workforce is divided in three categories such as management, skilled manpower and semi-skilled manpower. Surgical goods are divided into three major categories such as 1) Powered instruments; 2) Non-powered instrument; and 3) Wound closure devices (Ali, 2010). Following is the list of products SMEs offers in international markets.

Table 3. 3: List of products offered by SMEs in surgical industry, Pakistan

Surgical goods
1. Beauty, Manicure and Pedicure Instruments
2. Surgical Instruments and Scissors
3. Dental Instruments
4. Micro Surgery Instruments
5. ENT, Gyne and Orthopaedic Instruments
6. Hospital Hollow Ware

Following table is extracted from the website of Surgical Instruments Manufacturers Association of Pakistan (SIMAP). This table shows overall increasing trend in export of surgical goods abroad during 2007-2013.

(Value in Million \$)	
Year	Value
2012-2013	303.094
2011-2012	280.396
2010-2011	242.000
2009-2010	217.000
2008-2009	240.978
2007-2008	208.811

Table 3. 4: Exports of surgical instruments during 2007 - 2013

The SMEs in surgical industry have vertical ties with suppliers, subcontractors and buyers in business networks (Nadvi and Halder, 2005). According to Ali (2010), surgical goods industry is high-tech industry. He further explained that industry is highly competitive, price sensitive and characterized by technological advancements *ibid.*

The foreign buyers prefer to buy surgical goods from Pakistan because of price factor. In terms of quality, foreign buyers lack trust on the surgical instrument produced in Pakistan. Usually the foreign buyers who purchase surgical goods from Pakistan, resale the products with their own brand name and very high price differences to other countries. Surgical industry is highly clustered industry in Sialkot, Pakistan. The manufacturers are not required to hold large stock of produced goods. Due to the large number of subcontractors, the SMEs generate economies of scale and scope. These clusters in surgical industry, also provides a concentration of skilled labour.

The Sialkot cluster is also highly differentiated. A small number of the cluster's original SMEs have grown into large firms and have developed close collaborative linkages and joint venture units with key external players, particularly leading international producers (Schmitz and Nadvi, 1999). In terms of backward ties it appears that links with suppliers have led to significant improvements in the quality of stainless steel used. With regard to the widespread practice of subcontracting within the cluster, the trend on joint action is less clear. This practice has involved "in-house" subcontracting and has resulted in the emergence of first-tier suppliers with whom large firms have closer ties, not only for purposes of monitoring but also for quality upgrading.

3.5 Strategic marketing planning for b2b SMEs in Pakistan

Small to medium size enterprises especially in Pakistan are rarely involved in planning the marketing activities of the firm (Sandhu et al., 2011). Most of them are either inactive or reactive and lacks the proactive approach in planning the marketing activities of the firms and are not marketing oriented firms (Mian, 2008). Though these SMEs are carrying various marketing activities in their businesses on day to day basis but when it comes to do planning in advance about their marketing activities they hardly make these decisions in advance. Literature was undermined and was limited to few studies on strategic planning in SMEs and none of this stress on marketing decisions of SMEs in Pakistan (Mian, 2008).

3.6 Conclusion

The chapter is concluded by summarising current status of SMEs from four major industries such as surgical industry, leather goods industry, sports goods industry and food industry participation in international businesses and its international marketing

strategies and the importance of strategic marketing planning in Pakistani SMEs. It is evident from the literature that SMEs are actively involved in business networks i.e. formal networks and informal business network (Thrikawala, 2011). These formal and informal networks do influence the marketing strategies of these SMEs. The researchers aim to find the influence of business networks of SMEs with these formal networks such as suppliers, distributors and competitors on marketing strategies of SMEs from Pakistan.

4. Research Methodology

4.1 Introduction

This chapter begins by describing ontological and epistemological approaches to research. The research design framework adopted for this study is then presented in detail, followed by an explanation of the data collection techniques and case study protocols applied in this study and analysis of the data using coding techniques in the context of network research and NVivo 10 software. The chapter concludes by explaining the evaluation criteria and the pragmatic issues faced in the data collection.

4.2 Choice of research methodology

The research question itself guides the choice of research methodology. In this study, the research question (how do networks influence SMEs' development of marketing programmes along the standardisation/adaptation continuum?) is subjective in nature. As this research is about human behaviour and poses a question of 'how?', a qualitative research method has been chosen (Yin, 2009). The research question in this study is relatively subjective; therefore, a causal, measurement-oriented and positivist approach is inappropriate. Qualitative research seeks primarily to interpret social phenomena, and to produce a rich understanding of the complex meaning structures that social actors construct in specific social environments (Denzin and Lincoln, 1998:03), suggesting that qualitative research methods would be more appropriate to this study. Interviews were conducted with senior CEOs and managers of SMEs directly involved in international marketing programmes, using in-depth interviews and participant observation. The social phenomena in this research comprised SMEs and real-life events, i.e. managerial processes (behaviour) and

contemporary phenomena. As this research focuses in particular on SMEs, a case study method was chosen. The primary purpose of undertaking a case study is to explore the particularity and uniqueness of a single case (Helen, 2009).

4.2.1 Philosophical approaches to investigation

The research philosophy may impact on the methodology adopted to answer a research question and achieve the goal of the research. The philosophical approach encompasses the researcher's view of world 'reality' or world view, i.e. ontology. A world view is defined as 'a basic set of beliefs that guide action' (Guba, 1990:17). Researchers' beliefs about the world will lead to the implementation of qualitative, quantitative or mixed methods approaches (Creswell, 2009:6). According to (Mason, 2002:14), the nature of phenomena, entities or the social 'reality' that one wishes to investigate describes the ontological position of the research question. The social world and what might be considered to be 'reality' are a projection of individual consciousness (Mendy, 2007:57). People's views of reality can be broadly categorised into positivist/empiricist/post-positivist, advocacy/participative, pragmatist and interpretivist approaches (Creswell, 2009).

4.2.2 Ontological position

The research question in this study deals with a social phenomenon, where the researcher believes that reality does not already exist but is constructed within a social environment through social interaction, relationships and activities. This is a constructivist/interpretivist position. The researcher's task is to interpret the phenomenon in order to answer the research question.

4.2.3 Epistemological position

Epistemological issues concern what is regarded as appropriate knowledge about the social world (Bryman, 2004:03); in other words, how new knowledge is acquired to contribute to existing knowledge is known as epistemology. This throws into question the suitability of a natural science model of the research process for the phenomenon under research. Babbie (2001:18) defines epistemology as the ‘science of knowing’, while methodology (a subfield of epistemology) might be called the ‘science of finding out’, or how social scientists find out about human social life. Again, this is appropriate to the research undertaken in this study.

This research focuses on dyadic and triadic relationships in business networks. Social ties and relational factors play a crucial role in strategic decision making by the sample SMEs. Therefore, by clearly understanding the epistemological stance, the researcher’s aim is to identify the influence of relationships related to social life in business networks and their influence on the standardisation/adaptation of marketing mix strategies in international markets.

4.2.4 Exploratory research

According to Ruane (2005:12), exploratory research is typically conducted in the interest of ‘getting to know’ or increasing our understanding of a new or little-researched setting, group or phenomenon, and is used to gain insight into a research topic. The literature review revealed few articles on aspects of the selected research topic, and none of these articles directly addresses the research question; therefore, the purpose of conducting the research is exploratory. Based on Patton (2002) description of reality, the research question is interpretivist and constructivist in epistemological orientation. Patton (2002:39) argues that qualitative designs are naturalistic to the extent that the research takes place in real-world settings and the

researcher does not attempt to manipulate the phenomenon of interest (e.g. a group, event, programme, community relationship or interaction). The interpretivist research paradigm emphasises qualitative research methods, which are flexible, context-sensitive and largely concerned with understanding complex issues (Carcary, 2009:11). Kerlinger (1977) argues that exploratory qualitative case studies serve three purposes: to discover significant variables in a field situation; to identify relationships between the variables; and to lay the groundwork for later testing of possible hypotheses. This research aims to develop theory.

The aim of theory building is not to replicate complex reality, but to explain its central elements (Johanson and Vahlne, 2009:1431). According to Bryman (2004:08), theory is something that guides and influences the collection and analysis of data using a 'deductive' approach. In other words, the research is carried out in order to answer research questions raised as a result of theoretical consideration. However, Bryman (2004) also suggests an alternative position, which is to view theory as something that occurs after the collection and analysis of data. The chosen research method is to induct theory using case studies: theory is the outcome of research (Eisenhardt, 1989). The extent of researcher interference in the study depends on the type of research methodology. In quantitative research work, a researcher has minimal or no interaction in the field, whereas a researcher using qualitative methods intervenes for the purpose of interviewing or administering interview guide. These considerations determine the ontological and epistemological position of the research question of this study, which takes a subjective, interpretivist/constructivist, exploratory and inductive approach using qualitative research methods. More specifically, a qualitative case study approach was used to solve the research question.

4.3 Research design framework

A research design framework provides a comprehensive overview of the processes and procedures followed in conducting a research study. According to Creswell (2009), research designs are plans and procedures for research that span decisions from broad assumptions to detailed methods of data collection and analysis. This involves the intersection of philosophical assumptions, strategies of inquiry and specific methods. The difference between research design and research methodology is often misunderstood by researchers. The main difference is that research design deals with a logical problem, not a logistical problem (Yin, 1989). ‘A research design provides a framework for the collection and analysis of data’ (Bryman and Bell, 2001). Research design is concerned with the question of what and why data should be collected, with reference to the research question, while research methodology is concerned with the question of how data are collected.

As this research aims to develop theory, Kerlinger’s (1979) definition of theory is relevant. Kerlinger (1977) defines theory as ‘a set of interrelated constructs (variables), definitions, and propositions that presents a systematic view of phenomena by specifying relations among variables, with the purpose of explaining natural phenomena’. As the method of inquiry into the phenomenon in this research is qualitative, it was appropriate to develop propositions which would enable the confirmation of proposed theory. According to Yin (2009), theory development is an essential part of research design. The major elements in the design of this research are shown in Table 4.1.

Table4. 1: Major components of research design used in this research

Major components of research design used in this research	
Title	The role of networks in the design of SMEs' standardisation and adaptation strategies: Insights from business-to-business firms from an emerging economy
Philosophical world view	Constructivist and Interpretivist Methods to acquire knowledge from the environment (given below) Qualitative
Purpose of the research	To look for patterns, hypotheses or ideas that can be tested and will form the basis for further research (Marshall and Rossman) Theory building
Research Approach	Inductive
Methodology/Research Techniques/Type of Investigation	Multiple case study approach Primary cases analysis, observation and reviews of previous related studies and data
Methods of Data Collection and Data Analysis Approach	In-depth, semi-structured interviews and participant observation Open and axial coding Content Analysis
Evaluation Criteria	Triangulation, observation
Time Horizon	Cross-sectional study
Unit of Analysis	SMEs from a developing country, i.e. Pakistan SMEs operating successfully in international markets SMEs from manufacturing and private sector only SMEs with business networks in international markets Sample taken from last 20 years (1990-2010) SMEs with between 0 and 250 employees

(Source: Adapted from Creswell, 2009)

4.4 Case study method

This research explores the decision-making process of SME managers in a particular environment using the specific phenomenon of standardisation/adaptation. Case studies may be conducted from a positivist as well as an interpretivist epistemological perspective (Cavaye, 1996). This supports the selection of a case study approach in this study. The research question of how SMEs in developing countries develop their marketing programmes along the standardisation/adaptation continuum is qualitative in nature. Yin (2009) argues that ‘how’ and ‘why’ questions are exploratory and are likely to prompt the use of case studies. The case study approach is particularly relevant when the research question requires an extensive and in-depth description of a social phenomenon (Yin, 2009:4).

Stake (1995) defines a case study as ‘the study of the particularity and complexity of a single case, coming to understand its activity within important circumstances’. The case study method ‘allows an investigation to retain the holistic and meaningful characteristics of real-life events, such as individual life cycles, small group behaviour, organisational and managerial processes, neighbourhood change, school performance, international relations, and the maturation of industries’ (Yin, 2009:4). A case study is preferred for the examination of contemporary events when relevant behaviours cannot be manipulated.

4.4.1 Case study approach in studying business networks

In recent years the trend for using qualitative research focusing on networks and relations in and between the network nodes have increased dramatically (Jack 2010).Case study approach has been used to develop an understanding of the dynamics of networks (Johnsen and Johnsen, 1999). According to Easton (1995), the

case study approach allows a clear examination of the causal links, interconnectedness and dynamism of network. A case study method allows the researchers the description and explanation of real life situation for examining the complex business relations (Johnsen and Johnsen, 1999)

4.5 Comparative case method

Social phenomena can be better understood when they are compared in relation to two or more meaningfully contrasting cases or situations (Bryman 2004:53). A comparative case study method may involve cross-national research. According to Hantrais (1996:13), such research occurs:

when individuals or teams set out to examine particular issues or phenomena in two or more countries with the express intention of comparing their manifestations in different socio-cultural settings (institutions, customs, traditions, value systems, lifestyles, language, thought patterns), using the same research instruments either to carry out secondary analysis of national data or to conduct new empirical work. The aim may be to seek explanations for similarities and differences, to generalise from them or to gain a greater awareness and a deeper understanding of social reality in different national contexts.

This research study investigates SMEs from developing countries and how they differ in developing their marketing programmes along the standardisation/adaptation continuum within four different industries in Pakistan. Therefore, this research involves cross-industry, comparative study.

A multiple case design has distinct advantages and disadvantages compared with a single case study design. It allows replications that will give more robust results (Yin, 2009). Gerring (2004) suggests that cross-unit analysis may be carried out in order to

make causal inferences using case selection techniques, and a degree of homogeneity is found between cases and between the sample and the population.

4.6 Case selection procedures

Following are the procedures following in case selection. The total number of cases used for data analysis are 18 eighteen cases. Initially four cases were used in stage one analysis. With the consent of supervisor it was felt that more cases should be added to enhance the diligence of data collected and to find the persistency across the findings. Therefore fourteen more cases were added as primary cases for cross-case data analysis. The details for sample firms are given in the table 4.8 and table

4.6.1 Purposive (non-random) sampling

Case selection criteria is an important factor for individual and cross-case analysis of case studies, as ‘case selection and case analysis are intertwined’ (Seawright and Gerring, 2008). The selected cases must be representative of the population, and random sampling is not usually a viable approach when the total number of cases to be selected is small (Seawright and Gerring, 2008:294). As the sample size for this research is small, it is more appropriate to use purposive sampling, which will help avoid selection bias. It is important to confirm that the sample is not skewed by a few extreme cases. Purposive sampling establishes a good correspondence between the research questions and sampling (Bryman, 2004). According to Patton (2002), in purposive sampling the researcher purposefully selects information-rich cases, and the specific type and number of cases selected depends on the purpose of the study. Based on the research question of this study, purposive sampling was used to select SMEs from a developing country (Pakistan) that sells their products in international markets.

4.6.2 Maximum variance (heterogeneity) sampling

Maximum variation (heterogeneity) sampling is considered more suitable for exploring facts across cases in a research sample. According to Patton (2002:234), ‘this strategy for purposeful sampling aims at capturing and describing the central themes that cut across a great deal of variations’. This research study has the potential to shed light on the standardisation/adaptation of marketing programmes and processes for international marketing strategies. Using maximum variation within SME samples will include SMEs producing different products, such as sports goods, surgical goods, food products and leather/textile products, which will help in cross-case comparison. The sample for the primary cases included three sports goods manufacturers, a leather goods manufacturer, and an SME in the pharmaceutical industry.

4.6.3 Snowball sampling

Snowball sampling was used in this research to collect richer data and to help triangulate the interview results. Using snowball sampling, more than one interview was conducted per case based on the recommendations of the principal interviewees. According to Patton (2002), snowball sampling helps locate information-rich key informants or critical cases, which further enriches the data. For example, in the primary cases the first interview was conducted with FM2’s director of marketing, who recommended the plant operation manager as a second interviewee. After conducting the second interview in the same firm, a further recommendation was requested from the network. The plant operation manager recommended a supplier who was providing wrapping and boxes to package the company’s product. This facilitated richer data on a single case and snowball sampling was then carried out in other cases.

4.6.4 Establishment of the population framework

The type of firm for primary case selection should be based on insights from the primary case analysis. A minimum of four cases from each industrial sector were considered to be appropriate, resulting in sixteen cases from four industrial sectors. Subsequently, only two cases from the food industry were used, so the total number of sample firms was fourteen across the four industries.

4.6.5 Theoretical Saturation

Due to the theoretical saturation from the data analysis, it was decided to have 18 interviews in total for primary case analysis for this research work. Initially all four primary cases show intra-case results. There was an opportunity to describe all the cases using intra-case analysis, but due to the word limitation and time constraint I could only have added the findings from cross-case analysis. Other than this it was also found that due to theoretical saturation and repetition of the similar facts across all the cases it was found feasible not to include intra-case analysis, though intra-case analysis was been done for almost all the cases.

4.7 Research methods

This section discusses possible sources of data for this research. The sources used for data collection in this study of industrial networks of SMEs from Pakistan are shown in Table 4.2.

Table 4. 2: Sources of data

Sources of Data	
Secondary data	Economic Survey of Pakistan, 2009-10 Small and Medium Enterprises Development Authority (SMEDA), 2007 Census of Establishments, Government of Pakistan, 1998 Survey of Small and Household Manufacturing Industries

	(SHMI), Federal Bureau of Statistics, 2005-06
Sample firms	SMEs have the largest local/international networks in the following sectors (Chiarvesio et al., 2004). Textiles Leather Garments Sports Goods Surgical Goods
Sources within the firm	Interviews with owner-managers of SMEs Company profiles provided by SMEs Documents available on company websites Second interviews from the same firm

4.7.1 Development of an interview guide

The interview guide used in this research was developed in a sequential manner. Initially the interview guide was based on the themes developed from the literature review. Later, an advanced version of interview guide was pretested via in-depth interviews of almost 45-60 minutes from owner-manager of SMEs used for primary cases. This interview guide was then modified based on the responses received from initial cases from four primary cases. After analysing pilot interview guide, some final modifications such as filtering the irrelevant questions out , the clarity and format of interview guide were performed. Relationship factors such as trust and commitment, power and dependency and social ties in business networks were added into the final interview guide.

We developed interview guides both in Urdu and English. The most of the interviews were conducted in Urdu language and only few of the interviewees responded in English language. Therefore almost all the interviews were being translated in English first to analyse them in Nvivo 10. The marketing terminologies used in the interview guide were being made easy to understand and explained to most of the interviewees as there was a possibility that these terminologies do not exist in local

languages. Most of the interviewees were the managers in their own firms except in the distribution channels.

4.7.2 Interview techniques

Based on the research objectives, the questions and context of the interviews the researcher adopted a realistic approach. In a realistic approach to interviews, the researcher seeks external reality (facts and events) in interviewee responses, rather than focusing on internal experience (feelings, emotions). From this position, the researcher also triangulates interviewee responses through other observations (Silverman, 2006).

Two techniques were used in conducting the interviews. In-depth interviews entailed relatively few questions from the researcher, allowing more space for participants, while semi-structured interviews enabled a flexible approach, allowing interviewees to extend the scope of the research. In semi-structured interviews, the researcher has a list of questions or fairly specific topics to be covered, often referred to as an interview guide. Therefore, the questions may not follow precisely in the way they are listed. There is a growing tendency to refer to semi-structured and unstructured interviewing collectively as in-depth or qualitative interviews (Bryman, 2004: 321).

4.7.3 Development of case study protocols

Developing case study protocol is providing clear guidelines for procedures and general rules to be followed for using protocol (Yin, 2009). Based on the qualitative nature of the research question flexible approach will be used for all these protocols. According to Yin (2009:79) having a case study protocol is desirable under all circumstances, but it is essential if you are doing a multiple-case study. The case study protocols are used to establish the reliability of data collected (Yin, 2003). The

protocols used for data collection, interviews and analysis are shown in Tables 4.3, 4.4 and 4.5.

Table 4. 3: Protocol for data collection

Protocol for data collection	
1.	For cross-case comparison it is initially preferred that SMEs should be from four industrial sectors: textiles, surgical, sports goods and food industry.
2.	A minimum of four cases to be selected from each industrial sector, resulting in 16 cases from 4 industrial sectors.
3.	For preparing the interview guide, initially four interviews to be conducted. If required based on the findings, this may be increased.

Table 4. 4: Interview Protocol

Interview Protocols	
1.	For primary case studies four interviews to be conducted in SMEs from Pakistan.
2.	One or two interviews to be conducted for each SME using snow ball sampling
3.	Each interview to last for an hour or less.
4.	If required, a second interview to be conducted to cover questions omitted in the first interview.
5.	Interview guide to be followed flexibly (see Appendix D).
6.	For developing interview guide, telephone interviews to be used.
7.	All interviews to be recorded for transcription purposes.
8.	Interviews to be conducted in Urdu and transcribed into English language.
9.	Interview guide to be developed in both Urdu and English.
10.	For primary data collection face-to-face, in-depth interviews to be conducted.

Table 4. 5: Protocol for data analysis

Protocol for data analysis

-
1. Open and axial coding methods.
 2. Data analysis using network strategic approach.
 3. Conducting content analysis
 4. Data analysis using NVivo 10.
-

4.8 Pilot interview guide:

4.8.1 Implications from pilot interview guide:

The results of pilot interview guide suggest that it is more appropriate to use 4P'c for primary data analysis. Initially it was suggested to select specific marketing mix element where the network influences more vigilantly or are apparent such as selecting price standardisation/adaptation only and exploring how dyadic interaction between actors and SMEs influence price standardisation/adaptation.

The following are the major implications of pilot interview guide:

4.8.2 Changes in research questions

The research questions are merged in one broad question based on the pilot case study findings:

Question 1: How business networks influence SMEs from Pakistan to develop their marketing programs internationally along Standardisation/adaptation continuum?

Based on pilot studies for interview guide, the research questions are further modified and this broad research question is further explored through sub-questions:

Question 1.1: What are the actors in business network of B2B SMEs in Pakistan which potentially influence marketing decisions of SMEs?

Question1.2: How actors in networks interact with focal firm to influence on SMEs activities of international marketing decision along standardisation/adaptation continuum?

Sub-question: How network characteristics or relational factors such as trust, commitment, power and dependency and social ties interacting in business network re with actors influence standardisation/adaptation decision of marketing programs for international markets?

Sub-question: Do non-relational factors such as the nature of the product, size of the firm and nature of the industry have any impact on standardisation/adaptation decisions of SMEs?

4.8.3 Changes in interview guide

Based on pilot analyses the following major changes were made in the final interview guide:

- SMEs itself is the part of the network and should be added as the ‘focal firm’ in the interview guide.
- Customers emerged as the most influential ‘Actors’ in dyad relationship for business networks therefore questions should be added for customers as well , to explore their perspective on research topic..
- Geographical proximity/distance have direct influence on standardisation/adaptation of marketing mix element for international markets but as these are not the ‘relational factors’ such as trust or commitment and are more structural aspects of business networks, adding geographical proximity/distance in the research agenda was reconsidered and later removed from the initial interview guide.

- This research aims to find the influence of actors on strategic decisions in dyad or triad relationship with focal firms. Embeddedness of actors in business networks should be reconsidered as it is not the ‘relational factor’ in business network.
- It’s been observed that, none of sample SMEs had subsidiaries in international markets. When I asked them ‘Why your firm does not have subsidiaries in the international markets? The answer was ‘As we are small manufacturing firms, to open and run a subsidiary requires more capital investment which at this stage of business we cannot afford. If considered the subsidiaries of these SMEs and head office for research, then it would rather focus on control issues and centralised or decentralised decisions (Solberg, 2000). These were again not the main focus of our research. To keep this ‘subsidiary’ factor in the interview guide were reconsidered and were removed from the final interview guide.
- New questions were added to interview guide, such as those related to trust and commitment, social ties, and power and dependency between the actors and local firm.
- Power and dependency in business networks and control issues (Hakansson and Ford, 2002), seemed having influence on strategic choices of SMEs as potential moderating factors such as standardization/adaptation . These were considered to be added to the interview guide.
- Clustering of firms in local business networks was reconsidered as structural characteristic of business networks and therefore, was not included in the in final interview guide.
- Certain questions in initial interview guide led to the social ties in business networks influencing strategic decision of B2B SMEs along with the strong evidence of existence of strong or weak social ties from the literature review,

therefore , related questions were added for social ties as ‘relational factors’ in dyadic or triad relations in business networks (Anderson et al., 1994) .

4.8.4 Firming up population

4.8.5 High-tech verses low-tech SMEs

Pilot analysis for developing interview guide aids to firm up the sample population. The results across the pilot analysis show the differences in standardisation/adaptation decisions for high-tech SMEs verses low-tech SMEs. The patterns emerging during the analysis of pilot analysis suggest that high-tech SMEs such as PC3 are slightly different in decision making processes and the resources they own. Therefore, some of the standardisation/adaptation decisions for marketing mix elements were different from the other pilot analysis of SMEs with low-tech profiles such as leather textile garments industries, food industry or sports industry. Therefore it was concluded to include only low-tech SMEs due to replication issues in analysis, as the international marketing decisions of high-tech SMEs cannot be replicated with the decision of low-tech SMEs.

More importantly, this research focuses on relational and non-relational factors in business networks rather high-tech verses low-tech SMEs. In addition to this argument, the technological intensity of SMEs may also result in distinct standardisation/adaptation decisions which would have a trivial impact on relational or non-relational factors in business networks. Therefore, for primary data, the sample is based on low-tech SMEs across four industries to compare and contrast the results across industries and to generalise the results. The banks were excluded from final interview guide as found having no significant impact on marketing decisions of firms internationally.

4.8.6 Changes in conceptual framework

Primarily, based on the literature review, the conceptual framework was developed considering the ARA model approach. The primary case studies findings manifest the relationship factors as moderating factors such as trust, commitment, power and dependency and social ties which may influence the standardisation/adaptation of SMEs. Considering the fact that the ARA network approach lacks the behavioural aspects, interaction approach (Håkansson and Group, 1982:32) is used as foundation for understanding the networks in business to business setting for SMEs in Pakistan. The actors are considered as intervening factors for exploring SMEs decisions for standardisation/adaptation of marketing programs. Relationship factors such as trust, commitment, social ties and power and dependency emerged as major moderating factors in conceptual framework from pilot case analyses. The conceptual framework is further modified by basing itself on the robust findings from across all four pilot cases.

4.8.7 Changes in coding for Nvivo analysis

Based on primary case studies findings new codes were added such as under the parent node 'moderating factors' the child nodes were added such as trust , commitment, power and dependency and social ties. Node named 'social ties' was further divided into formal ties, informal ties, strong ties, weak ties etc. Some nodes which potentially could be considered as moderating factors such as confidence between two nodes in network, secrecy issues, and long-term relationship verses short-term relationships were also added in the existing list of codes for Nvivo analysis.

4.8.8 Addition to the literature streams

After testing interview guide questions, the literature was extended from international marketing decisions such as standardisation/adaptation and business networks relations to relationship marketing variables such as trust, commitment, social ties and power and dependency within the context business to business relations of actors with SMEs.

4.9 Pragmatic issues faced in data collection

As the researcher is a PhD student, numerous problems were encountered during data collection and analysis. The most obvious issues were obtaining quality data within a specified time and within cost constraints.

4.9.1 Access to data resources for triangulation

Primary data were collected from in-depth interviews. In-depth interviews for pilot cases were conducted with:

- Owner-managers/CEOs in SMEs
- Plant managers
- Sales and marketing managers
- Marketing and export managers
- Directors of marketing

For triangulation purpose, more than one interview was collected from each B2B SME, but of the four pilot studies only one firm responded positively to second and third interviews. The other firms declined second and third interviews on the following grounds:

As this is a small business and I am a sole proprietor and solely responsible for all decisions, no one else makes these international marketing decisions in my firm (Manager, PC1).

I have my brother who looks after international marketing activities, but he is not the decision maker in my company.

(Manager, PC4)

There are only two people who look after export-related issues – me and another person who is on vacation due to medical reasons, and I really do not know when he will be back.

(Manager, PC2)

4.9.2 Time and cost factors

In a qualitative mode of investigation with in-depth interviews, time is a particularly important factor. It was intended that interviews would be conducted with owner-managers or marketing managers, but it was quite difficult for these respondents to take an hour out of their busy schedules for interviews. Owing to time constraints, some interviews took place in two parts on different days. For the pilot study it was decided to conduct telephone interviews, and calling all potential SMEs in Pakistan was very costly.

4.10 Conclusion

This chapter has provided an overview of the research processes used during this study, shedding light on the research philosophies, approaches and methodology. It has also explained the sequential processes used during interview guide development, the data collection techniques, the sources and the sampling used for this study.

5. Data analysis using NVivo 10

This section begins by describing the use of the NVivo 10 toolkit (QSR International) for data analysis. It details the data analysis procedure in four different stages,

including descriptive analysis, drawing conclusions and developing theories. A picture for data analysis was developed using resources such as in-depth interviews, voice recordings, transcriptions, pictures, memos and research articles. The data analysis procedures followed ranged from developing resources, to coding by nodes and running queries to produce conclusions enabling the verification and development of theories. This was carried out at three levels: intra-case analysis, within-industry cross-case analysis and analysis across all cases. Graphs and charts developed by running code matrix queries were transferred directly to Microsoft Word. Some classification sheets were developed using Microsoft Excel and some were developed using NVivo 10. A new feature, N-Capture, was useful for storing materials such as web pages and research articles from an Endnote library directly in NVivo.

There is a growing trend for researchers to use NVivo as a data analysis tool to achieve accuracy, generalisation to other contexts and complexity (O'Neill, 2012). The computer-based qualitative software (CQDAS) in a popular package, NUD*IST, was first introduced in the mid-1980s (Ozkan, 2004). The updated version of NUD*IST is used most often in qualitative research; however, NVivo has now also introduced quantitative tools for data analysis, such as Survey Monkey (QSR International). NVivo enables researchers to create rich data with more authenticity. It also facilitates the management of a huge amount of data in one place. With the help of NVivo, researchers are able to explore qualitative data using different approaches, such as a grounded theory approach, constant comparative method and case study method (Ozkan, 2004).

NVivo as a qualitative analysis tool can also be used with a literature review (Di Gregorio, 2000). It allows researchers to deal with large amounts of data with more

accuracy and easy accessibility to available resources. Handling data using these programs add rigour to the process (Ozkan, 2004). NVivo covers three major aspects of the research process: analysis of data, theoretical development and presentation of findings (Hutchison et al., 2010). Previous researchers have used NVivo in qualitative research using the case study method (Ozkan, 2004, O'Neill, 2012). There is clear evidence that NVivo can also be used for the multiple case study method.

The research for the current study encompasses fourteen case studies from four different industries. Data were gathered in a variety of ways. For example, in-depth interviews were used to gather primary data, while secondary data were collected from the internet, from the sample firms and from interviewees in the form of pictures, documents, pdf files, etc. Notes were also taken during the interviews. The interviews were recorded using a Sony voice recorder and were later transferred and transcribed in NVivo 10. The interviews were conducted using the local language, Urdu, and were converted into English during the transcription process. A theoretical sampling method was considered for data collection. Analysis of pilot cases enabled an iterative process whereby early data collection and analysis informed subsequent sampling and analysis procedures. This process enabled a back and forth approach and necessitated concurrent involvement in data collection and data analysis (Hutchison et al., 2010). Using the iterative process approach, the questions in the interview guide were modified following the pilot case analysis, and pharmaceutical firms were excluded from the sample as they have purely standardised, high-tech products compared with the other sample firms from low-tech industries with a diverse range of products offered in international markets.

Gradually moving from lower-order to higher-order themes, NVivo 10 enabled constant comparisons to be made. Making systematic comparisons at every stage of

the analysis (e.g. within and between cases, and over time) helped to establish analytical distinctions by identifying variations in patterns found in the data (Hutchison et al., 2010:284). The data analysis process continued until theoretical saturation or theoretical density was reached.

Stages of data analysis

To capture the theory building process, it is important that the techniques are presented in a logical manner to enable the reader to follow the analytical procedure (Hutchison et al., 2010) . Various procedures have been proposed for data analysis using QSR Nvivo. For this research, O'Neill's (2012) toolkit was found to be useful, and therefore a similar data analysis procedure is followed throughout the chapter.

The stages followed in the data analysis using the NVivo toolkit (O'Neill, 2012) are shown in Table 5.1 .

Table 5. 1: Stages of data analysis in this research study

Stages of Nvivo	Processes involved in each stage
Stage 1: Descriptive	Project details and research design Sources Attributes Values Classifications
Stage 2: Topic	Identifying obvious topics Creating initial nodes
Stage 3: Analytic	Merging nodes into hierarchies Data sets Models and relationships Using queries Running queries Matrix coding query Cross-case query analysis
Stage 4: Drawing conclusions	Verification Developing theories

Source: Adapted from Edhlund (2011:13)

5.1 Stage 1: Descriptive

The first stage of data analysis with NVivo is the design and development of a database for the research study. The sources in NVivo 10 contain sub-sections for internals, memos and externals (O'Neill, 2013).

In-depth interviews were conducted with owner-managers who predominantly influence the marketing decisions of companies in each industry (sports goods, surgical goods, textiles and food). The interviews for primary cases were conducted with owner-managers, marketing managers, export managers and directors of

marketing, as well as actors in the networks of these sample SMEs from Pakistan. The interviews with owner-managers and directors of focal firms lasted between 35 minutes and one hour, and those with actors in the network, such as suppliers and distributors, lasted between 10 and 15 minutes.

In the interview process, a semi-structured, open-ended Interview guide was initially developed from the literature and then, following the pilot cases, this was modified and finalised with the consent of the research supervisor. Company names are used with the prior permission and consent of the SME owners.

Various sources of data were used for SMEs from Pakistan in industrial networks. These included the Economic Survey of Pakistan 2009-10, the Small and Medium Enterprises Development Authority (SMEDA) 2007, the Census of Establishments (Government of Pakistan, 1998), and a Survey of Small and Household Manufacturing Industries (SHMI) conducted by the Federal Bureau of Statistics, 2005-06. Major within-firm sources used for the purpose of collecting primary data included in-depth interviews with owner-managers.

5.1.1 Sources

This section in NVivo 10 consists of internals, memos and externals (O'Neill, 2013).

5.1.1.1 Internals

Internals are primary research details that are imported or created in NVivo, such as documents, pdfs, audio, video, pictures and data sets (O'Neill, 2013). The internals for this research comprised audio files of interviews, transcriptions and twenty interviews with participants as primary data, research articles and any additional information such as images related to this study, and literature from an established

Endnote bibliography program. Table 4.8 lists the sample firms with participant demographics.

Table 5. 2 Case selection and data collection for primary cases for primary data collection

Unit Analysis (Industry)	of Companies	1st Interview	2nd Interview	3rd Interview from Network	Secondary Sources	Data
Food Manufacturing SMEs	FM1	Owner-manager	Marketing Manager	Supplier	Company website	Company profile
	FM2	Marketing manager	Plant Manager	Supplier	Company documents	Memos Other documents
Leather and Textile Manufacturing SMEs	LM3	Owner-manager	Marketing Manager	Supplier	Leather associations	textile
	LM4	Export manager	--	--	Export bureau	promotion
	LM5	Merchantiser	Export Manager	Supplier	Pakistan Garments	Leather
	LM6	Owner-manager	--	Cargo Agent	Manufacturers Association	International Textile Manufacturers Federation
Sports Goods Manufacturing SMEs	SM7	Owner-manager	--	Supplier	Pakistan Goods	Sports
	SM8	Owner-manager/CEO	--	Cargo Agent	Manufacturers Association	and Exporters
	SM9	Owner-manager	Export Manager	--	All Pakistan Manufacturers Association	Textile
	SM10	Owner-manager	--	--	Association	www.alibaba.com
Surgical Goods Manufacturing SMEs	SuM11	Director of Marketing	Finance Manager	Supplier/Vendor	The Instrument Manufacturers Association	Surgical of
	SuM12	Director of Marketing	--	Vendor/Cargo Agent	Pakistan Export Bureau	Promotion
	SuM13	Owner-manager	Export Manager	--	--	www.sialkotexport.com
	SuM14	Owner-manager	--	--	--	--
Total	14	14	8	7		

5.1.1.2 Memos

Memos are an important tool for analysis of qualitative data. According to Gibbs (2002), memos are documents containing commentary on primary data or nodes of a project. They are used to keep records of activities, decisions and thoughts on ongoing analysis, changes in the project and links between items. In this research study, memos were also used to record comparisons and conclusions extracted from primary data analysis.

Name	Nodes	References	Created On	Created By	Modified On
Ms SHA	65	338	23/10/2013 01:	K	21/12/2013 03:52
Mr. WAH	94	579	23/10/2013 00:	K	21/12/2013 03:53
Mr. JA	66	256	23/10/2013 01:	K	21/12/2013 03:51
Mr ZA	27	107	23/10/2013 01:	K	21/12/2013 03:51
Mr YA	80	489	23/10/2013 00:	K	21/12/2013 03:51
Mr WA	7	11	23/10/2013 01:	K	21/12/2013 03:53
Mr UF	82	357	23/10/2013 01:	K	21/12/2013 03:51
Mr SHA	83	371	23/10/2013 01:	K	21/12/2013 03:50
Mr SA	85	320	23/10/2013 01:	K	21/12/2013 03:50
Mr IS	53	128	23/10/2013 00:	K	21/12/2013 03:50
Mr IM	68	285	23/10/2013 01:	K	21/12/2013 03:50
Mr HU	82	514	23/10/2013 01:	K	21/12/2013 03:50
Mr BAS	31	56	23/10/2013 00:	K	21/12/2013 03:49
Mr BAJ	80	284	23/10/2013 01:	K	21/12/2013 03:49
Mr BA	80	494	23/10/2013 00:	K	21/12/2013 03:49
Mr AT	63	230	23/10/2013 01:	K	21/12/2013 03:48
Mr AS	79	238	23/10/2013 01:	K	21/12/2013 03:49
Mr AF	101	374	22/10/2013 20:	K	21/12/2013 03:52
Mr AD UL	65	246	23/10/2013 00:	K	21/12/2013 03:49
Mr AD	71	467	23/10/2013 01:	K	21/12/2013 03:48

Figure 5. 1 Sample of internals for interviews transcribed and coded

These memos were linked with nodes or sources to create a summary of these nodes and sources. They were also used to record observations.

Name
SuM14
SuM13
SuM12
SuM11
SM9
SM8
SM7
SM10
LM6
LM5
LM4
LM3
FM2
FM1
Across all the companies

Figure 5. 2: Samples of memos from this research study

Various types of memos are commonly used by researchers, such as research diaries, reflective notes, and conceptual, emergent questions-related, explanatory, literature-

related, technical or model-describing memos (Hutchison et al., 2010). NVivo memos in the sources section of the program allow researchers to record any ideas developed during the analysis process, replacing footnotes and annotations. Memos were created for all fourteen firms and all interviewees. Memos related to the findings from the data analysis were created for all cases.

5.1.1.3 Externals

Externals are proxies representing research material that cannot be imported into NVivo. They usually comprise documents such as diaries, early research journals, and documents too large to be imported or where access to the whole document is not required (Bazeley and Jackson, 2013). Externals usually create a record within the NVivo program indicating a link to a source that needs to be kept in NVivo and providing an opportunity to the user to code, annotate and link a number of references for that source (Bazeley and Jackson, 2013). In this research study, externals were created for transcribed interviews.

5.1.2 Attributes, values and classifications

A case is a core structural element in NVivo (Bazeley and Jackson, 2013:52). In this research, the cases comprised both individuals and organisations. Each individual and each organisation or sample firm was considered to be a separate case. In NVivo, cases are managed by creating case nodes, with each case node acting as a ‘container’ that holds all types of data for each case, regardless of source.

5.1.2.1 Attributes

According to the Edhlund (2011:123), the characteristics or properties of a source item or node will have an impact when analysing data. Attributes such as age, group

and location, and attribute values such as 30s, 40s, 50s or rural/urban are related to either individual or organisational cases.

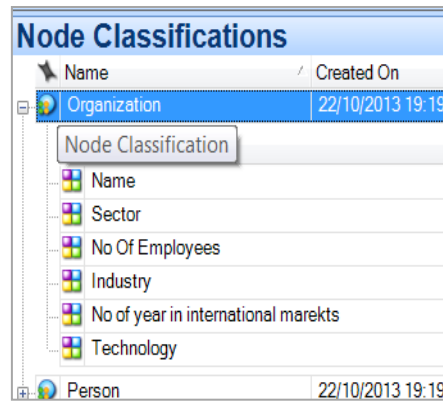


Figure 5. 3: Attributes used for organizational cases in this research

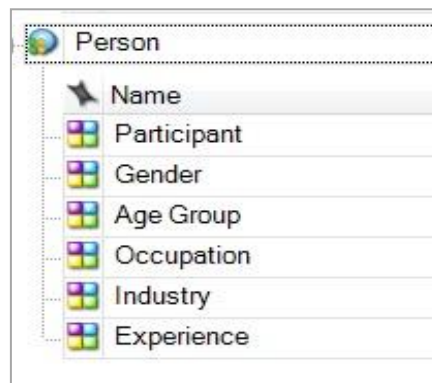


Figure 5. 4: Attributes used for individual cases in this research

5.1.2.2 Values

Each attribute listed above has a value attached, as shown in Tables 5.2 and 5.3.

Table 5. 3: Attributes and values for organisational cases

Attribute	Values
Name	Not applicable, Unassigned, FM1, FM2, LM3, LM4, LM5, LM6, SM7, SM8, SM9, SM10, SuM11, SuM12, SuM13, SuM14
Sector	Not applicable, Unassigned, Public Sector, Private Sector, Semi-government Sector
Number of employees	0-49, 50-99, 100-49, 150-200, 200-250.

Industry	Food industry, sports goods industry, surgical goods industry, leather goods manufacturing industry.
Number of years in local markets	0-5, 5-10, 15-20, 20-25, etc.
Number of years in foreign markets	5-10, 15-20, 20-25, 25-30,30-35, 35-40 years plus, etc.

Table 5. 4: Attributes and values for individual cases

Attribute	Values
Participant	Not applicable, unassigned, company names
Gender	Not applicable, unassigned, male, female
Age Group	0-10, 10-20, 20-30, 30-40
Industry	Sports goods industry, surgical goods industry, leather goods industry, food industry
Experience	0-5, 5-10,10-15, 15-20,20-25,25-30, 30-35, 35-40, etc.

5.1.2.3 Classification

Table 5. 5: Details of participant firms

Unit	Product	Technology	No. of Employees	No. of Years' Experience	Key Decision-Maker	Customers
FM1	Confectionery products such as biscuits, candy, bubble gum	Low-tech	0-49	18 years	Director of Marketing Department (DMD) of FM1	UK, USA, Australia and African countries
FM2	Food-confectionery products such as biscuits in flavours such as sandwich, plain, chocolate cream, energy/glucose and crackers	Low-tech	0-250	11 years in local market and 5 years in international markets	Sales and Marketing Manager and Operations Manager	UK, USA, Australia and African countries, domestic customers
LM3	Leather jackets and motor bike products such as racing wear, motor bike suits, gloves and safety equipment	Low-tech	0-49	22 years	Owner-manager with 4-5 years of hands-on experience	Canada and European countries such as Germany
LM4	Leather motor bike garments and accessories, leather jackets, trousers, leather shirts, caps, face masks, hats and belts	Low-tech	0-50	28 years in local market and 24 years in international market	Owner-manager	South Africa, Spain, Germany, Latvia and subsidiary office in England
LM5	Leather and motor bike garments	Low-tech	50-99	15 years	Owner-manager/ Export Manager	Europe (targets are Germany and

LM6	Leather garments, Leather gloves, Leather products	Low-tech	0-50	19 years	Director of Marketing	France), Australia and New Zealand Europe, South Africa, Canada, USA and Australia
SM7	Sports products such as soccer balls, tennis balls and sports wear	Low-tech	0-50	10 years	Owner-manager	UK, Ireland
SM8	Basketball and soccer kits, martial arts uniforms, tracksuits and other suit apparel.	Low-tech	0-150	15 years	Owner-manager	Australia, USA, England and Europe
SM9	Sportswear, soccer/hand/indoor/volley/rugby balls, goalkeeper gloves, shin guards, team bags, soccer apparel; soccer kits, goal keeper and referee outfits, rainwear and tracksuits	Low-tech	0-300	20 years	Owner-manager	Europe, North America
SM10	Boxing and fitness, cycling gear, martial arts, fishing, outdoor, sailing and motocross gear	Low-tech	0-50	13 years	Owner-manager with 5 years' experience	UK, Australia
SuM11	Surgical instruments,	Low-tech	0-10	40 years	Owner-manager	England, America,

	veterinary instruments, orthopaedic implants and instruments, equine dental instruments and dental instruments.						South America, Spain, Korea, Australia and Europe
SuM12	Scissors, manicure/pedicure, orthopaedic, ophthalmic instruments, dental, surgical and medical, hollowware, cutlery, knives, etc.	Low-tech	0-49	18 years	Owner-manager		USA, Central America, Asia (e.g. Indonesia, Malaysia, Singapore), Ghana, Italy, France, Germany, Holland.
SuM13	Barber and household scissors, tweezers, cuticle and nail nippers, nail care instruments, manicure kits, fishing tools and other instruments	Low-tech	200	24 years	Owner-manager with 6 years' experience in the field (family business)		USA, UK, European countries, Middle and Far East and Latin America
SuM14	Manicure and pedicure instruments, tweezers and eye-lash curlers, cuticle and nail nippers, fancy and household scissors	Low-tech	0-50	23 years	Marketing -Manager		Europe (Germany, Italy, France, Belgium, Holland, Greece and Cyprus), USA, UK, Korea, Turkey

	A : Name	B : Sector	C : No Of Employees	D : Industry	E : No of year i...	F : Technology
1 : FM1	FM1	Private Sector	1-49	Food manufacturi	15-20	Low-tech
2 : FM2	FM2	Private Sector	100-499	Food manufacturi	10-15	Low-tech
3 : LM3	LM3	Private Sector	1-49	Leather goods	20-25	Low-tech
4 : LM4	LM4	Private Sector	1-49	Leather goods	25-30	Low-tech
5 : LM5	LM5	Private Sector	50-99	Leather goods	10-15	Low-tech
6 : LM6	LM6	Private Sector	100-499	Leather goods	15-20	Low-tech
7 : SM10	SM10	Private Sector	1-49	Sports goods	10-15	Low-tech
8 : SM7	SM7	Private Sector	1-49	Sports goods	5-10	Low-tech
9 : SM8	SM8	Private Sector	100-499	Sports goods	10-15	Low-tech
10 : SM9	SM9	Private Sector	100-499	Sports goods	15-20	Low-tech
11 : SuM11	SuM11	Private Sector	1-49	Surgical goods	35-40	Low-tech
12 : SuM12	SuM12	Private Sector	1-49	Surgical goods	15-20	Low-tech
13 : SuM13	SuM13	Private Sector	100-499	Surgical goods	15-20	Low-tech
14 : SuM14	SuM14	Private Sector	1-49	Surgical goods	5-10	Low-tech

Figure 5. 5: Sample of case classification sheet-case attributes and values

5.2 Stage 2: Topic

Stage two involved the development of themes from the transcripts. It also included coding interview material and grouping related concepts under a single heading called a ‘node’ to be used for later data analysis. After coding the material, NVivo helps the user in highlighting selected text and giving a particular colour to coding stripes. Coding stripes are used to provide a visual overview of how nodes might relate to each another and to display emergent concepts (Hutchison et al., 2010). For this research study, initial themes were developed from the literature review and interviews. Coding stripes were used for theme modification.

The node cluster diagram (Figure 5.6) shows high-order themes. These themes clearly show trends which also appear in the propositions. For example, the first circle shows that confidentiality and relationship factors are closely related to standardisation of distribution. Another point shows that the nature of the product may also result in product adaptations. This can also be used as content analysis where the researchers aim at developing themes/categories/classifications from the available data.

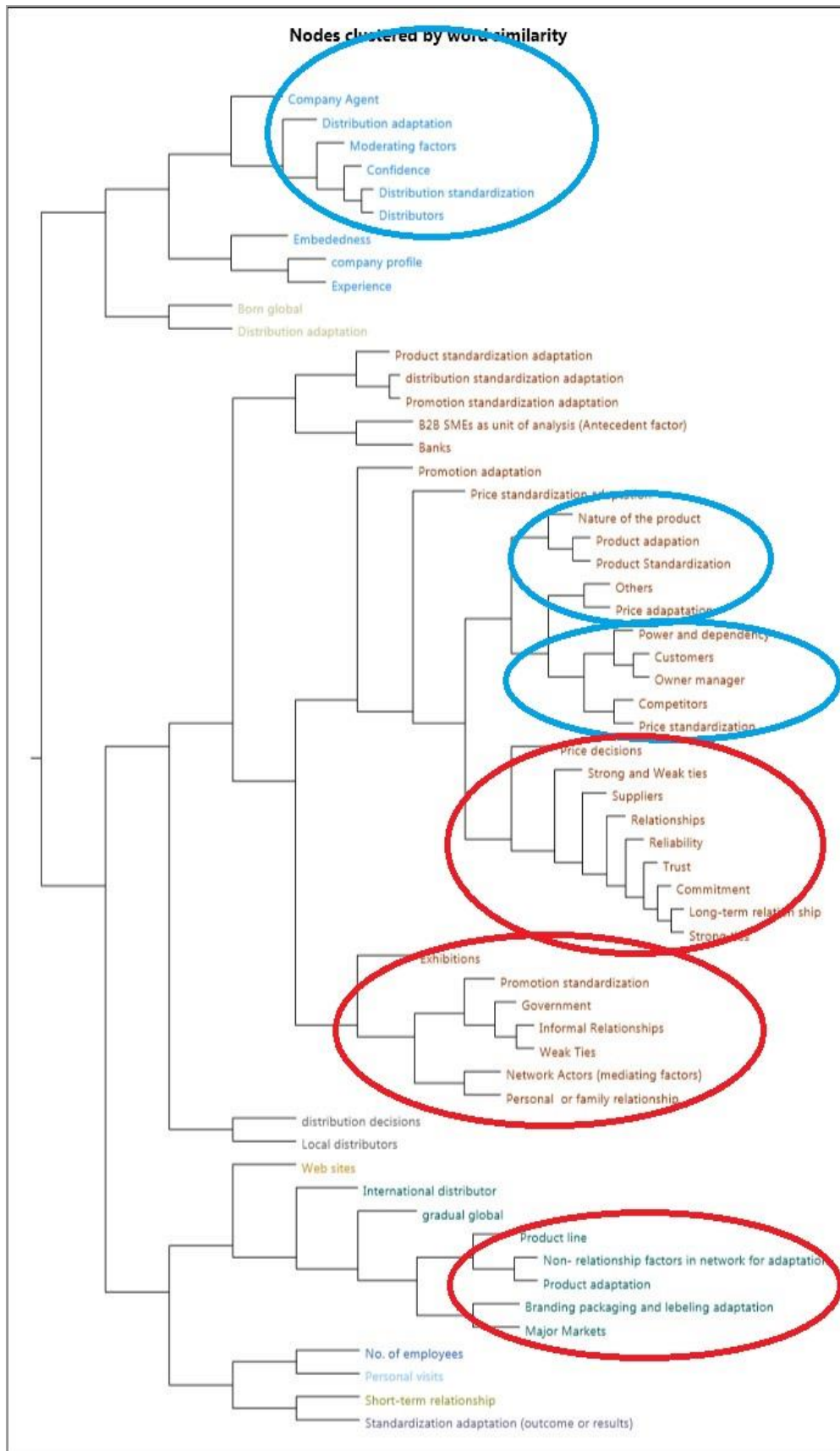


Figure 5. 6: Cluster Analysis of coded material using word similarity

third circle shows that in customer and competitor relationships with a focal firm, power and dependency relationship factors are more influential and closely related to price standardisation.

This cluster analysis covers almost all the propositions developed after analysis, for example that government, as an actor, may influence standardisation of promotion yet have weak ties with focal firms. Cluster analysis was used to identify the major themes emerging from the coded material using word similarity in the sources. Cluster analysis provides an overview of the structure and a thematic understanding of the data, and similarities are then presented as a horizontal and vertical dendrogram, graphed in two- or three-dimensional space (Bazeley, 2009).

5.2.1.1 Creation of initial coding

Coding is the ‘process of identifying and recording one or more discrete passages of text or other data items , that, in some sense, exemplify the same theoretical or descriptive idea’ (Gibbs, 2002:57). In N-vivo, coding is carried out by connecting each passage or item to a node. Miles and Huberman (1994) make no distinction between the terms ‘variable’ and ‘code’, using the terms interchangeably. During the coding process, meaning labels are usually attached to segments of data (Charmaz, 2006). NVivo allows users to create nodes and store relevant text in these nodes (Bazeley, 2007). Therefore, every time a new concept is found, a new node is developed. With every new node, a memo is created to add notes and record findings from this particular node. When using NVivo 10 for data analysis, it is important to associate data with each source to enable queries to be generated: a node classification sheet is created in the relevant section of the program (O’Neill, 2013). In this study, a source and reference were created with the names of participants and sample firms. According to O’Neill (2013), this enables the generation of queries.

5.2.1.2 Open coding

At an early stage of qualitative data analysis, initial or open coding is used to open the text to intensive scrutiny (Corbin and Holt, 2004). Open and axial coding procedures involve breaking down data, conceptualising it, and putting it back together in novel ways to build theories from data (Strauss and Carbon, 1990, Patton, 2002). In this research study, some coding was carried out manually before using NVivo 10. The interview guide was also used for coding purposes, as the questions were developed with consideration for particular themes of standardisation/adaptation of marketing strategies. Actors were located in the SMEs' business networks and a separate node was created for each actor in the industrial networks of all sample firms to explore the facts and impacts of these actors embedded in the interviews.

During the coding process, some relationship factors were found to affect the interaction of SMEs with actors in the networks. At this stage the available data were also scrutinised from the perspective of standardisation/adaptation in general, and it was found that specific actors in business networks have an impact only on particular strategic decisions of SMEs, and not all actors affect all decisions taken by the firm.

5.2.1.3 Axial coding

According to Strauss and Corbin (1998), axial coding is the process of relating categories to their sub-categories. Axial coding occurs around the axis of the category, linking categories to its properties or dimensions. Four major themes were identified across all the cases: 1) how SMEs interact; 2) how interaction between firms and actors influences strategic decisions; 3) the relationship factors as moderators for standardisation/adaptation strategies 4) what strategic decisions along the continuum of standardisation/adaptation are most influenced by interaction between actors and SMEs. As some moderating factors also emerged during the

coding process, axial coding was carried out on these four major themes and the focus was to explore the dimensions of all four themes.

Name	Sources	References	Created On	Created By	Modified On	Modified By
Moderating factors	5	5	23/10/2013 11:31	K	25/11/2013 02:43	K
Network Actors (mediating factors)	6	6	23/10/2013 11:31	K	25/11/2013 02:43	K
Banks	9	11	23/10/2013 11:31	K	28/11/2013 12:29	K
Company Agent	2	2	23/10/2013 11:31	K	23/10/2013 11:33	K
Competitors	33	91	23/10/2013 11:31	K	28/11/2013 23:27	K
Customers	42	247	23/10/2013 11:31	K	28/11/2013 23:27	K
Distributors	36	147	23/10/2013 11:31	K	28/11/2013 23:27	K
Government	33	98	23/10/2013 11:31	K	28/11/2013 18:03	K
Suppliers	40	165	23/10/2013 11:31	K	28/11/2013 18:03	K
Non-relationship factors in network	4	6	08/11/2013 17:07	K	28/11/2013 19:07	K
Overall impact	5	5	23/10/2013 11:31	K	28/11/2013 18:43	K
Owner manager	44	256	23/10/2013 11:31	K	28/11/2013 19:09	K
Reasons for networking	5	5	23/10/2013 11:31	K	28/11/2013 23:27	K
SMIEs	4	9	23/10/2013 11:31	K	28/11/2013 12:15	K
Standardization adaptation (outcome or	0	0	23/10/2013 11:31	K	25/11/2013 02:43	K
Distribution adaptation	3	4	23/10/2013 11:31	K	26/11/2013 16:33	K
Distribution standardization	38	115	23/10/2013 11:31	K	28/11/2013 23:27	K
Others	13	27	23/10/2013 11:31	K	27/11/2013 15:13	K
Price adaptation	30	57	23/10/2013 11:31	K	28/11/2013 19:09	K
Price standardization	39	224	23/10/2013 11:31	K	28/11/2013 23:27	K

Figure 5. 7: Nodes developed during data analysis

The purpose of axial coding was to reassemble data that had been fractured during the process of open coding (Corbin and Strauss, 2008). Advanced comparative procedures and analytical techniques were used to examine relationships between concepts, higher-order categories and dimensions such as conditions, contexts and processes with outcomes relating to the phenomenon (Hutchison et al., 2010).

5.3 Stage 3: Analytic using content analysis

The aim of data analysis is to look for patterns, hypotheses and ideas that can be tested and will form the basis for further research (Marshall and Rossman, 1995). Data analysis is based on an exploratory research strategy for the purposes of theory generation (Gerring, 2004). According to Yin (2009), analysis of case study evidence is one of the least developed and most difficult aspects of case study work. In order to

overcome weaknesses in case study analysis, protocols were developed prior to data analysis: (a) open and axial coding methods were to be used for data analysis; (b) NVivo 10 software was to be used for coding and analysis purposes; and (c) intra-case and cross-case analysis methods were to be used for data analysis (Miles and Huberman, 1994, Yin, 2009).

Content analysis has been considered a research methodology that observes textual data for patterns and structures, single out the key features, develop categories and aggregate them into perceptible constructs in order to seize the text meaning (Gray and Densten, 1998). For the purpose of conducting content analysis the researcher uses the Nvivo 10 software. According to Bytheway (2013), there are various tools available in Nvivo software to conduct content analysis such as automatic coding, coding ‘stripes’, coding density assessment, content linking, creating memos and annotations etc.

Following are the steps used for content analysis using Nvivo Toolkit by (O'Neill, 2012)

- Merging nodes into hierarchies
- Developing data set
- Creating models
- Visualization
- Visualization such as cluster analysis
- Using queries and running such as word query

For the purpose conducting content analysis, first the recorded interviews were transcribed, and then the data were coded based on the factors defined in Chapter 3. In addition to primary data collected from in-depth interviews, the data analysis

included secondary data sources such as company websites, company profile documents and other material provided by the companies, such as product samples, catalogues and other documents. The coding was carried out using NVivo 10, which is the latest version of the software available for qualitative research. NVivo was used not only for transcription of the interviews but also for developing themes from the data by coding and creating nodes. These nodes were compared across all cases.

The researcher has performed all these tasks using Nvivo 10 such as creating nodes, running queries, cluster analysis, creating sets and developing models. Following are the extracts for conducting content analysis for this research project from Nvivo 10.

5.3.1 Merging nodes into hierarchies

At this stage of data analysis, using NVivo the initial nodes were moved, merged or renamed into eight nodes: SMEs, owner-managers, network actors, relationship factors (also called moderating variables, such as trust, commitment, ties), non-relationship factors (such as size of the firm or nature of the product), output factors (such as standardisation/adaptation of marketing mix elements), overall impact and reasons for networking.

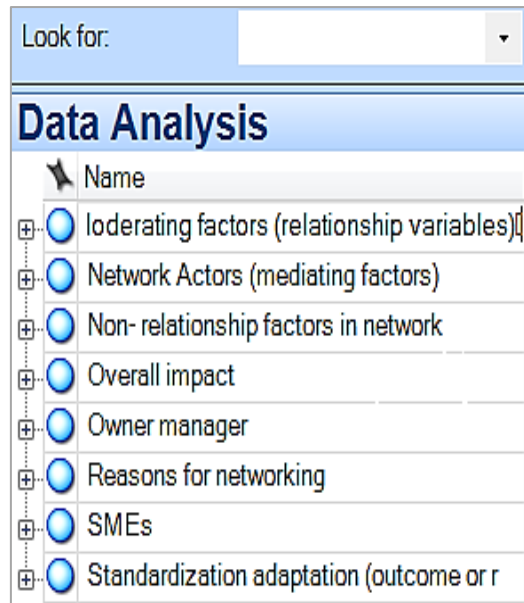


Figure 5. 8: Formation of merged and renamed nodes in the research study

Some nodes created initially were later excluded from the research. For example, banks were initially included in the ‘actor’ nodes as part of the business network, but it was later found that they did not directly or indirectly influence SMEs’ decisions on standardisation or adaptation of the marketing mix. Other nodes, such as embeddedness of business networks, were considered to be an important aspect of the research but were later omitted because the analysis was of relational variables in dyadic relationships in business networks, whereas embeddedness is related more closely to geographical and structural aspects of networks. These were therefore left for exploration in a future project.

5.3.1.1 Data sets

Data sets were developed using themes from the coding material. According to Hutchison et al. (2010), data sets are valuable tools for advancing theoretical development and are used for grouping nodes. Creating data sets in NVivo 10 does not change the node structure or duplicate items, but simply relates two different

nodes to each other (Bazeley, 2007). These data sets are used in queries as a single unit of data, enabling the user to generate queries with broader concepts or categories.

Moderating variables						
Name	In Folder	Created On	Created By	Modified On	Modified By	
Commitment	Nodes\Moderat	20/11/2013 13:45	K	28/11/2013 18:03	K	
Confidence	Nodes\Moderat	20/11/2013 14:13	K	28/11/2013 18:03	K	
Formal relationship	Nodes\Moderat	20/11/2013 13:50	K	28/11/2013 18:12	K	
Informal relationship	Nodes\Moderat	20/11/2013 13:53	K	09/12/2013 14:30	K	
Long-term relationship	Nodes\Moderat	20/11/2013 13:51	K	28/11/2013 19:12	K	
Power and dependency	Nodes\Moderat	20/11/2013 13:54	K	28/11/2013 23:27	K	
Relationships	Nodes\Moderat	20/11/2013 13:50	K	28/11/2013 23:27	K	
Strong ties	Nodes\Moderat	20/11/2013 14:16	K	28/11/2013 19:18	K	
Trust	Nodes\Moderat	20/11/2013 13:45	K	28/11/2013 19:17	K	
Weak ties	Nodes\Moderat	20/11/2013 14:14	K	28/11/2013 18:12	K	

Figure 5. 9: Data sets in the collections section of the research study

The data sets were created using four major categories: actors, moderating variables, outcome variables, and SME owner-managers' dyadic relationships with actors and cases. For node hierarchies or broad categories, cluster analysis was used and the main themes, along with their closely related nodes, were shown in a cluster analysis diagram.

5.3.1.2 Models and relationships

Models are used as techniques to enrich a theory (Holt and Dunn, 2004). NVivo facilitates model creation as it contains a model building tool which allows users to present nodes, relationships and data sets for conceptual development (Hutchison, Johnston et al. 2010). These models are later used to examine analytical observations. With the help of a model, it becomes easier to conceptualise relationships between concepts and categories and how they relate or interact. NVivo offers two different

modes for the development of models: dynamic and static (O'Neill, 2013). These models can also be created with the help of already created sets. Entire data sets, including text, summary and references, can be exported to an external file or copied and pasted into the 'model' section of the program (O'Neill, 2013:111).

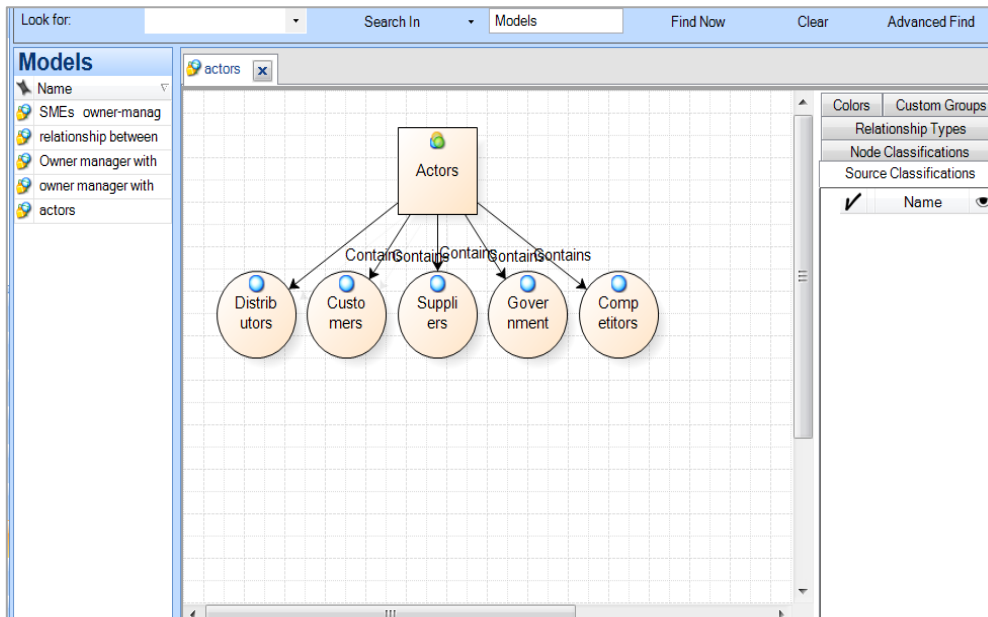


Figure 5. 10: Model of the data set for actors in the business network-actors

Figure 5.10 clearly delineates all coded nodes for 'actors' in the research work. These are actors identified from the resources in the business networks of focal (sample) firms. These models are also used to show all available resources for a given set in a single place. For example, a set for price standardisation would contain all possible resources attached to price standardisation, such as interviews, voice recordings, participants, individual firms, etc. A more advanced model can also easily depict relationships between these developed sets to explore concepts or higher-order categories and relationships between these concepts. Therefore, model development using sources and coded material allows the definition of concepts and relationships.

5.3.1.3 Visualisation

The visualisation tool in NVivo 10 enables researchers to obtain a clear picture of the research themes emerging during recording, coding and analysis. Charts showing the percentage coverage of the concepts or codes under study help visualise the contribution of each sample firm and extract the results across cases. For example, Figure 5.11 shows the percentage coverage of nodes by attribute value, clearly highlighting similarities between the coded nodes across the industries used as samples.

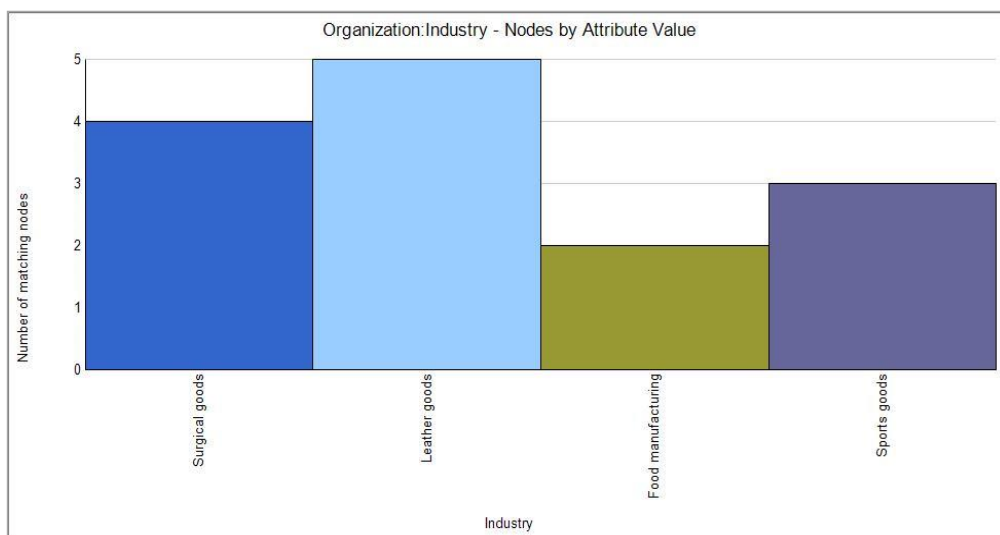


Figure 5. 11: Organisation/industry nodes by attribute value

Figure 5.11 shows the similarity of node codes for all focal firms across the four industries. It clearly shows that the food industry has slightly different coding attributes and values from the other three industries, for which there are several reasons. Within the given context it has been found that the food industry sells its products in local as well as international markets, while the other three industries only sell their products in international markets. The three industries with a similar pattern of coding are ‘born global’ firms while the firms in the food industry are ‘gradually global’ firms. Firms in the food industry sell more than 70% of their products in local

markets. Hence, it was easy to compare the decisions made by firms in the food industry between home markets and international markets.

In addition, owing to local sales, firms in the food industry have relationships with local distributors such as wholesalers and retailers. These firms rely on these distributors for the distribution and sale of their products in local markets and do not directly sell products to their customers. Firms in the food industry have slightly different strategies for home and international markets, as in their pricing strategy which differs between home and international markets, whereas firms in the other three industries develop their strategies specifically for international markets. The born global firms also have subsidiaries in foreign markets; for example, SuM12 runs a subsidiary in Latvia. In such cases, the firms compare their home strategies with those of their subsidiaries which sell only in international markets. The food industry firms sell in local as well as in international markets, but their strategies are developed only in their home location.

Similarly, charts of percentage coverage were developed for all four major themes across the cases to visualise the concepts and clarify differences between cases.

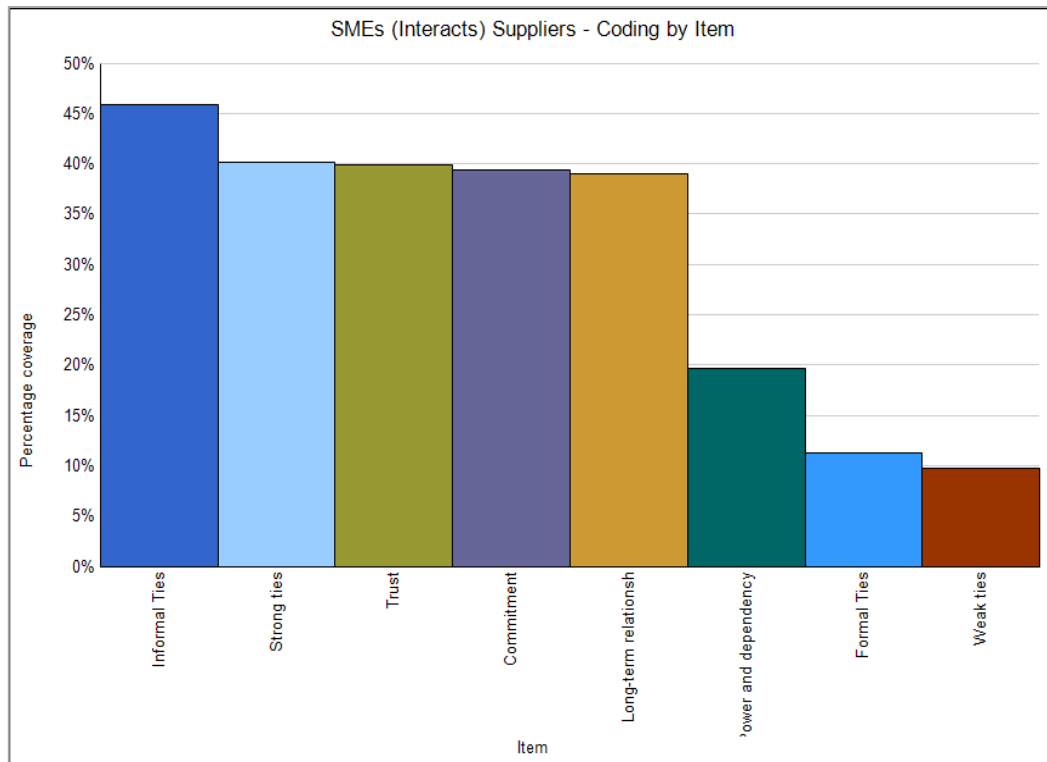


Figure 5. 12: SMEs interacts suppliers-coding by item (Relationship factors)

NVivo 10 enables users to establish the percentage coverage of nodes from two different sources to show the relationship between concepts. Such charts can show the percentage coverage of moderating variables, such as reliability, personal relationships, trust, commitment, and strong or weak ties, using two different sources or dimensions, such as owner-manager and suppliers, or owner-manager and customers. Figure 5.12 shows the percentage coverage of codes for trust, commitment, strong and weak ties, and power or dependency between owner-managers and suppliers. Similarly, a chart can easily be created for owner-manager interaction with competitors and for moderating factors with most codes in that context.

These charts can be created for individual cases, for all cases across the four industries, or for focal firms in a specific industry.

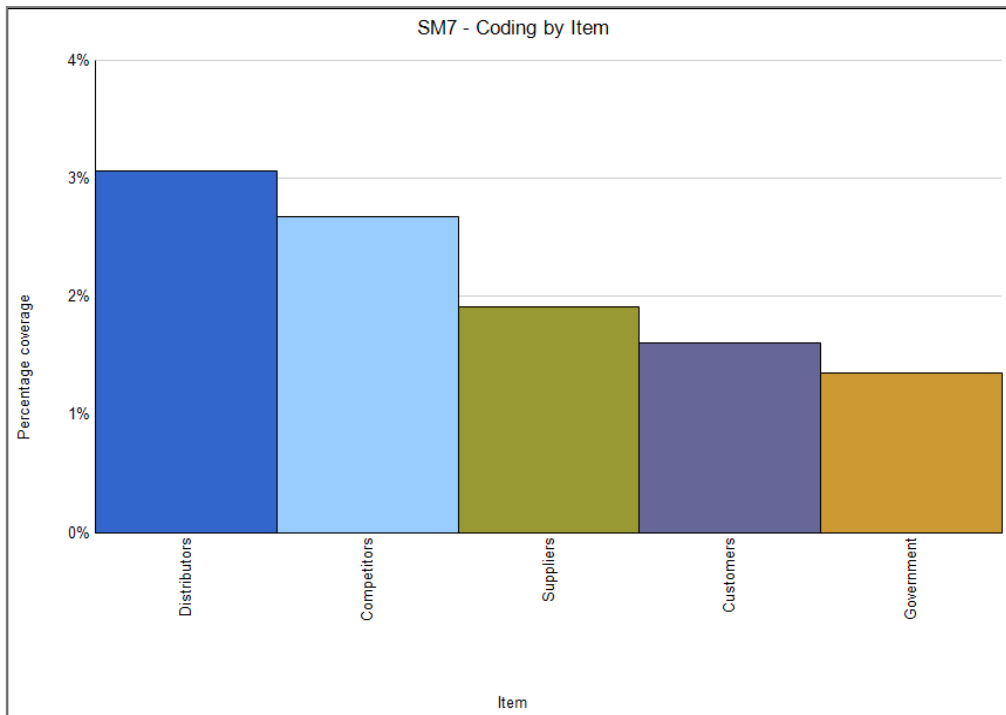


Figure 5. 13: Actors for SM7 coding by item

Figure 5.13 shows the percentage coverage of actors in interviews for focal firm SM7 in the sports industry. Several other charts were developed for individual cases, cross-case analysis and overall results from all cases.

5.3.1.4 Using queries

Queries are used to search and ask questions of the data (Bazeley and Jackson, 2013). This allows the researcher to investigate relationships between concepts and categories by searching for data coded to multiple pairs of items simultaneously (Hutchison, Johnston et al., 2010). NVivo 10 offers seven different types of query for this purpose: a query wizard, text search, word frequency, coding queries, matrix coding, coding comparison (when coding is being carried out by two people in a project) and compound or group queries (see Figure 5.14).

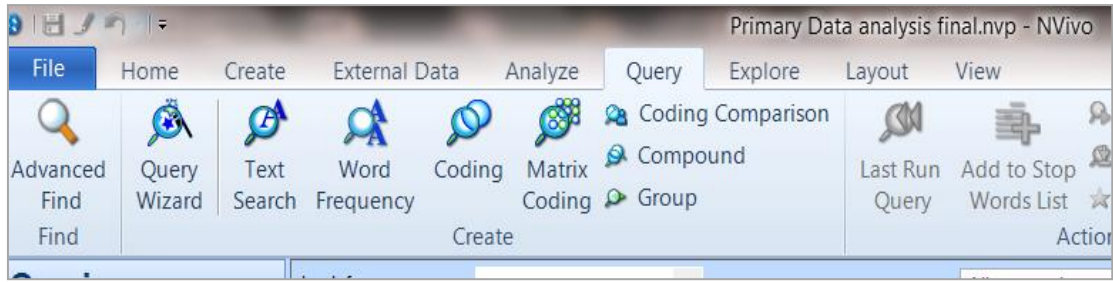


Figure 5. 14: Kinds of query in NVivo 10

A simple query is generated by clicking on a node (Bazeley and Jackson, 2013). For example, a simple coding query for ‘price standardisation’ shows the sources and percentage coverage of the price standardisation node from each source. Such coding queries are helpful in establishing in how many cases price standardisation is covered (see Figure 5.15).

Name	In Folder	Refer	Covera
Mr AD	Internals\\Inter	10	17.44
Mr AD UL	Internals\\Inter	2	2.38%
Mr AF	Internals\\Inter	5	3.62%
Mr AS	Internals\\Inter	5	8.13%
Mr AT	Internals\\Inter	3	6.47%
Mr BA	Internals\\Inter	5	8.11%
Mr BAJ	Internals\\Inter	5	13.17
Mr HU	Internals\\Inter	11	16.90
Mr IM	Internals\\Inter	7	16.90
Mr IS	Internals\\Inter	2	8.03%
Mr Ishaq	Internals\\Audi	2	6.91%
Mr SA	Internals\\Inter	7	12.69
Mr SHA	Internals\\Inter	7	19.29
Mr UF	Internals\\Inter	5	8.55%
Mr Waheed p-	Internals\\Audi	2	7.43%
Mr YA	Internals\\Inter	10	7.19%
Mr. JA	Internals\\Inter	8	12.68
Mr. WAH	Internals\\Inter	7	8.18%
Mr. Waheed c	Internals\\Audi	7	9.91%
Ms SHA	Internals\\Inter	7	9.81%

Figure 5. 15: Coding query for price standardisation node

5.3.1.5 Running queries

Name	Created On	Created By	Modified On	Modified By
Actors influencing Distribution standardization across all the cases	29/11/2013 05:55	K	30/11/2013 14:56	K
Actors influencing price standardization across all the cases	29/11/2013 02:12	K	29/11/2013 02:13	K
Actors influencing product adaptation across all cases	30/11/2013 00:32	K	30/11/2013 00:32	K
Actors influencing product standardization across all cases	30/11/2013 14:49	K	30/11/2013 14:49	K
Actors influencing promotion adaptation	29/11/2013 14:03	K	29/11/2013 14:03	K
Actors influencing promotion standardization across all cases	29/11/2013 06:05	K	29/11/2013 06:05	K
Moderating factor in dyad relationship of owner-manager and customers across all cases	27/11/2013 06:13	K	29/11/2013 00:11	K
Moderating factors affecting promotion adaptation	29/11/2013 00:20	K	29/11/2013 00:20	K
Moderating factors in dyad relationship of owner-manager and competitors across all cases	27/11/2013 06:08	K	09/12/2013 14:30	K
Moderating factors in dyad relationship of owner-manager and distributors across all cases	27/11/2013 06:24	K	06/12/2013 22:48	K
Moderating factors in dyad relationship of owner-manager and government across all cases	27/11/2013 06:27	K	28/11/2013 17:31	K
Moderating factors in dyad relationship of owner-manager and supplier across all cases	27/11/2013 06:20	K	28/11/2013 17:31	K
Moderating factors influencing Product standardization	29/11/2013 01:07	K	29/11/2013 01:07	K
Moderating variables affecting price adaptation	26/11/2013 00:41	K	29/11/2013 00:11	K
Moderating variables affecting price standardization	23/10/2013 23:01	K	29/11/2013 00:10	K
Moderating variables affecting promotion standardization	26/11/2013 00:36	K	28/11/2013 23:45	K
Moderating variables influencing distribution standardization	20/11/2013 15:41	K	29/11/2013 00:04	K
Moderating variables influencing product standardization	29/11/2013 02:10	K	29/11/2013 02:10	K
Owner-manager interaction with actors	20/11/2013 15:36	K	20/11/2013 15:38	K
Price standardization across all cases	27/11/2013 18:35	K	27/11/2013 18:35	K
Price standardization across all cases 9	27/11/2013 18:39	K	30/11/2013 15:28	K
Product standardization	27/11/2013 18:44	K	27/11/2013 18:44	K

Figure 5. 16: Sample of matrix coding queries run in this research study

This research study used coding queries and matrix coding queries. Matrix coding queries are more useful for exploring the data from different dimensions and on different axes. Figure 5.16 displays queries based on comparison of data across all the cases.

While running queries, the columns were used for explanatory factors and rows demonstrated the response or outcomes. The results of these queries can be stored on separate nodes, which help researchers to use an iterative process for data analysis (Bazeley and Jackson, 2013).

NVivo 10 results were used in this study to strengthen the research results. The outcomes were similar to those already obtained through manual coding and manual data analysis, except that some elements were clearly distinguished in NVivo charts and queries. One non-relationship element, size of firm, was added as it was found to influence the standardisation/adaptation of marketing mix elements.

5.3.2 Theory-building queries

5.3.2.1 Matrix coding queries

Matrix coding queries are a tool for conceptual and theoretical development (Hutchison et al., 2010). The matrix coding query function enables researchers to look for information directly from the perspective of the research questions. They are also helpful for identifying multidimensional aspects and sub-categories of a research study. In this research study, matrix coding queries were used to find the answers to the research questions, for example the extent of interaction of the owner-manager of LM3 with actors in the network. Figure 5.17 shows that the owner-manager usually has most interaction with customers, or that customers are the top priority in relationships within the business network.

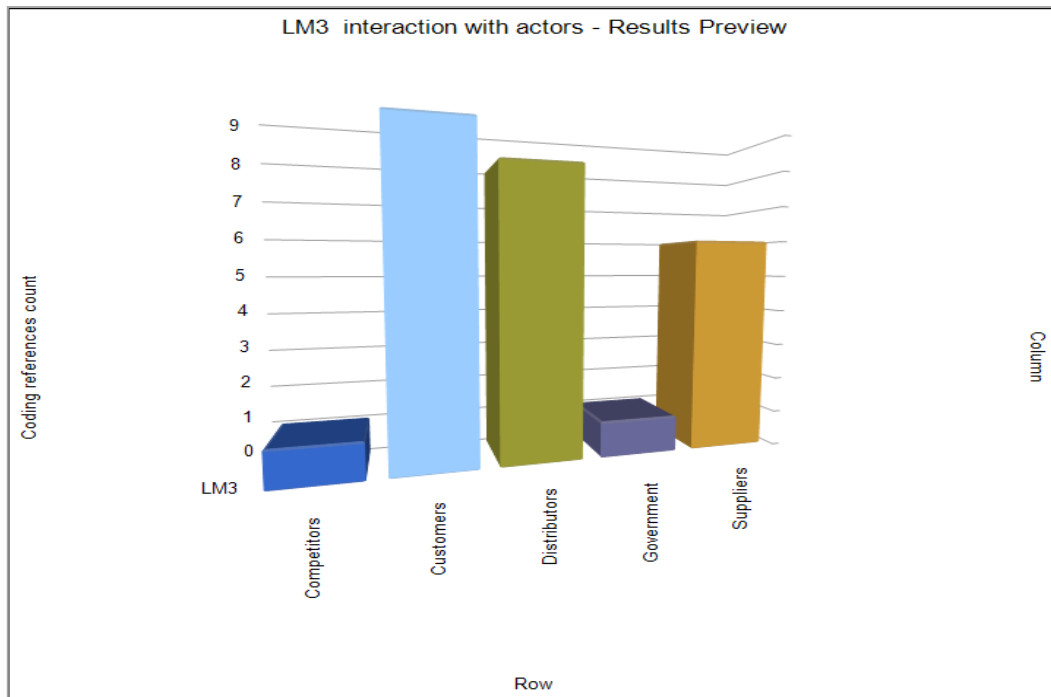


Figure 5. 17: Results for LM3 interaction with its actors in the business network

These matrix coding queries were used to identify and explore the interaction of actors with all sample firms, individually and collectively. Figure 5.17 shows that the owner-manager interacts more frequently with distributors and suppliers than with competitors and government. NVivo 10 displays the matrix coding results in three different ways: in chart format, in table format, or in text coded in a particular node. Clicking on a bar shown in a chart reveals what text is coded under that node and how it is relevant to the results extracted through the matrix coding query.

5.3.2.2 Cross-case analysis using matrix coding queries

A cross-case query allows researchers to discern group commonalities of nodes across cases (Bazeley and Jackson, 2013). Therefore, cross-case queries were used in this research study. Queries were produced as a matrix in chart or table form, represented as coded references, sources and/or percentage data in each node cell (Edhlund, 2011). Cross-case analysis using a matrix query enables researchers to compare cases for specific factors, and then refine the search to reconsider and

compare the factors for another case on an additional dimension (Bazeley and Jackson, 2013).

In this research study, queries were developed based on the research questions and the findings from the pilot cases. Initially the focus was to establish how interaction between SMEs and actors in a business network influences the standardisation/adaptation strategies of these firms. Later, using the pilot case findings, moderating factors were added which had a direct or indirect impact on the sample firms.

Therefore, the queries were grouped as follows:

1. SMEs' interactions with actors in business networks
2. Relationship factors as intervening factors in dyadic relationships between SMEs and different actors
3. Actors influencing standardisation/adaptation of SMEs
4. The relationship factors reducing or aggravating factors affecting standardisation/adaptation as strategic outcomes of SME's interaction with actors in business networks.
5. Standardization/adaptation of marketing programs as strategic decision outcomes of relationship between SMEs and actors in business network.

The above-mentioned queries were repeated for each actor interacting with the sample firm in the business network. Similarly, queries relating to moderating factors in dyadic relationships between SMEs and actors were repeated for every actor in the network. The important aspect of moderating and mediating relationships is that a third variable/factor plays an important role in governing the relationship between two other variables (Baron and Kenny, 1986). The queries were repeated for

standardisation/adaptation of product, price, promotion and distribution to explore the different dimensions of the research questions. To find differences between firms within the same industry and across industries, matrix queries were used taking attributes and values from the classification sheets. The sample firms were divided into four industries using the classification sheets, and the attributes of sample firms in the classification sheets were used for cross-case analysis. These matrix coding queries were applied to all fourteen sample firms. Owing to the large number of queries generated for each actor, for each moderating factor and for every marketing mix element, only a few examples are given in this chapter. For example, the first matrix coding query was run fourteen times for individual case analysis, four times for within-industry, cross-case analysis and three times for cross-industry, cross-case analysis. Therefore, the first query was repeated 21 times. The results of some queries, such as the promotion standardisation query, were omitted as they were found to have no impact on standardisation or adaptation. A model of the conceptual framework was developed using the NVivo results from coding across all the cases available for data analysis. Comparative graphs exhibiting the case study outcomes were also developed using NVivo 10 software.

5.3.2.3 Query for interaction between cases and their actors

In order to address the research question of how firms in a network influence the standardisation/adaptation of SMEs, the first matrix coding query was based on interaction between SMEs and their actors in business networks. Nodes were created for each actor, such as suppliers, customers, distributors, competitors, government agents and the company itself. Data from the in-depth interviews for these cases were coded on these nodes.

First, NVivo 10 was used to identify interaction between focal firms and actors, and on the basis of coded material the following results were extracted using a matrix coding query.

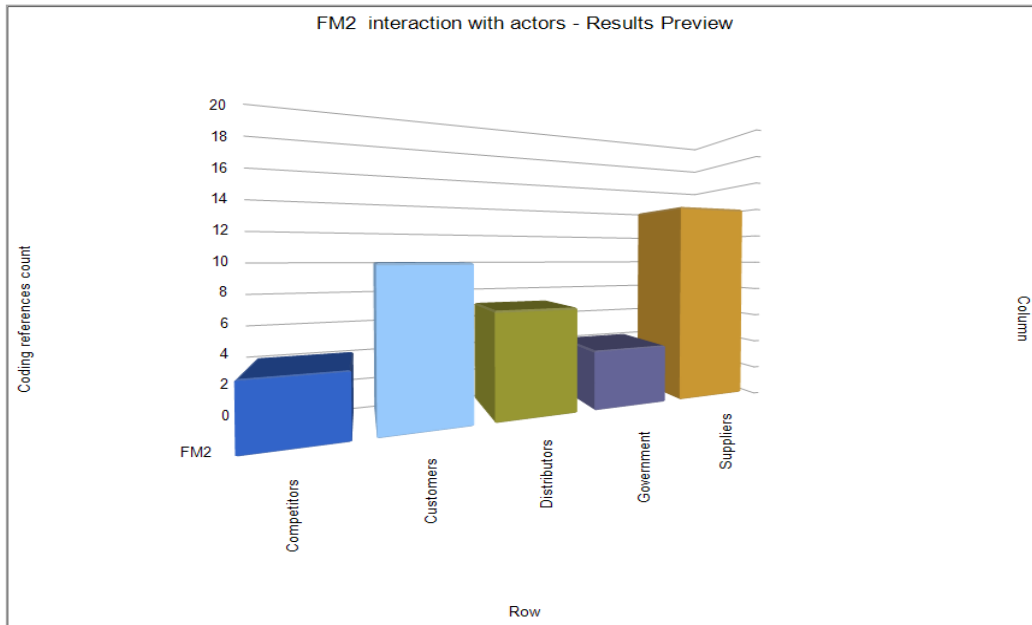


Figure 5. 18: FM2 interaction with actors – Results preview’

Figure 5.18 shows that FM2 interacts with customers, suppliers and distributors more frequently than with competitors and government agencies. Three interviews were conducted for FM2, with the marketing manager, the operations manager and a supplier. Figure 5.18 also reveals that SMEs may interact more frequently with suppliers than with customers. Similar queries were created for all fourteen cases and for cross-case analysis, as mentioned above. NVivo 10 also helps in the creation of charts based on the text contributed by each case.

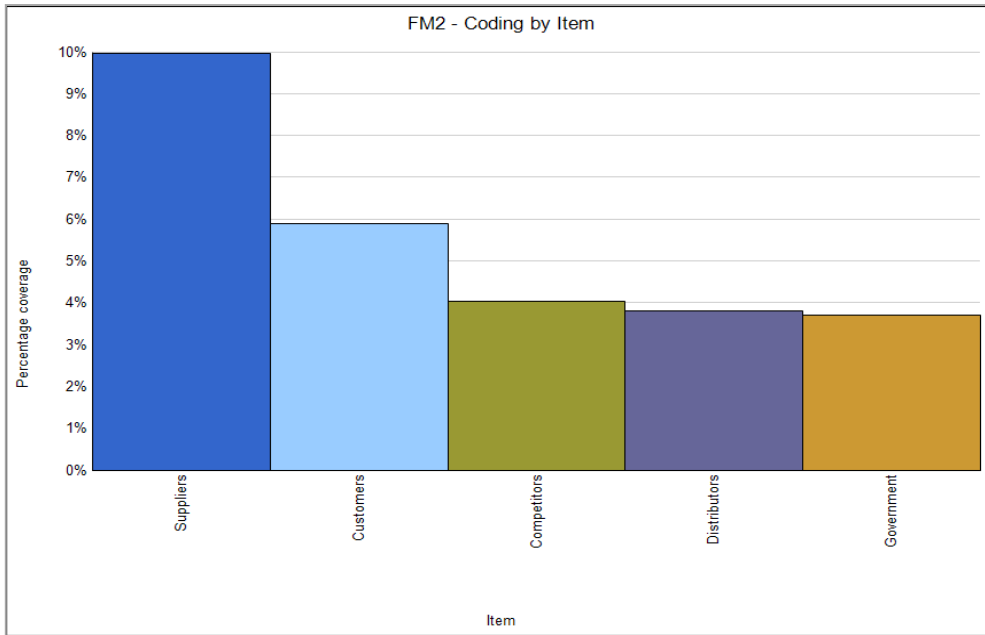


Figure 5. 19: FM2’ Actors’- Coding by item

The above chart was created using data from a sample firm in the food industry and was repeated for all sample firms. This shows that network actors are mentioned in almost all cases.

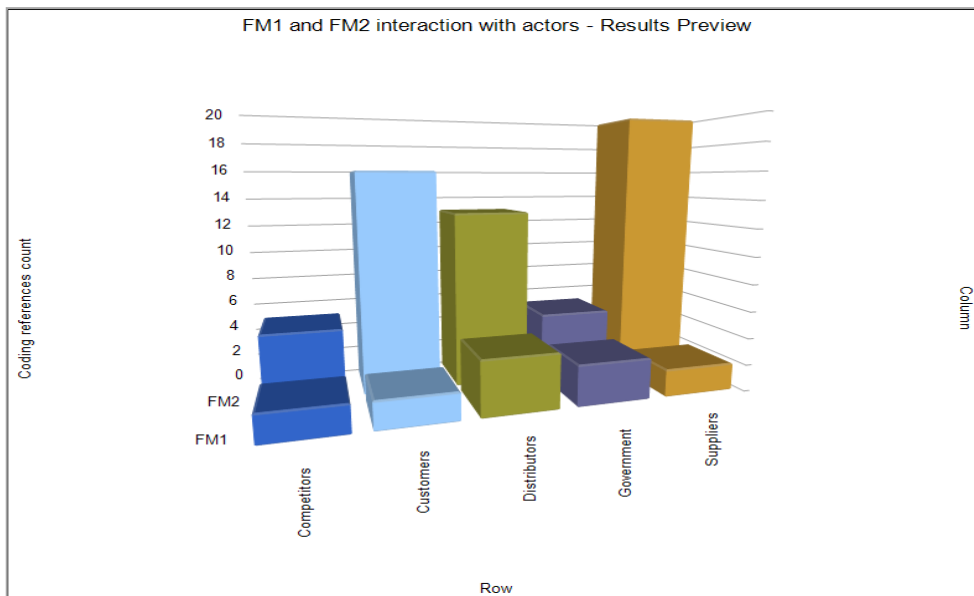


Figure 5. 20: FM1 and FM2 interaction with actors – Result preview

Figure 5.20 shows interactions of actors in both firms in the food industry. It illustrates that firms belonging to the same industry may have different priorities in relationships with actors in an industrial network. It also raises the issue that if something remains un-coded, there may be an opportunity to explore relationships in more detail by revisiting the in-depth interviews conducted with both firms.

SMEs develop and maintain relationships with actors such as suppliers, customers, distributors, competitors and government (Easton and Araujo, 1992). Most of the actors identified during data analysis of the business network for FM1 (Case I) have dyadic relationships with the focal firm, and therefore analysis was carried out on relationships between the two nodes (Fombrun, 1982). FM1 also has triadic relationships with freight forwarders and suppliers nominated by customers. These triadic relationships show weak ties between the nodes, but they also influence the marketing mix decisions made by FM1. Similar kinds of actors are found in FM2's business network, influencing its marketing decisions. Figure 5.20 clearly shows that in the dyadic relationships of FM1 and FM2 interaction with the actors may vary depending on the kinds of relationship these firms wish to have with their actors.

5.3.2.4 Query for moderating factors in dyadic relationships of SMEs with different actors

This query was run to identify moderating factors in dyadic relationships between sample case firms and actors identified in previous queries. To verify that the moderating factors influencing interactions were similar in all cases, the percentage coverage of moderating factors was charted across all firms in the sample.

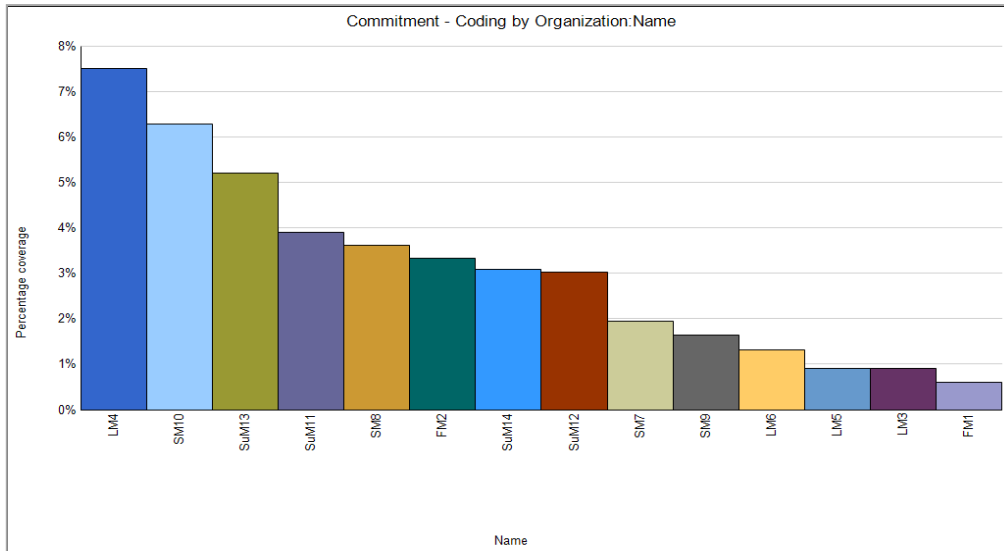


Figure 5. 21: Higher-order theme of commitment

shows that commitment, as a moderating factor, was found in dyadic relationships between SMEs and actors in business networks in all fourteen cases. Similar charts were created for almost all moderating factors found during analysis, including trust, power and dependency, confidence, and strong or weak ties, in order to establish the percentage coverage from the data.

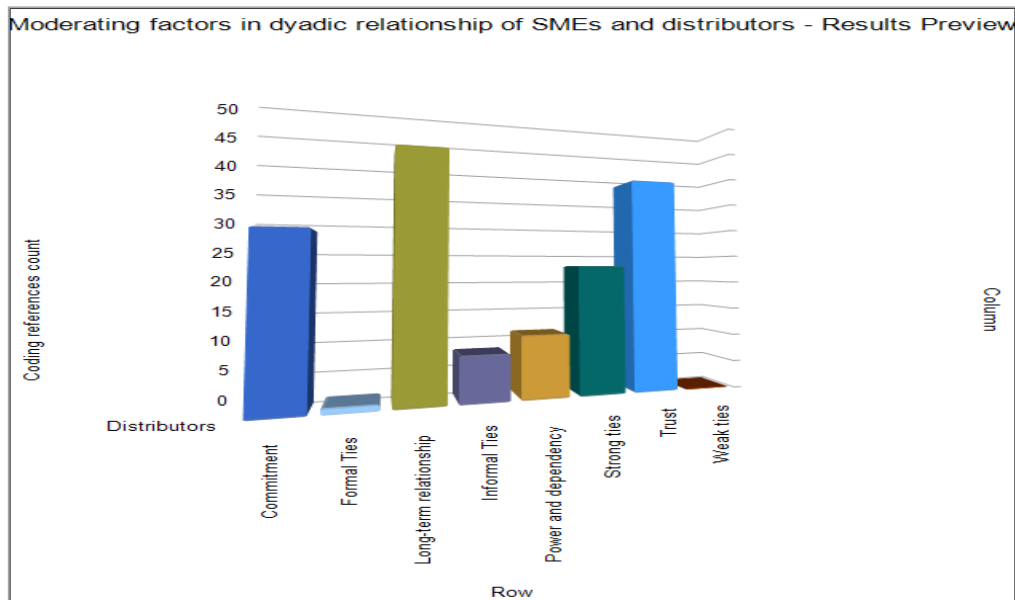


Figure 5. 22: Relationship factors in dyadic relationships between SMEs and distributors- Result preview

According to Thorelli (1986:41), trust may be defined as ‘confidence in the continuation of a mutually satisfying relationship and in the awareness of other parties of what this requires of their performance as network members’. Conceptually, confidence seems to form part of having trust in another party in a network relationship, and hence is not considered as a separate moderating variable; therefore, the two themes were merged into a single node named ‘trust’. As the two nodes were merged, NVivo 10 automatically added all the referenced material of the ‘confidence’ node to the combined node ‘trust’, and new queries showed the combined ‘trust’ node with all the coded material in that node.

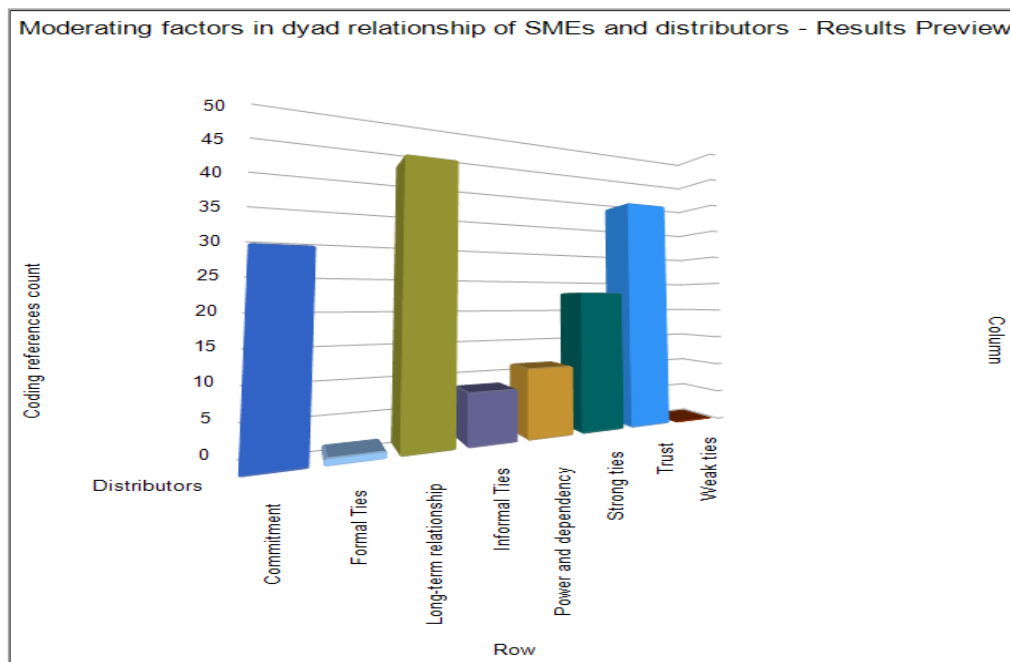


Figure 5. 23: Relationship factors in dyad relationships between SMEs and distributors- Result Preview

Figure 5.23 was created after merging the two nodes with a similar query to that shown above. Another node created with the name ‘reliability’ is also merged with trust based on the literature review which strongly suggests ‘reliability’ as part of the trust. According to Blois (1999:207), it may, though, be possible to prove one's reliability which is sometimes a first step towards gaining another's trust.

From this query it was concluded that the sample case firms prefer to have long-running relationships with their distributors. Almost all the sample firms tend to have long-running relationships with their distributors or cargo agents. Some sample firms have worked with the same cargo agent for the last 10-15 years and over time the firms have developed trust and commitment in dyadic relationships with their cargo agents. For example, according to the owner-manager of SuM13:

For the last 17-20 years we have been using FedEx for our business, because the manager of FedEx or the people in sales have family relationships. As this is a small town [Sialkot], whatever the company is, you might find someone who knows you very well and you know them very well. Mostly, relationships are based on personal bases.

It is clear that SMEs in the surgical industry are keen to have long-running relationships with cargo agents so as to reap the benefits of more trustworthy relationships and greater commitment to each other. Confidentiality is another moderating factor affecting dyadic relationships between owner-managers and distributors. These SMEs face very high competition from other firms selling in local markets and therefore do not want their cargo agents to share their customers' information with anyone else. Similarly, queries were generated based on owner-manager interactions with cargo agents in different cases.

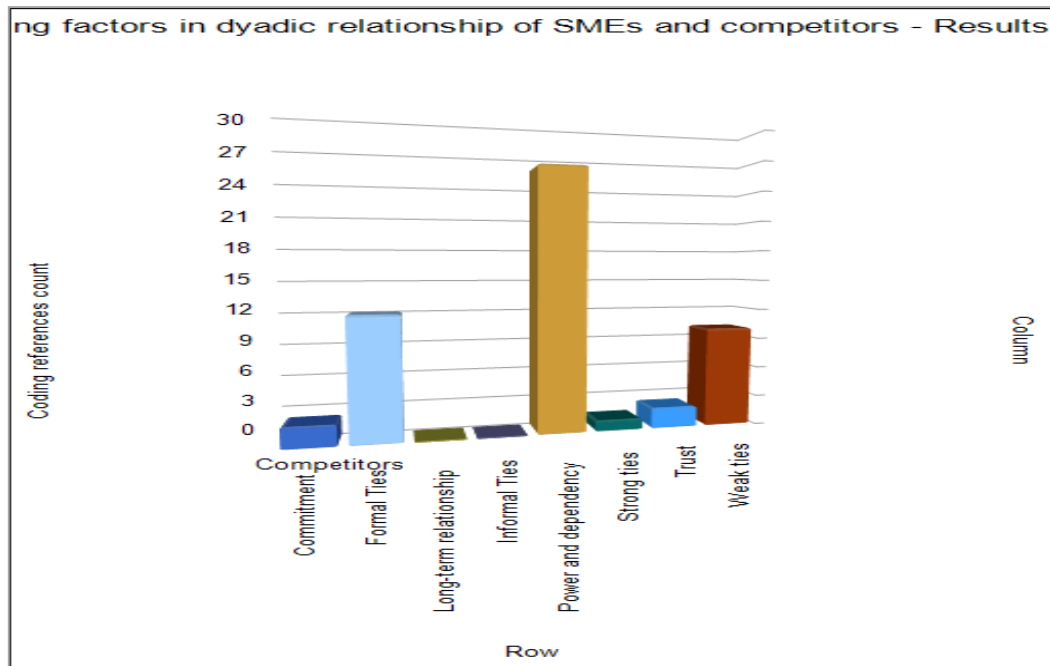


Figure 5. 24: Moderating factors in dyadic relationships between SMEs and competitors- Result Preview

To run this matrix coding query, moderating factors were added in rows and competitors in columns. The query results show that dyadic relationships of competitors with sample case firms are less likely to be influenced by relationship factors, such as trust and commitment, strong ties or confidence and reliability. For example, the firms in primary data analysis cannot trust their competitors and do not usually have strong ties with them. Therefore, the moderating factors found to be more influential in dyadic relationships between case firms and competitors are power and dependency, weak ties and very formal or no interaction with competitors in local or international markets. The ‘power’ position of competitors influences the decisions of other firms in a business network. In this research study, the ‘power’ node exhibits both relational and structural aspects of the business network. As the size of the firm is directly linked to the power position of competitors in business networks, the two aspects were considered to be moderating factors in the two different categories of relational and non-relational moderating factors.

5.3.2.5 Queries for moderating factors affecting standardisation/adaptation of SMEs

As the purpose of this research study was to identify relationship factors and their impact on sample case firms in international markets in the context of dyadic business relationships, the moderating factors were added in rows and standardisation/adaptation outcomes were added in columns. NVivo 10 also provides an option to run the queries for any case nodes, and specifically for any outcomes for which the impact of moderating factors is of interest.

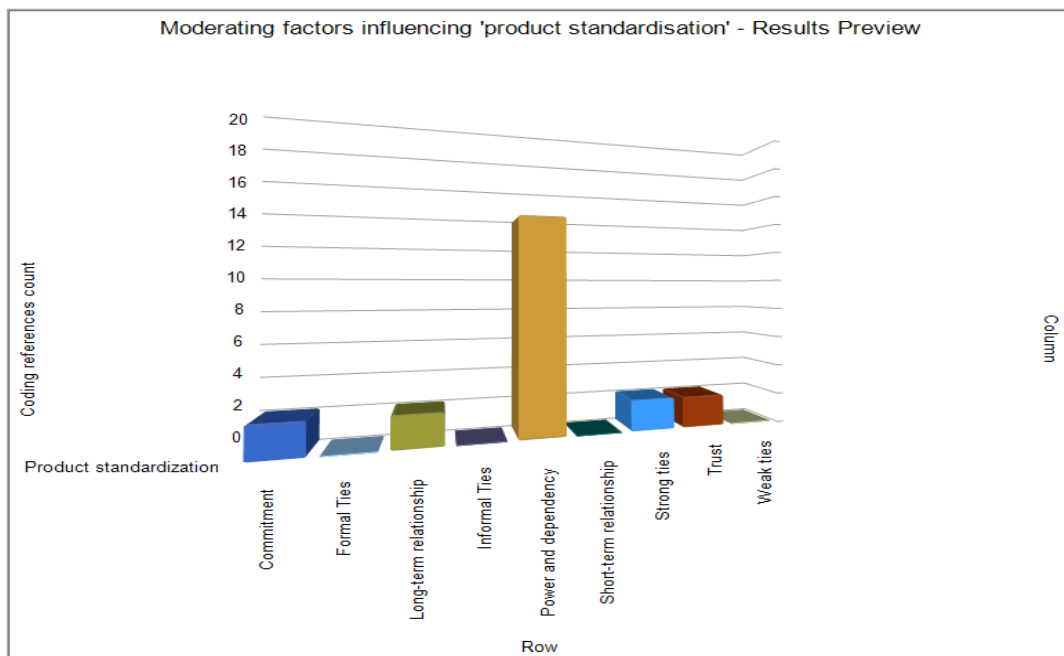


Figure 5. 25: Relationship factors affecting product standardisation

The product standardisation decisions of SMEs are affected by relational moderating variables such as trust, commitment and strong ties, but most of these decisions are taken purely by customers. In dyadic relationships between sample case firms and customers, the customers are considered to occupy a more powerful position than SMEs. Therefore, as can be seen from Figure 5.25, power and dependency has the greatest influence on product standardisation or adaptation decisions. For certain firms, non-relational factors such as the nature of the product are much more

influential than relationship factors. In the surgical industry it was found that, owing to the nature of the product, most products are standardised across the world. Similarly, matrix coding queries were run to identify differences across industries and it was found that, owing to the nature of products, most products are adapted to different countries based on various factors related to the customers in those countries. For example, for food products such as biscuits, one respondent mentioned that customers in the UK want high-quality biscuits with high sugar content, while customers from South Africa prefer less sweet biscuits of average quality.

Therefore power and dependency is a moderating relationship factors which affects most product standardisation/adaptation decisions in dyadic relationships between sample SMEs and customers. Similar queries were used to identify similarities and differences in the data for different industries.

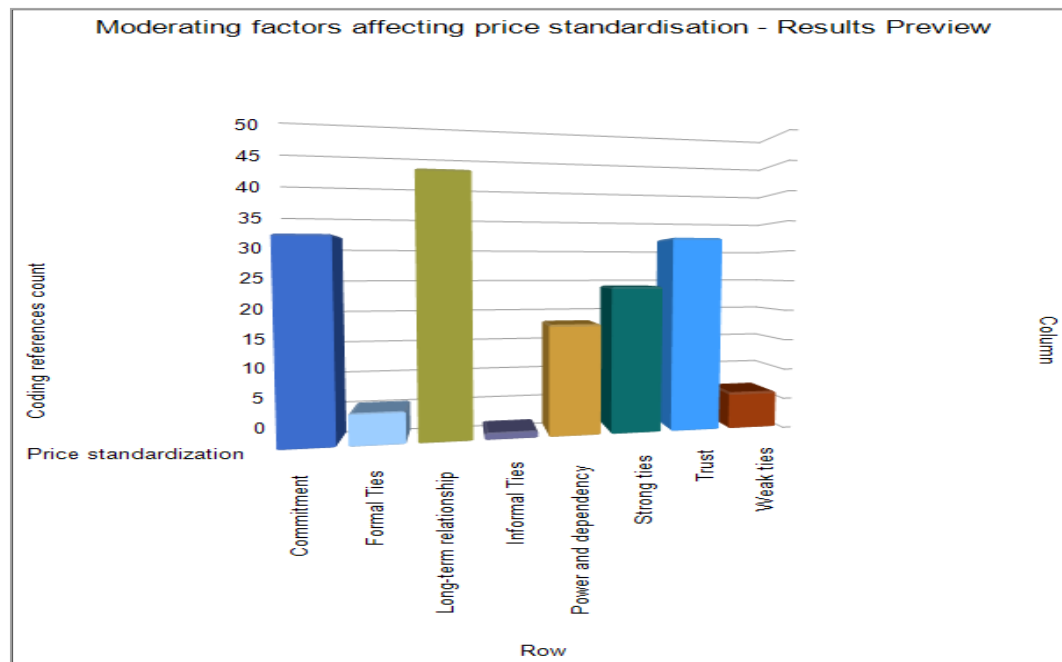


Figure 5. 26: Relationship factors affecting price standardisation

Figure 5.26 shows that moderating variables such as trust and commitment, power and dependency, long-term relationships and strong ties were found to have a greater influence on price standardisation across all cases. Price standardisation was further

analysed using queries to establish which actors have a greater influence on price standardisation and which actors make little difference in sample firms' pricing decisions.

5.3.2.6 Queries for actors influencing standardisation/adaptation of SMEs

During the data analysis, it was discovered that not all actors influence standardisation/adaptation of all elements of the marketing mix. SMEs' interactions with certain actors in business networks influence specific marketing mix elements. For example, it was observed that distributors in dyadic relationships with SMEs influence distribution channel decisions (see Figure 5.27).

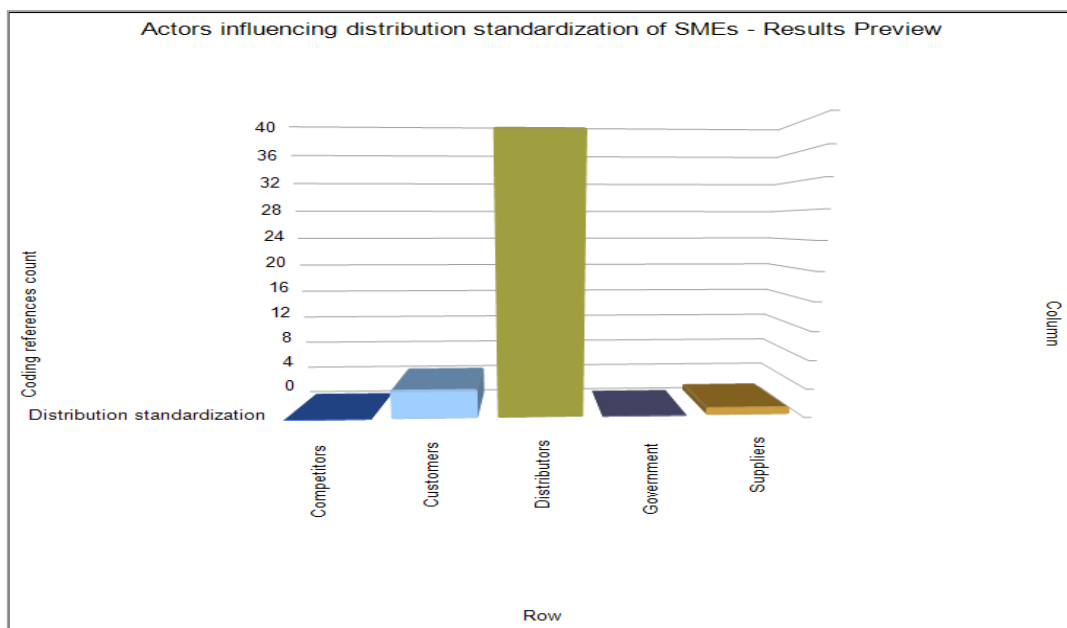


Figure 5. 27: Actors influencing distribution standardisation of SMEs- Result preview
 SMEs use similar distribution channels because they have strong ties with, or trust and confidence in cargo agents. This clearly shows that long-term relationships and trust or commitment shown by cargo agents to SMEs leads to distribution channel standardisation decisions. It was also discovered during the data analysis that price is the only marketing mix element which is influenced by more than one actor in dyadic relationships with SMEs in a business network (see Figure 5.28).

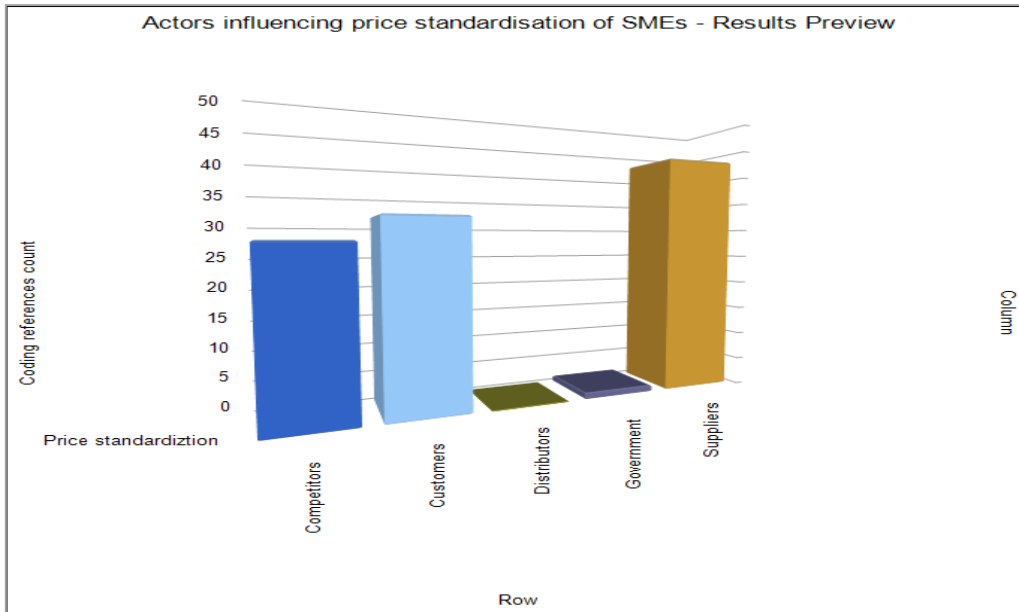


Figure 5. 28: Actors influencing price standardisation of SMEs

From the data analysis of all these cases and their interactions with actors, it was found that customers, suppliers and competitors influence the price standardisation/adaptation decisions of firms. Although the moderating factors are different for the interactions of suppliers and competitors with SMEs, it was observed that both actors influence the price standardisation decisions of firms in a business network. Interaction between these actors and SMEs results mainly in price standardisation rather than price adaptation decisions.

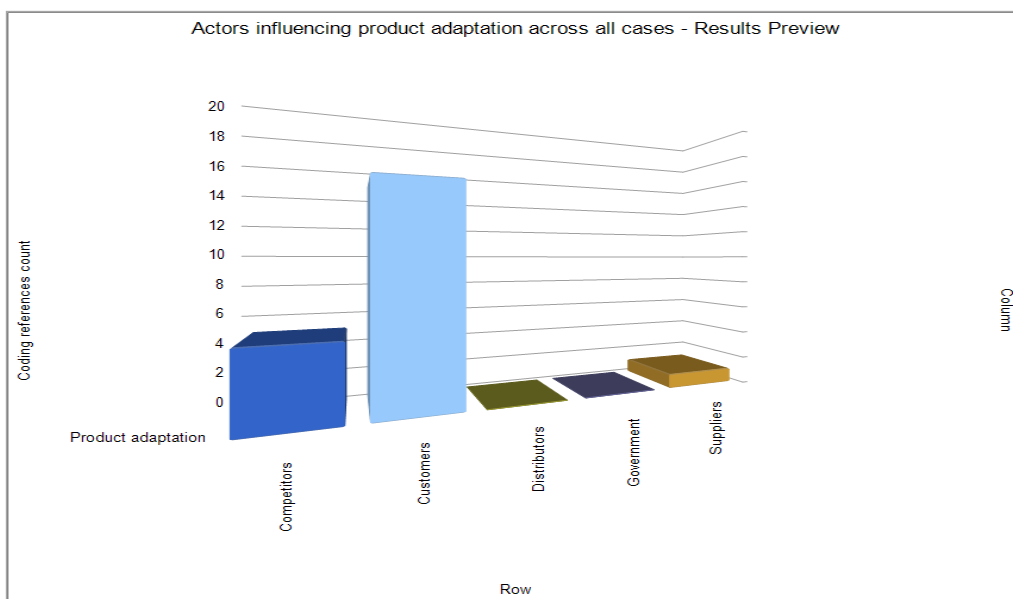


Figure 5. 29: Actors influencing product adaptation across all cases

The matrix coding queries show that interactions with distributors and government do not influence SMEs' product adaptation decisions (see Figure 5.29). Dyadic business relationships with suppliers may influence SMEs' product adaptation decisions. Strong relationships with suppliers increase the chances of having a variety of raw materials for production, and hence may result in product adaptation decisions. According to merchandisers from LM6:

We are continuously in contact with these suppliers. There is a specific frame of mind as they understand us and we understand them. As we give benefit to our customers, our suppliers give us the benefit owing to our long-term relationship.

This also suggests that, in the long run, a company starts to trust its suppliers and finds these established suppliers more committed than new suppliers. LM6 maintains long-term relationships with suppliers, interacting with these suppliers even after orders have been completed. Sometimes, if the same accessories are required by another customer and the company likes the supplier's accessories, the company will contact the same supplier again. Case six's customers may also have relationships with the same suppliers in the business network. Further queries are described in detail in Chapter 6.

5.4 Stage 4: Drawing conclusions

This section describes the analytical tools and the methods to increase the reliability and validity of collected data and results from the data analysis.

5.4.1 Verification

NVivo 10 enables researchers to verify higher-order themes (Bazeley and Jackson, 2013). Evaluation criteria are used to enhance the rigorousness of the research work and to improve the quality of the research design and data analysis (Silverman, 2006). A positivist approach uses validity and reliability as quality measures for research.

Validity is interpreted as ‘the extent to which an account accurately represents the social phenomenon to which it refers’ (Hammersley, 1990:57), whereas reliability refers to ‘the degree of consistency with which instances are assigned to the same category by different observers or by the same observer on different occasions’ (Hammersley, 1992). By definition, reliability is the extent to which measurements are repeatable. In this study, with the help of NVivo 10, charts and queries could easily be created to observe which results were repeated across the cases.

The evaluation criteria used for this research were triangulation and observation. This research was a cross-sectional study focusing on dyadic relationships: it did not explore changes in dyadic relationships over time, but focused on identifying relationships and their impact on strategic decisions. The research study focused on the causal interference of factors in network relationships. A degree of unit homogeneity was found between the cases and between the sample and population. The expected findings from primary case studies will prove reliability and validity across all the sample cases.

5.4.1.1 Inter-coder reliability

The trustworthiness of the data and the reliability of the generated codes need to be assessed by a second coder for coding process. Therefore, for this research work the second coder was used for coding of 30% of all the transcripts for total sample of 18 SMEs. Inter-coder reliability is used to enhance the validity and reliability of the coded material and outcomes.

According to (Auld et al., 2007), the inter-coder reliability is determined by percentage agreement of passages coded to the appropriate nodes. Percentage agreement is defined as:

$$\text{Percentage agreement} = \frac{\text{Agreements}}{\text{Agreements} + \text{disagreements}}$$

To ensure inter-coder reliability the researcher checked coding for transcripts with the second coder through meetings. The inter-coder reliability can be determined by using Nvivo-10. Several tools are available to foster the reliability testing in Nvivo (Bazeley and Jackson, 2013).

Following are the ways used to determine the inter-coder reliability between two coders:

- Using coding stripes
- The coding comparison query

According to (Bazely and Jackson, 2013), the for determining the inter-coder reliability initially it requires to merger the projects (transcripts coded by different users) in same project in Nvivo. The coded material then can be examined by turning on the coded material by different coders. Following figure shows the work of two coders on a source documents for different codes along with the procedure to be followed in Nvivo.

View coding by different users:

- Open a source in detail view
- Select view > Coding stripes> Select items>

This shows the coding density bars for each user and allows seeing the coder's difference in coded material.

Figure 5. 30: Coding stripes shows the work of first and second coder.

5.4.1.2 Inter-coder reliability using Cohen's Kappa

To determine the inter-coder reliability using Cohen's Kappa in Nvivo 10 we use coding comparison query. The first and second coder can compare the coding of themes, categories and inter-coder agreement by calculating Cohen's Kappa with an option given in the coding comparison query (Bazeley, 2007, Bazeley and Jackson, 2013). The statistical output from coding comparison query can be shown as follows:

- Source size: Total number of units in the source being coded (characters for documents, duration to one-tenth of a second for media files, pixels for images).
- Kappa- a value of 1 indicates perfect agreement (identical coding) , 0 (or less) indicate no better than chance or (worse than chance)
- Agreement (%)- shows overall level of agreement between coders such as A and B% or Not A and Not B (%).
- Disagreement (%)- Overall disagreement between the coders such as A and Not B (%) or B and Not A(%).

5.4.1.3 Visualization of inter-coder reliability

Following is the portion of the output for a coding comparison query in the research project data is shown in Figure 5.30. The coding of K (User A) and NA (User B) for single node customers using 30% of the total interviews i.e. 6 interviews out of total 18 interviews.

Node	Source	Source Folder	Source Size	Kappa	Agreement (%)	A and B (%)	Not A and Not B (%)	Disagreement (%)	A and Not B (%)	B and Not A (%)
Customers	Mian ATiq	Internals\Interv	30000 chars	0.5574	88.85	8.77	80.08	11.15	0	11.15
Customers	Mr Adnan	Internals\Interv	24903 chars	1	100	29.72	70.28	0	0	0
Customers	Mr Asif	Internals\Interv	40983 chars	0.2447	84.03	3.2	80.82	15.97	0	15.97
Customers	Mr Babar	Internals\Interv	25869 chars	0.1549	64.6	5.49	59.11	35.4	0	35.4
Customers	Mr Bajwa	Internals\Interv	24363 chars	0.8923	96.85	16.17	80.68	3.15	0	3.15
Customers	Mr Shakeel	Internals\Interv	21414 chars	0.9434	98.79	11.55	87.24	1.21	0	1.21
Customers	Muhammad Afz	Internals\Interv	41670 chars	0.9056	93.45	5.73	87.72	6.55	0	6.55

Figure 5. 31: Statistical output from a coding comparison query showing Cohen’s Kappa for a single node ‘Customers’

Similarly, the Cohen’s kappa is calculated for all the nodes created in the research projects. Such as all the nodes related to actors i.e. customers, suppliers, competitors, distributors and government.

Following figure shows the coding comparison query for price standardization as an outcome factor. Similarly, Cohen’s Kappa was calculated for all the codes related to the standardization/adaptation of price, product, promotion and distribution of marketing programs.

Node	Source	Source Folder	Source Size	Kappa	Agreement (%)	A and B (%)	Not A and Not B (%)
Price standardization	Mr Adnan	Internals\Interv	24903 chars	1	100	17.44	82.56
Price standardization	Mr Asif	Internals\Interv	40983 chars	0.8008	96.43	8.13	88.3
Price standardization	Mr Babar	Internals\Interv	25869 chars	0.6472	92.53	8.11	84.42
Price standardization	Mr Bajwa	Internals\Interv	24363 chars	0.9512	98.62	16.41	82.21
Price standardization	Mr Shakeel	Internals\Interv	21414 chars	1	100	19.35	80.65
Price standardization	Muhammad Afz	Internals\Interv	41670 chars	1	100	3.63	96.37
Product adaptation	Mian ATiq	Internals\Interv	30000 chars	0.8408	97.42	7.58	89.84

Figure 5. 32: Statistical output from a coding comparison query showing Cohen’s Kappa for single node ‘Price standardization.’

Following Figure shows the Coding comparison query for ‘weak ties’ as the relational factor used in data analysis. The coding for other relationship variables such as trust, commitment, social ties and power and dependency were also compared

using coding comparison query and Cohen’s Kappa measure to know the agreement between two coders i.e. coder A (K) and coder B (NA).

Node	Source	Source Folder	Source Size	Kappa	Agreement (%)	A and B (%)	Not A and Not B (%)
Weak ties	Mr Asif	Internals\Interv	40983 chars	0.8449	99.46	1.51	97.94
Weak ties	Mr Babar	Internals\Interv	25869 chars	0	96	0	96
Weak ties	Mr Bajwa	Internals\Interv	24363 chars	1	100	12.37	87.63
Weak ties	Mr Shakeel	Internals\Interv	21414 chars	0.8908	99.32	2.86	96.46
Weak ties	Muhammad Afz	Internals\Interv	41670 chars	0.7923	99.46	1.04	98.42

Figure 5. 33: Statistical output from a coding comparison query showing Cohen’s Kappa for a single node ‘Weak ties’.

5.4.1.4 Developing theories

Modellers are used as tools to visualise theoretical connections in the data (Bazeley and Jackson, 2013). Modelling theoretical associations advances the data analysis. This begins with the grouping of related concepts by mapping specific connections between specified nodes to reflect processes or associations noticed during the data analysis.

According to Yin (2009), theory development is an essential part of research design. The purpose of this case study is to develop theory about SMEs: how SMEs from developing countries develop their marketing programmes internationally in light of network influences. This research examines standardisation/adaptation strategies from a network perspective, making a novel contribution to existing theory.

NVivo 10 facilitates the exploration of higher-order themes through charts, graphs and queries. With the help of the toolkit provided by QSR International, it is easy to follow a data analysis procedure. NVivo 10’s strengths lie in data analysis, such as coding, developing themes and concepts, developing higher-order themes that contribute to theory development, and handling large amounts of data with ease of

retrieval. However, it also has certain drawbacks, in that it is less useful from an analytical perspective. The percentage coverage or number of counts used for charts and queries may vary according to the length of the interview: rather than focusing on the strength of the data, the analysis may focus on how many times something is said. This weakness can easily be overcome by analysing the actual meaning or outcomes of data coded in NVivo. In this research study, conceptual links between nodes were considered during the data coding. For example, if a given text were about how strong ties influence the pricing of a product in a certain case study, this would be coded on nodes such as the case node, the actor node (actors with which SMEs have shown strong ties), the price standardisation node (if the relationship leads to price standardisation), and the moderating factor node (such as strong ties). This made it easier to develop queries based on the conceptual framework. Queries were used to establish which moderating variables in dyadic relationships between firms and suppliers influence price standardisation. To confirm the reliability and validity of the results extracted from NVivo, detailed findings are given in the next chapter Write-up and evaluation

In this research study, a qualitative research methodology with a constructivist/interpretivist stance was selected, raising the question of what evaluation criteria should be used for qualitative research. Positivist and interpretivist researchers have different views on how research outcomes may be evaluated. The measures of validity, reliability and generalizability used in evaluating positivist studies are regarded by many qualitative researchers as having relatively little significance for judging the merits of interpretive investigations (Carcary, 2009:11). Some scholars have tried to apply validity and reliability to qualitative work (Hammersley, 2008). However, validity and reliability, as quantitative research

criteria, will inevitably result in confusion and inconsistency when applied to qualitative research because these criteria are incompatible with the basic philosophical assumptions of this type of inquiry (Smith, 1989). Silverman (2006:211) describes anecdotalism and triangulation as evaluation criteria for qualitative research, arguing that qualitative researchers, with in-depth access to single cases, must overcome a particular temptation. He asks how researchers can convince themselves and their audience that the findings are genuinely based on critical investigation of all their data and do not depend on only a few well-chosen examples, known as anecdotalism. According to Denzin (1978), triangulation is defined as ‘the combination of methodologies in the study of the same phenomenon’. Some interpretivist address alternative issues such as credibility, dependability and transferability when determining the trustworthiness of their qualitative investigations (Carcary, 2009:11).

Apart from the above-mentioned traditional choices for evaluation, Silverman (2006:212) suggests some interrelated ways to achieve validity and rigour in the findings. These are:

- **Refutability:** Refuting initial assumptions about the data in order to achieve objectivity.
- **Constant comparative method:** Finding other relevant cases for comparison.
- **Comprehensive data treatment:** Actively seeking out and addressing anomalies or deviant cases.

- **Deviant case analysis:** Testing provisional hypotheses by ‘negative’ or ‘discrepant’ cases until all the data can be incorporated into an explanation.

Once methodological choices have been made, the researcher must apply evaluation criteria related to the overall goal of the research question. The research question of this study demands qualitative research evaluation criteria, i.e. triangulation, observation and comparison. Lincoln and Guba (1985) present two criteria: dependability (corresponding with reliability) and conformability (equivalent to objectivity). Dependability refers to the degree to which a study is replicable in the same context. The trustworthiness of the study (Miles and Huberman, 1994a) should be assessed on the basis of triangulation of the data source (respondent, time and place), data type (qualitative and quantitative) and research methods (interviews and surveys are used extensively in this study).

5.5 Conclusion

This chapter is comprised of various stages used in primary data analysis using Nvivo 10 in detail and is concluded by discussing how to draw conclusions and verifying the results by using inter-coder reliability criteria using Cohen’s kappa within coding comparison query. The inter-coder reliability not only increases the validity of the data analysis but it also ensures more robust results across all the cases.

6 Primary Case Analysis Findings

6.1 Introduction

This chapter frames the findings from the qualitative research of case studies by addressing the following research questions raised in first chapter.

Question 1: How the interaction/relationships between actors and SMEs in business networks influence SMEs from Pakistan to develop its marketing programmes internationally along the standardisation/adaptation continuum?

Question 2: How do business network characteristics or relationship factors such as trust, commitment, power and dependency and social ties in SMEs interaction with actors can reduce the impact or aggravates the standardisation/adaptation decisions taken by SMEs?

Question 3: Does the nature of the product influence an SME's decisions on the standardisation/adaptation of its product?

Question 4: Does the size of the firm influence the standardization/adaptation taken due to the network actor's influence?

This chapter outlines the summaries of each case within particular industry and further describes the cross-case analysis to compare and contrast the results of each case within each industry and across these four different industries. Since each industry differs in their products and marketing activities along with the business networks characteristics that may influence the standardisation decisions of these SMEs, this chapter discovers that relational factors are similar among the SMEs and actors in business networks across all the industries. Therefore the sample from

different industries shows similar influence on the standardisation/adaptation of marketing mix elements. This also emerged from the findings that standardisation/adaptation decisions of the SMEs can be broadly categorised into the relational factors such as trust, commitments, reliability, social ties and non-relational factors such as size of the firm, nature of the product, resource availabilities, cost element etc. The topic under investigation is multi-dimensional in nature. This research explores the relational factors influencing standardisation/adaptation decisions of SMEs in dyad and triad business networks. Following major research steps of data analysis appears to be important when researching SMEs in business network settings for standardisation/adaptation decisions with Nvivo 10 Chapter 4.

1. SMEs interaction with the actors in business networks
2. Relationship factors as intervening factors in dyad relationship of SMEs with actors
3. Relationship factors as intervening factors influencing standardisation/adaptation of SMEs
4. The relationship factors as reducing the effects or aggravating the impact on the strategic decisions such as standardisation/adaptation of SMEs

Shedding the light on above mentioned will help to elaborate the actors in business networks and SMEs, the interaction that takes a place in such networks and its impact on SMEs decisions regarding standardisation/adaptation of 4 P's within and across the industries for sample firms.

6.2 Findings from intra-case analysis

Intra-case analysis is done initially for four primary cases to find the feasibility of research questions, data collection methods, data analysis techniques, research design

or any possible change which is inevitable before actually starting your research work. This avoids confusion and misleading results in later stages of research work (Patton, 2002, Yin, 2009). Existing research on international marketing indicates variant results for degree of standardisation/adaptation of marketing mixed elements (Larimo and Kontkanen, 2008) and therefore, initially all marketing mix elements were considered for intra-case analysis of these primary case studies .

SMEs selected for primary case studies are those that meet the protocols developed as case selection criteria (Chapter 4). The ethical issues were clearly communicated with the respondents before the interview and in certain cases during the interview. The respondents were informed of the consent form and confidentiality of the information. The company names were used initially with the consent of SMEs. Later it was found to be more feasible to use PC1, PC2, and PC3 and so on. Nearly 45-60 minutes were devoted to each interview with the main respondent from the focal firms i.e. SMEs and for second interview from the actors in the network. The time devoted ranged from 10-20 minutes for each respondent.

The intra-case analysis comprises four manufacturing SMEs with the number of employees ranging from 0-250 employees. The samples for SMEs are geographically concentrated and are located in one major city Sialkot, which is known as ‘a mini industrial state in Pakistan’. These firms are export orientated and are selling its products in international markets to other firms in the business to business network settings only and hence do not sell in the local market(Gilmore et al., 2006b). These SMEs use different market tactics to sell their products as compare to b2c companies selling in international markets and are well aware of the importance of marketing activities of the firms for international markets as opposed to those SMEs selling only in local markets. SMEs use internet websites such as www.alibaba.com a private

website or <http://www.tdap.gov.pk> a government websites for promoting firms in international markets. These SMEs actively participate in trade exhibitions in foreign countries to get access to the customers and promote the product to international buyers

Both within-case and cross-case methods will be used for qualitative data analysis of the case studies (Miles and Huberman, 1994, Yin, 2009). Based on (Miles and Huberman, 1994b) process of analysis, recorded interviews were transcribed and the data were then coded based on the themes emerged during analysis. Along with the primary data collected from in-depth interviews with SME owner-managers, data were also analysed from secondary data sources such as company websites, company profile documents and any other material provided by the companies, such as product samples and catalogues. The ARA model approach was initially considered suitable for data analysis. Later, this approach was being found more useful for process adaptation between the firms. As this research is more focused on the behavioural dimension of the network dyads and triads, therefore instead of using ARA network approach, the interaction approach is used in this research work.

The findings from intra case analysis provide rich context regarding relationship factors in dyad and triad business relations of SMEs with actors.

Table 6. 1: Sources of data collection for intra-case Analysis

Company Name	Industry	Interview 1	Interview 2	Secondary Data Sources
Primary case 1	Leather manufacturers	goods Owner-manager	Supplier (accessories such as zips etc.)	Company website Company profile documents Memos Other documents
Primary case 2	Sports manufacturers and Surgical manufacturers	goods Export manager goods	Cargo-agent	Company website Company profile documents Memos
Primary case 3	Pharmaceuticals	Director marketing and Export manager	-----	Company website Company profile documents Memos
Primary case 4	Sports manufacturers	goods Owner-manager	Cargo agent	Company website TADAP Memos Other documents
		4	3	=7

6.2.1 Intra-case analysis Case one (PC1)

To be as succinct as possible, the primary case: analysis results are shown in tables:

Table 6. 2: Actors identified in business network for PC 1

Actors	Relationships
Customers	PC1 have a dyad relationship with customers or we can say that they have a direct relationship with customers. PC1 tries to have a long running relationship with customers (buyers) and a sustainable relationship. These customers belong to different countries such as USA, Australia, UK, France and Germany. PC1 customers vary from small firms to large multinationals.
Suppliers	PC1 maintains good relationships with local and international suppliers. The no. of suppliers depends on the raw-material requirements during the production process, such as for leather 10-20 suppliers; for zips and badges 6-10 suppliers; for ornamental accessories 5-10 suppliers. Mostly PC1 prefer local suppliers. These suppliers then buy raw-material from international markets. In certain cases if the suppliers for a particular product are not in the local market then the company will contact suppliers from other countries.
Distributors/Cargo-agents	The PC1 usually use 2-3 different cargo-agents from different couriers and shipping companies for dispatching goods abroad. PC1 also have strong relationships with cargo-agents based on the trust and confidence between two parties. PC1 did not change its cargo-agent and the current cargo-agent has been working with them for the last 15 years.
Competitors	PC1 does face competition from other local producers of a motor bike product, manufacturers as well as competitors

	from international markets. The number of competitors is in the hundreds as only Sialkot chamber of commerce lists around 170 local manufactures for leather garments in Sialkot, Pakistan and many more from international markets.
Government Agents	The PC1 has weakened the relationship with the government agents. It does have membership in different government associations related to their business, such as Leather textile association, Export promotion beau rue. Mostly these relationships are used to fulfil the documentation/procedural requirement for export.
Bank	PC1 has a strong relationship with the Banks they work with. As the Company is in its first tenure, they do not use multiple banks for business transactions.

Table 6. 3: Relationship factors identified in business networks

Actors	Power position	Strong/Weak Ties	Trust	Commitment
Customers	PC1's customers are in a powerful position in the network whereas the PC1 is in a less powerful position in the network especially for product decisions.	PC1 tries to have long running relationships with customers and other actors in the business network.	The relationships between customers and focal firm in business network are based on trust. Customers are confident that manufacturers will provide them with their required quality at reasonable price and on time	PC1 show high commitment to their customers to deliver the goods. In a similar way the suppliers show their commitment to focal firms to deliver raw-materials on time.
Suppliers	As a customer PC1 enjoy a power position in dyad relationship with its suppliers.	PC1 has strong ties with the local suppliers as well as international suppliers. The focal firm hardly changes its	The trust between the focal firm and suppliers grows with time. The longer the relationship, the more trust and	It' has been found from analysis that the focal firm prefers to keep old suppliers that are more committed to the focal firm.

Cargo-agent	Cargo-agent as part of distribution channel is in a less powerful positions. SMEs are the customer s and have a powerful position with dyad relationship with its cargo-agent.	suppliers. It's been found that as compared with other actors in business network, the focal firm prefers to have strong ties with its cargo-agents due to business secrecy issues.	understanding both have. It's found that in the dyad relationship of PC1and cargo-agent there is high degree of trust.	There is high commitment shown by the cargo-agent to provide better services to the PC1.
Competitors	PC1 usually have triad a relationship with its competitors. Competitor's power position is based on the influence it has on prices in local and international markets.	It's found that the PC1usually have weak ties with its competitors. PC1face competition from local as well as from international markets.	There is no or a diminished trust in dyad relationships between a focal firm and its competitors. Sometimes these competitors have family businesses and are family relatives of focal firms, though the focal firm cannot trust them from a business perspective.	It's it found that as the competitors do not have a direct relationship with the PC1.
Government	In dyad relationship of government and PC1, the power position depends on the size of the firm and the interpersonal relationship of owner-manage and concerned authority.	As PC1is small and medium size enterprise and do not have strong influence on government institutions.	The trust factor in dyad or triad relation of government and focal firm depends on the inter-personal relationship between the PC1 and the concerned person on the government post.	It is found that either there is no commitment shown by Government to do anything for the firms or it is again based on the personal relationships between PC1 and the concerned person in government.

Table 6. 4:Non-relational factors as reducing the effects or aggravating the standardization/adaptation decision for PC1

Non-relational factors	Description
Nature of the product	Leather garments , motor bike accessories, leather products
Company Size	Company has 39 employees; it is a small and medium sized enterprise.
Product quality	Offer different quality products based on demand

6.2.2 Intra-case analysis Case two (PC2)

Table 6. 5: Actors identified influencing standardization/adaptation in business network for PC 2

Actors	Relationships
Customers	PC2 has developed dyad relationship with its customers. These customers are usually selling the product in their home country as wholesaler or as retailers.
Suppliers	Though companies use a more flexible approach toward changing suppliers whenever it is required, it also believes in maintaining strong relationships with suppliers to save time and cost that are incurred in building relationships with new suppliers. Focal firms have local as well as international suppliers.
Distributors/Cargo-agents	For PC2 personal and confidential relations are more important in the distribution channel. PC2s have been using same cargo-agents since the inception of the business.
Competitors	The firm seldom tries to have a relationship with competitors in the local market and usually do not have any relationship with competitors abroad. If the competitors are family relatives then they may have a dyad relationship.

Government Agents	PC2 gets information about competitors from other sources such as suppliers etc. PC2 maintains good relationships with third party governments as these links are useful for the firm. The government provides subsidies on international exhibitions and hence have membership in various government institutions such as Sialkot Chamber of Commerce, Sports Goods Association and Surgical goods Association.
Banks	PC2 believes to have long-running relationships with banks they get services from, right from inception of business.

Table 6. 6: Relationship factors identified influencing strategic decisions in business networks for PC2

Relationship factors and actors	Power position	Strong/Weak Ties	Trust	Commitment
Customers	The PC2 believes it's always the customers who decide what they want us to produce	PC2 tends to have strong ties with its customers. Once customers buy from PC2, they continue buying from them.	Though the term trust was not directly used in interview but it is obvious that the customers trust PC2 and therefore they are the regularly buying from them	PC2 shows its strong concerns for timely delivery of goods and the quality of products they sell.
Suppliers	PC2 can bargain more with the suppliers having good relations for the price of raw-material. PC2 is in power position in dyad	PC2 usually has strong ties with its suppliers, but if not satisfied on prices or the quality of raw-material, easily switch to other suppliers and	PC2 believes that if the firms have long-running relationships with suppliers, the suppliers may also provide raw-material without advance payments and by just a phone call. This shows	PC2 will prefer to change its suppliers if the firm is not satisfied with its suppliers for timely delivery or on price matters.

Distributors/Car go-agents	<p>relationship with suppliers</p> <p>PC2 is in a power-position in a dyad relationship with cargo-agent usually. But if it is its customer's nominated forwarder then the customer is in a power position to decide the distribution channel.</p>	<p>strong-ties become weak ties between them.</p> <p>In comparison with other firms the PC2 is more inclined to have strong ties with its cargo-agent due to the business secrecy issues.</p>	<p>the level of trust between the PC2 and its suppliers</p> <p>PC2 believes trust is essential in every relationship in business. By having a long-run relationship and using similar cargo-agents it shows that the PC2 trust its cargo-agent for competitive pricing and good services.</p>	<p>Cargo-agent shows its commitment to the PC2 by offering competitive services at competitive pricing and timely delivery of goods to the customers.</p>
Competitors	<p>PC2 feels it is very difficult to have any relationship with its competitors. The power-position varies among manufacturers on the basis of influence they have on marketing activities.</p>	<p>PC2 do not believe in having any relationship with its customers. It might have triad a relationship with its competitors via its customers, therefore results in having no relationships or weak ties between them.</p>	<p>PC2 do not trust its competitors easily and do not want to keep any relationship with its competitors.</p>	<p>No commitment is found between the PC2 and its competitors.</p>
Government Agents	<p>PC2 is well aware of the role of government in business, but it</p>	<p>PC2 shows no or weak ties with government institutions. Though it do</p>	<p>In dyad relationships both parties i.e. the government and PC2 shows no or less trust on</p>	<p>PC2believes that Governments do facilitate small businesses in certain ways, such as providing</p>

hardly develops have membership in these each other. discounted stalls in trade exhibitions.	relationship with its organizations such as export promotion bureau.	authorities. Due to its small size, PC2 do not have power-position in relationship with government.
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Table 6. 7: Non-relational factors as reducing the effects or aggravating the standardization/adaptation decision for PC2

Non-relational factors	Description
Nature of the product	PC2 produces sportswear and including martial arts uniforms and Karate uniforms. As a small to medium size international enterprise the PC2 product line comprises catalogue products and custom-built products.
Company Size	PC2 is a sole proprietor business with 0-50 employees.
Product quality	Product quality depends on the customers' requirement.

6.2.3 Intra-case analysis Case three (PC3)

Table 6. 8: Actors identified as influencing strategic marketing decisions in business network for PC 3

Actors	Relationships
Customers	PC3 tends to have strong relationships with its customers within local markets as well as from abroad, such as Vietnam, Afghanistan, Cambodia, Uzbekistan, Turkmenistan, and Kirgizstan. These customers are usually involved in importing medicines and then reselling them in their local markets through their medical reps. These importer distributors have a partnership with the PC3.
Suppliers	PC3 has direct and more formal relationships with their suppliers. Companies evaluate suppliers through quality assurance department and validate suppliers that if they meet all required SOPs, and then giving them any orders. Companies have different suppliers for various things such as raw material supplier, packaging supplier, bottle making supplier etc.
Cargo-agents	PC3 usually have long-run relationship with distributors and cargo-agent. For the last three years it has been using the same cargo-agent for shipping goods abroad.
Competitors	PC3 faces competitions from SMEs as well MNCs within the country and from abroad.
Government Agents	Government plays a more active role in Pharma industry as compared to the other cases from document checking to consignment checks. The PC3 has a more interactive relationship with government as that of third party agents.
Banks	PC3 believe that Banks as financial institutions play important role in business networks, though it does not have any influence on marketing decisions of the firm.

Table 6. 9: Relationship factors identified in business network influencing standardization/adaptation for PC3

Relationship factors and actors	Power position	Strong/Weak Ties	Trust	Commitment
Customers	The customers are in power position in dyad relations of PC3 and customers.	PC3 has developed strong ties with its customers such as importer distributors and partners.	In dyad relationship with its customers (importer distributor), PC3 trust its customers for performance of distribution chain functions in their local markets.	The customers i.e. the importer distributors are committed to distribute and sale the medicine in their home market. Both the customers and PC3 are committed to each other.
Suppliers	PC3 is in power position in dyad relationship with its suppliers.	Once selected through proper selection process, the suppliers and PC3 share strong ties between them.	The suppliers are selected through quality assurance dept. and therefore the PC3 have trust that they would provide quality material to PC3.	Suppliers shows high commitment when it comes to the raw-material for human medicine or else no random supplier can sale anything to the PC3.
Distributors/Cargo-agents	The PC3 are in power position in dyad relationship with cargo-agent.	Due to the nature of the product the PC3 only keep those cargo-agents which can maintain supply/cold chain thoroughly.	There is high trust in dyad relationship between PC3 and cargo-agents.	Without the commitment of cargo-agent to maintain the cold chain, it's impossible to have relationships. Therefore there is high commitment (mandatory) in dyad relationships.
Competitors	As PC3 is competing with MNCs and SMEs.	There is strong network found in pharmaceutical industry for joint ventures with competitors etc. there are strong ties between the	There is trust in dyad relationship between the competitors and PC3.	The dyad relation of PC3 with competitors shows a comparatively high level of commitment than other primary cases.

Government Agents	The power-position between PC3 and government institutions varies, but often it's the government in power position.	competitors and PC3. PC3 do not have personal contacts with government organizations and hence show weak ties.	It's more inter-organizational relationship then inter-personal relationship between government and PC3. Trust is considered at inter-organizational level.	The commitment factor is also considered at inter-organization level in dyad relationship of PC3 with government institutions.
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Table 6. 10: Non-relational factors as reducing the effects or aggravating the standardization/adaptation for PC3

Non-relational factors	Description
Nature of the product	Human medicine (Purely standardised)
Company Size	SME with more than 200 employees.
Product quality	Maintain high quality products.

6.2.4 Intra-case analysis Case four (PC4)

Table 6. 11: Actors identified in business network for PC4

Actors	Relationships
Customers	PC4 usually has long-term relationship with its customers. These customers are usually the large multinationals such as Nike, Adidas, Reebok, Fila etc.
Suppliers	As the customers are large MNCs, the PC4 book orders for upcoming year in advance. So is the case with suppliers, PC4

	book raw-materials in advance for a year ahead on fixed prices which enables PC4 to standardize the price of the product in short-term. The PC4 has a long-term relationship with its suppliers. Without having a strong relationship with suppliers, PC4 could hardly manage to fill the demand from international markets for its products. There are layers and layers of suppliers for PC4 products.
Distributors/Cargo-agents	PC4 prefers to have long-term relationship with cargo-agent. Though PC4 uses their own cargo-agents for distribution, often the customers also nominate their forwarders. Therefore the PC4 has more direct and dyad relationship based on trust and commitment with cargo-agents and mostly triad and indirect relationships with forwarders nominated by the customers.
Competitors	PC4 does not usually have direct relationship with its competitors. In case if PC4 cannot meet the demanded production, then it may contract with subsidiaries.
Government Agents	PC4 has good relationship with government associations. It has membership with Sialkot Chamber of Commerce, Pakistan Sports Goods, and Pakistan Hosiery Association and Pakistan Glove Association. PC4 enjoyed the top positions in these organizations such as the PC4 has been the president of Pakistan Sports goods and hence enjoyed strong ties with power positions.
Banks	The PC4 has strong ties with banks as the banks facilitate various business activities within the country and abroad.

Table 6. 12: Relationship factors identified in business networks for PC4

Relationship factors and actors	Power position	Strong/Weak Ties	Trust	Commitment
Customers	Customers are in power position in dyad	PC4 has strong ties with its customers.	The long-term relations of PC4 with its customers are	PC4 are highly committed to provide high quality products to its customers on

	relationship with PC4.		based on the trust between them.	time and had Rand D department for developing new products.
Suppliers	PC4 are in power-position in dyad relationship with its suppliers.	The PC4 has very strong ties with its suppliers. PC4 is working with same suppliers since last 20-30 years.	The long-term relationships with suppliers show high trust between PC4 and suppliers.	PC4 believes supplier's commitment enables them to deliver the goods on time and hence meet commitment with customers.
Distributors /Cargo-agents	PC4 is in power position in dyad relationship with its cargo-agents in distribution channel.	PC4 does have strong ties with its cargo-agents. Due to the confidentiality and business secrecy the PC4 tries to develop strong ties with its cargo-agents.	There is a trust in dyad relationship of cargo-agent and PC4. But at the same time PC4 check the freight charges from other cargo-agents too.	There is high commitment shown by cargo-agents in dyad relationship with PC4, or else the cargo-agents may lose the business due to high competition in the industry.
Competitors	Due to the size of the firm and its influence PC4 are in power position in dyad and triad relationship with its competitors.	The PC4 do not have direct relationship or indirect relationship with its competitors. Therefore there are no ties found between competitors and PC4.	There is no trust found between the competitors and PC4 in dyad relationship.	There is no or less commitment between PC4 and competitors.
Government Agents	PC4 is in power position in relationship with its government as third party agents.	Find strong ties between PC4 and government agencies.	There is less trust found in inter-organizational relationships as compare to inter-personal relationship between PC4 and Government personnel.	There is no commitment shown in inter-organizational relationship between Government institutions and PC4.

Table 6. 13: Non-relational factors for PC4

Non-relational factors	Description
Nature of the product	PC4 is selling sports wears and sports goods to its customers. Due to the nature of the product, the company offers a range of purely standardised products to a variety of products.
Company Size	PC4 is comparatively large SMEs with almost 600-700 employees. This number of employees usually does not fall in the category of business to business SMEs. The PC4 growing fast in production capacity and in its size, therefore firm have strong position in the local market.
Product quality	PC4 produces high quality sports wears and sports goods.

Table 6. 14 : Summary of findings intra case analysis

SMEs relationship with Actors	Relational factors	Non-relational factors	Influence on standardisation /adaptation
SMEs dyad relationship with customers	Trust	Size of the firm	Product standardisation/adaptation
	Commitment	Nature of the product	Customer influence:
	Power and dependency	Nature of the industry	Due to power position in dyad relationships between customers and owner managers, the customers have more influence on Standardisation/adaptation of product.
	Social ties	Quality of product	Owner's influence: It's a matter of degree for product decision. Owners of SMEs push toward standardisation by providing selected samples. Customer can order from sample provided or order something entirely different from his own designs.
			Price standardisation/adaptation More strong and long-run relationships with customers, the more SMEs standardize the price of the product
			Distribution Standardisation/adaptation More the trust and commitment between customers and SMEs, more it will standardize distribution channel.
SMEs dyad relationship with suppliers	Trust	Size of the firm	Product Standardisation/adaptation:
	Commitment	Nature of the product	More strong and long-run relationships with suppliers help SMEs to have more adaptation in product decisions.
	Power and dependency	Nature of the industry	Price Standardisation/adaptation
	Social ties	Quality of product	Suppliers having long-terms relationship with SMEs. It helps to better understand the requirement by SMEs and offer the raw material at low price. The more trust and confidence in supplier and SMEs dyad's relation, the greater is the degree of price standardisation.
			Promotion standardisation/adaptation:

			Not applicable
			Distribution standardisation/adaptation:Not applicable
SMEs triad relationship with cargo-agent	Trust Commitment Power and dependency Social ties	Size of the firm Nature of the product Nature of the industry Quality of product	Distribution standardisation/adaptation The higher is the trust, confidence and commitment with cargo agent, the more it results in higher degree of Standardisation for distribution channel by SMEs. Product standardisation/adaptation Found no influence on product standardisation/adaptation decisions Price standardisation/adaptation Found no influence on price decisions Promotion standardisation/adaptation Found no influence on product decisions
SMEs triad relationship with competitors	Trust Commitment Power and dependency Social ties	Size of the firm Nature of the product Nature of the industry Quality of product	Product standardisation/adaptation No direct impact on product standardisation/adaptation decisions in terms of product specifications but it may influence the augmented services provided along with the product. Price standardisation/adaptation The competitors offer low price to compete in local and international market and therefore pushes the prices low. Therefore focal firm cannot set price higher than competitors and hence ended up having more standardised price.
SMEs dyad relationship with government	Lack of trust Less or no commitment Power depends Weak ties	Size of the firm Nature of the product Nature of the industry Quality of product	Promotion standardization/adaptation The small firms usually are more dependent on government exhibitions to promote its products in international markets. As firms grow in size, it depends more on private exhibitions to promote the product abroad. The reasons for this can be lack of trust on government institutions or the policy restrictions for using government plate form or the nature of the product and its necessity for promotion adaptation.

6.3 Findings from cross-case analyses

This section starts with the precise methods for a cross-case analysis and the further explain why the cross-case analysis method is used for this research work. Cross-case analysis is done to compare and contrast the results of each case within each industry and the results from each industry are further compared and contrasted across these four different industries. Since each industry differs in their marketing activities and has their own networks characteristics that may influence the strategic marketing decisions of these SMEs. The similarities and differences within the industries and across the industries are illustrated in the following section.

6.4 SMEs interaction with actors

This section is about the SMEs interaction with the actors in business networks. In almost all eighteen cases, the actors influencing marketing decisions are customers, suppliers, competitors, cargo-agents (distributors) and government agents.

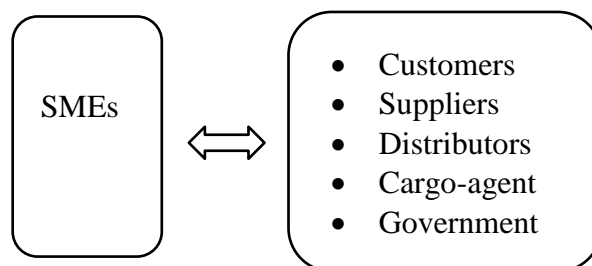


Figure 6. 1: SMEs as focal firms in business network interacts with actors

The figure 6.1 shows that SMEs have two-way interaction with its network members.

These network members are usually have dyad relationships with SMEs. In certain situations the SMEs also have triad relationship with the actors in business network, such as some of the SMEs customers are also linked with its competitors in the same market.

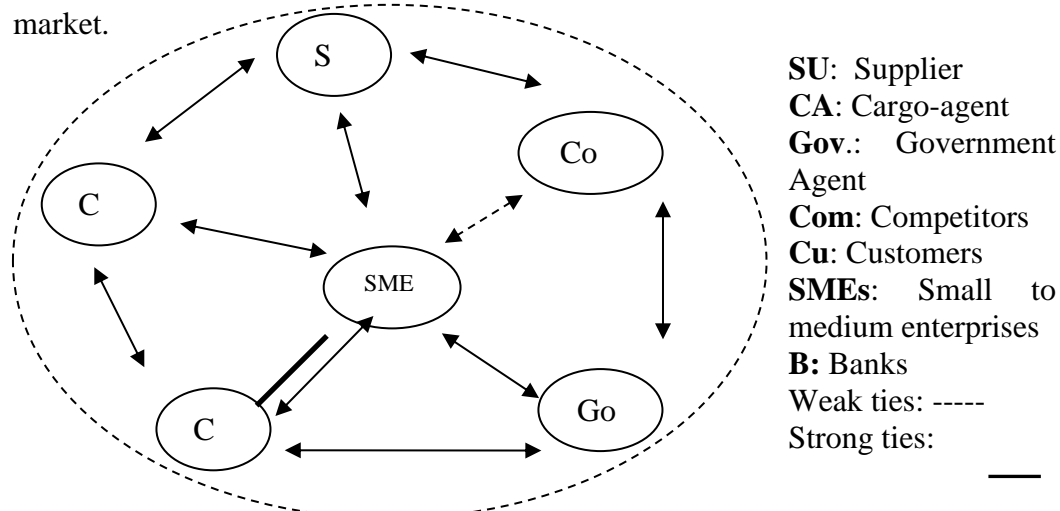


Figure 6. 2: SMEs as focal firms in business network interacts with actors

These sample case firms are embedded in business networks with various other firms within the country and abroad, such as a sample firm in surgical industry SuM13 is selling its products in more than 40 countries have a quite large supplier's network. The surgical firm purchases raw-material such as stainless steel from local market and on the demand of the customers it also buy stainless steel from abroad. There are layers of suppliers working for SuM13. Some of the suppliers also provide semi-finished products and are usually known as vendors. These vendors provide production facility to SuM13 outside the production unit. If a surgical product goes through 25-30 stages of process before reaching to finished product stage, the SuM13 have suppliers and vendors for all these production stages. This research is confined to investigate mostly dyad and some triad relations between these SMEs and actors.

As mentioned in previous chapter it also investigates the relationship factors affecting the interactions of these SMEs in business network and its impact on standardisation/adaptation of marketing mix elements.

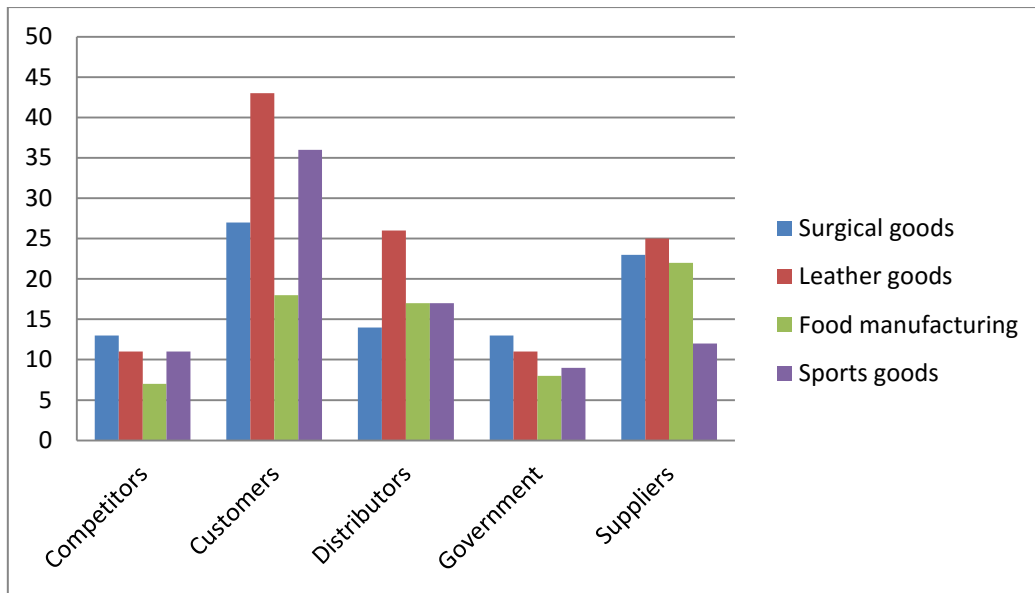


Figure 6. 3: The Cases response about the 'SMEs interaction with actors across industries'

The Figure 6.3 shows that there are 43 comments for SMEs interaction with its customers from leather industry. These comments covered most of the 'what kind of interaction the SMEs have with its customers' and the 'impact of interaction on marketing decisions of the SMEs'. In similar way the Figure 6.3 also shows the responses for all the actors such as competitors, customers, distributors, suppliers and government. From the SMEs responses in above figure it is evident that most of the responses were related to the customers such as 36 responses from surgical industry and 27 from sports, 18 responses respectively from food industry. It is observed that the customers are the actors who influence most of the marketing strategies of these SMEs, such as the product standardisation/adaptation strategies or price standardisation/adaptation strategies. The customers were also involved in distribution channel selection and hence were directly or indirectly influencing distribution standardisation adaptation decisions taken by these SMEs.

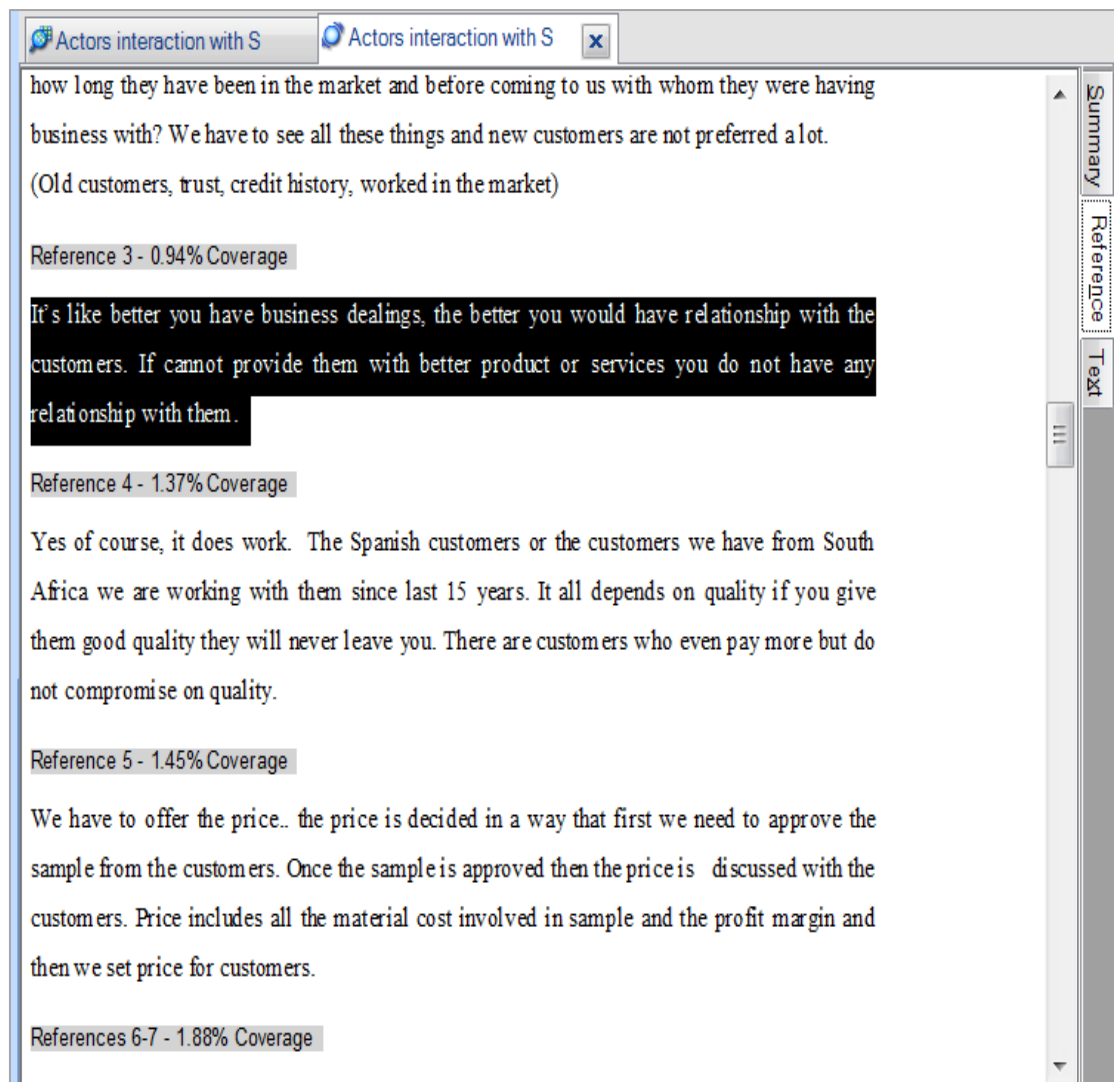


Figure 6. 4: Comments related to SMEs interaction with customers

On the other hand, the responses related to competitors as an actor in business network of SMEs were less than the other actors as the SMEs usually do not have direct relationship with its competitors and mostly do not have dyad relationship with its competitors. Further exploring the competitors as an 'actor' in business network of SMEs, It's been found that there are triad relationships between the actors and SMEs such as SM8 customers were also buying the products from other competitors. These customers were not only providing the information of competitors pricing to SM8 but were also asking to produce similar kind of product for them. Through data analysis it is observed that the competitors influence pricing strategies of the SMEs.

6.4.1 Customers in dyad relationship with SMEs

The business relationships between customers and case studies were analysed considering dyad relationships between the two parties. In business network context, the customer or their sellers are the most discussed actors in the interviews as compared to other actors. Following graph shows percentage coverage of customers as actor from fourteen case studies.

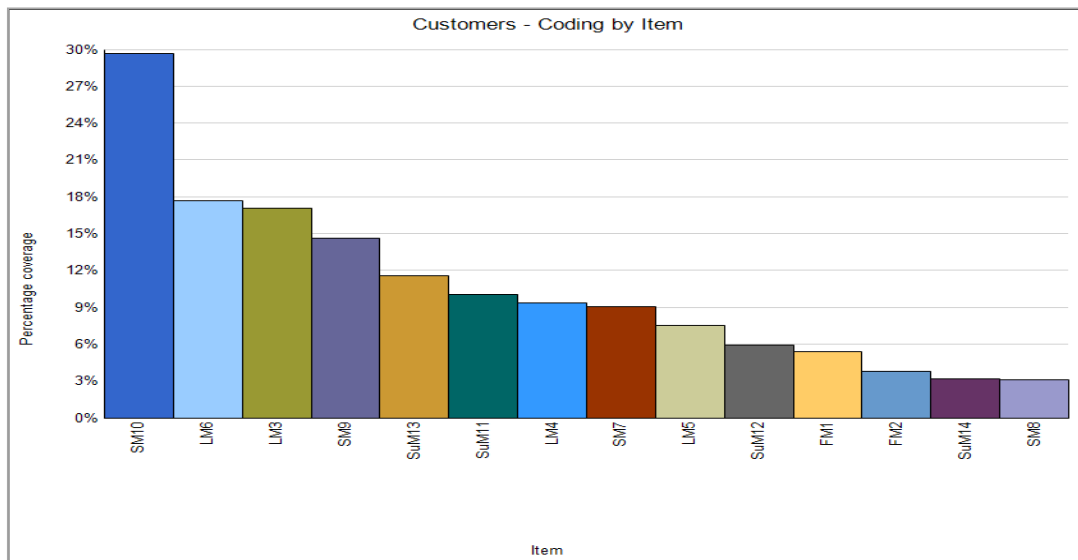


Figure 6. 5: 'Customers' as an actor in dyadic relationship with SMEs

All fourteen sample cases are divided into four major industries. These are:

1. Food Industry
2. Leather goods industry
3. Sports goods industry
4. Surgical goods industry

From the above four mentioned industries, three are born global SMEs such as leather goods, sports goods and surgical goods and therefore are selling their products in international markets only and hence the customers belongs to other countries. Whereas the sample firms in food industry started business by selling its products to

local customers first and gradually started selling their products in international markets. Here the nature of the product plays an important role. Some products are meant to be sold in international markets, such as motor bike leather jackets and motor bike accessories have no local demand as Pakistan is a hot weather country and almost nobody buys motor bike accessories in local markets. For surgical goods and for sports goods there is demand in local market but these firms aim to sell the products in international markets only as locally they can have only limited sales for surgical or for sports products.

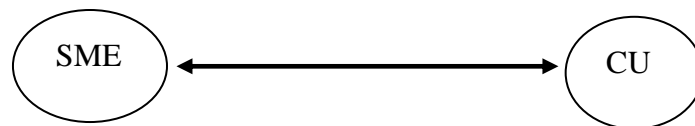


Figure 6. 6: Customer's relationship with SMEs

It's been found that most of the marketing mix strategic decisions are made by either customers or managers in sample SMEs, it's crucial to understand the relationship between the customers and SMEs. From network analysis perspective these relationships between SMEs are analysed as dyad relationship at interpersonal level and then these also represent inter-organizational relations as SMEs and customers represent their organizations respectively.

The customers can be divided into different kinds based on the type of relationship they had with its SMEs, such customers who tend to buy the product from the companies for once only and then next time they try to have a transaction with other firms or the customer tends to have long term relations with the SMEs and continue buying from same SMEs. These customers can also be classified as those from local market such as FM1 and FM2 are selling in local markets and customers from international markets.

Exchange processes in dyad relationships between customers and SMEs:

(Business exchange, social exchange, information exchange)

From the primary case analysis of these fourteen cases, it's found that the customers not only provide information to SMEs about international markets, it sometimes also passes information about competitors such as what kind of product other manufacturers are selling and at what price to get more bargain in prices from SMEs. It also happens that the satisfied customers spread information regarding SMEs by word of mouth to other resellers in their own market and SMEs get new customers because of old satisfied reseller. For example the manager,

I started having business with only one customer in Australia and now in few years I have more than 27 customers from Australia. This is heart to heart. 1st customer bought from us three four times and liked our product. He is now my regular customer and recommended me to his friends also. They also started buying from me. I have got almost 26-27 customers on this relationship basis. Thanks God no body yet stopped buy.. All they are my customers.

(Manager, PC 4)

Based on the strong ties between the customers and SMEs, the customers also provide the information about the suppliers that SMEs should buy raw-material from such and such suppliers. Once focal firm started to have transactions with those suppliers, it can also name the supplier to new customers. There can be a triad relationship between customers, suppliers and SMEs. Triad relationship is described by the merchandiser from LM6 as follows:

Most often customers suggest us their own supplier for the raw-material. It also happens that we suggest our customers that if we would buy from our company local supplier it would be cost effective. Customers have their recommended suppliers and we have to order for accessories from those suppliers.

(Merchandiser, LM6)

Different customers buy in the products in different quantities and SMEs tends to have long-term relationship with customers who buy in bulk and are regular

customers the business exchanges plays crucial role in dyad relationship of SMEs in customers. SMEs very clearly know the customer's perspective for business relationships. Manager, SuM11 believes that for having good relationship with its customers three things are important. The Manager SuM11 describes it as follows:

Look, the most important things in your relations with your customers are your prices, quality products and timely delivery. These are the main things in your relationships if all these three things are going well then you might have good relationship with your customers or else not. If your prices you offered are good and timely delivery you did but the quality is not what you committed then you might lose customers. Customer would look for other manufacturers.

In the dyad relationship of customers and manager SMEs, the interaction between the customers and the manager sample firms is the key pivotal to analyse the relationship between two nodes. The interactions based on exchange processes are intended for long-term are known as the relationship. For this research long-term relationships are compared with the new customers having almost no business relationships. How the strategies of SMEs differs for the customers having long-term relationships or the customers who are new to the firm. The behavioural aspects in these dyad relations can have impact on focal firm's strategic decisions. The long-term relationship of customers with SMEs not only creates awareness about the customer's choices and preferences but it increases the trust between the two parties. Similarly commitment shows by SMEs to meet the orders on time can increase the life of the relationship between the two parties. The more the focal firm and customers interact, the more they have strong ties between them. The SMEs relationship with old versus new customers is also analysed across four industries. These behavioural aspects are further explored in second stage of analysis.

The number of customers varies across industries such as for surgical goods the manager SuM13 states that 'we are selling our products in more than 40 countries'

and for sports goods there may be few customers but the orders they place are humongous. Manager, SM9 stated in the interview that they are selling their products to the giants such as Nike, Adidas and other big brands international markets. These kinds of customers are few but regular buyers and they buy in bulk quantities. With the regular reseller/customers SMEs tends to have more friendly relationships as compare to the other customers who buy small quantities with large interval in transactions. Certain customers/reseller prefers contract base business relations. The manager SuM11 stated that:

One of our customers in Sydney, Australia agreed with us to sale our product with our brand name. He is doing marketing for us. We send him our consignment from here and we have 5 year contract with him’.

(Manager, SuM11)

The customers not only varies in term of size of orders but customers from different countries ask for different quality products such as FM2 sale its products to South African and Asian countries only as they are selling average quality product. FM2 cannot target to sale its products to the countries such as America, Australia or Canada where the customers do not compromise on the quality. Surgical goods manufacturers such as SuM11 to SuM14 have wide market to sale its products across the globe. For leather products and sports products different kind of qualities are offered by sample firms based on the requirement of customers. It also has been found that quality of product as non-relational factor has influence on the kind of relationship that customers have with SMEs. Such as customers usually do not have long-term relationships with the FM1 and SM10 as they are selling average quality products and for customers it is quite easy to switch to another manufacturer within same market. Whereas the SMEs such as 11, SuM12, SuM13 and SuM14 from surgical industry and SM8 and SM9 from sports industry and FM2 from food industry, LM3, LM4 and LM6 from leather manufacturing industry whose main focus

is to offer quality product with competitive pricing and timely delivery have comparatively long-term relationships with its customers. Therefore it is inferred that customers tends to have long-term relations in business networks with SMEs which provide quality products. In findings the next step in dyad relationship of customer with SMEs is about the behavioural factors which plays important role in dyad business relations and are pivotal in strategic decision making.

To access the customers almost all fourteen sample firms' uses similar kind of approach. These SMEs use internet websites and exhibitions as promotional tool to interact with the potential customers. From these exhibitions the SMEs get orders from customers. Not only the exhibition but SMEs also uses yellow pages, business directories and government websites such as website for trade and development authority, private websites such as alibaba.com. In direct communication with customers, the SMEs prefer to use exhibitions as it offers the opportunity to have face to face communication. How the behavioural aspect such as trust or lack of trust influence the promotional choices of these SMEs are discussed in stage four of findings.

6.4.2 Suppliers in dyad relationship with SMEs

Once these sample SMEs get orders from the customers, the next important actors in business networks are suppliers. Following figure shows the % coverage of text related to the suppliers from the in-depth interviews with sample cases.

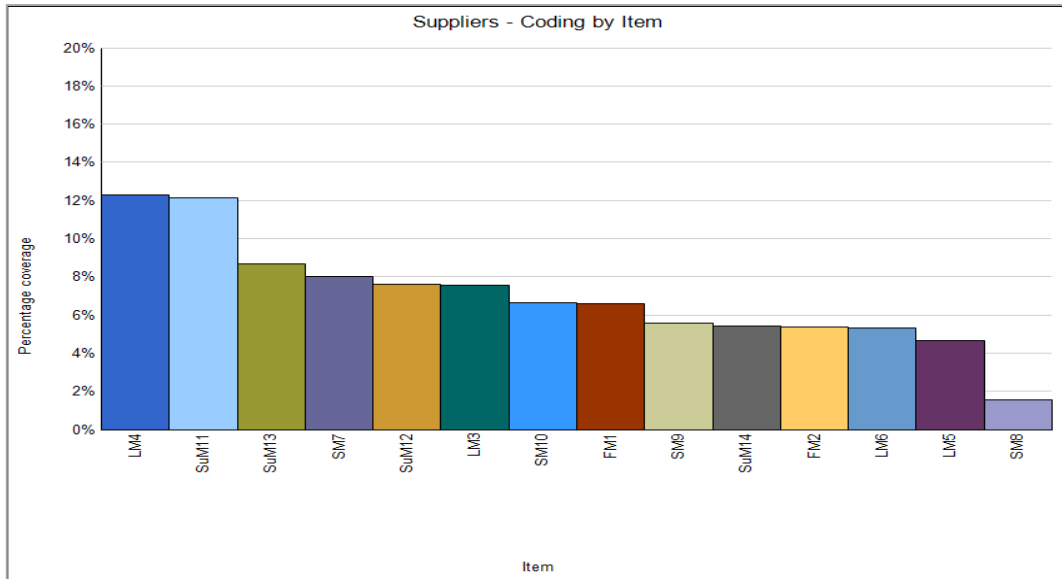


Figure 6. 7: Suppliers –coding by item

Contrary to the traditional function of supplier for supplying raw-material to the manufacturers, now a day’s suppliers varies in their functions they perform for the manufacturers. Suppliers not only provide raw-material for production but they are also involved in producing semi-finished products to the manufactures. The SMEs have become increasingly dependent on the technologies of their suppliers. Comparing the supplier for all four sample industries, it’s been found depending on the nature of the product all four industries use different types of suppliers. For food products the FM1 and FM2 usually by raw-material from their suppliers as compare to firms in leather industry and sports goods where suppliers also provide semi-finished products to the surgical goods where almost all the production is being done by suppliers/vendors and the surgical firms only have finishing and packing facilities available in factory. As stated by manager, SuM11:

Surgical industry in itself is the only industry that does not have in-house production. We only produce one or two products and rest of the orders are outsourced by these vendors.

(Manager, SuM11)

Good suppliers are considered as an advantage or the core competencies of SMEs in business networks. The suppliers and their functions vary across all these four

industries. For example, despite of the large orders the focal firms in surgical industry get from across the world, surgical goods manufacturers rarely have in-house production facility. There are vendors in surgical industry who provide semi-finished products to the surgical goods manufactures for further process. The surgical firms have finishing and packaging facilities available in factories. Among all four cases from surgical industry SuM11, SuM12 and SuM13 said that they get the production done from suppliers/vendors and these firms in surgical industry hardly employ 0-10 people or maximum 0-50 people in factory.

SuM14 claimed to have in-house production facility available for surgical goods and ran a factory with comparatively more employee than the rest of three firms in industrial industry. In comparison with surgical industry, the focal firms in food manufacturing industry i.e. FM1 and FM2 buy raw-material from local suppliers such as flour, oil and other ingredients required for biscuits and confectionary productions. There are separate suppliers who provide printing, packaging and wrapping material to FM1 and FM2. In food industry due to the nature of the products mostly the raw-material is purchased from local suppliers.

Look well we do not have one supplier at a time. We have 8-10 in all categories. Just like flour we have 8-10 suppliers and for packaging we have 5 suppliers and branding we have 2-3 supplier. We do not rely on one supplier.

(Manager, FM2)

In between these two extremes the sports goods manufacturers mostly buy raw-material and semi-finished products such as badges and zips from the suppliers and further process it in own factory. For leather goods, the manufacturers buy raw-material from local markets as well as suppliers from other countries. The leather goods manufacturers are also involve in sub-contracting practices. If they cannot

fulfil the order or cannot produce anything, they will subcontract it to sister concerns and other companies which have production facility. Therefore it is evident that there are slightly different kinds of suppliers across these four industries. Even within same industry there are various suppliers/vendors working for one sample firm. This fact is described by SuM13 in following way:

‘We have different vendors for different things. If we produce seizer it passes through 3 different vendors before it reaches to us. We have different suppliers for raw-material and we have different vendors for forging. After that we have different vendors for colouring and polishing the products. Every vendor is master in his field. One seizer is not manufactured by one person. It passes through 20-25 different hands to be completed’.

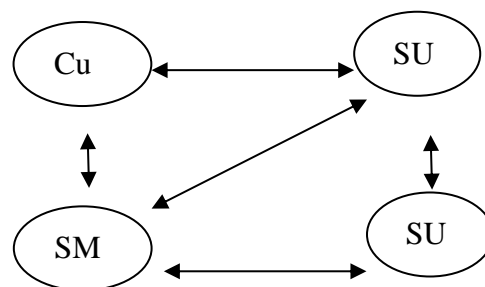


Figure 6. 8: Dyad and triad relationships of SMEs with suppliers

The SMEs preferably buy raw-material from nearby markets to keep the production cost low. Usually there are embedded supplier networks in local markets. Surgical goods manufacturers heavily rely on vendors to meet the order from customers as these vendors are involved in production. There are thousands of vendors for surgical goods in Sialkot Pakistan. The SMEs have dyad or sometime triad relationship with these suppliers. Some SMEs even develop personal relations with its suppliers. For example:

Yes we develop personal relationships as well, if you are buying regularly from the same supplier than you might develop personal relationships with the suppliers.

(Manager, FM2)

Depending on the type of relationship focal firm shares with suppliers, various relationship factors are found important which have direct or indirect influence on SMEs marketing activities and its strategies such as trust, commitment, social ties and power or dependency. It's been found that usually the SMEs have direct relationship with its suppliers such as FM1, FM2, SuM11-14, LM3, LM4 and LM5 whereas the LM6 also have triad relationship with its suppliers.

6.4.3 Cargo-agent in dyad and triad relationship with SMEs

As the findings are based on how SMEs perceive its relationship with the actors in business network and how the actors in business networks influence SMEs strategic decisions due to the existence of relationship factors in dyad or triad relationship between focal firm (SMEs) and 87 actors. Here the findings are based on manufacturer's perspective of the business relationship with cargo-agents in distribution channels and from cargo-agents/channel member's perspectives. Findings from case studies reveals that it is not simply a dyad relationship between the cargo-agent and SMEs that influence distribution channel choices but more a triad relationship i.e. the customers, distributors and SMEs where customers due to power position in business network finalize the distribution channel choices most of the time. It is also observed that the customers leave distribution channel decisions to the SMEs as the SMEs are more aware about the local distributors and have more strong relationships with these cargo-agents.

Following figure shows the percentage coverage of text for distributor's dyadic relationship with SMEs in business networks.

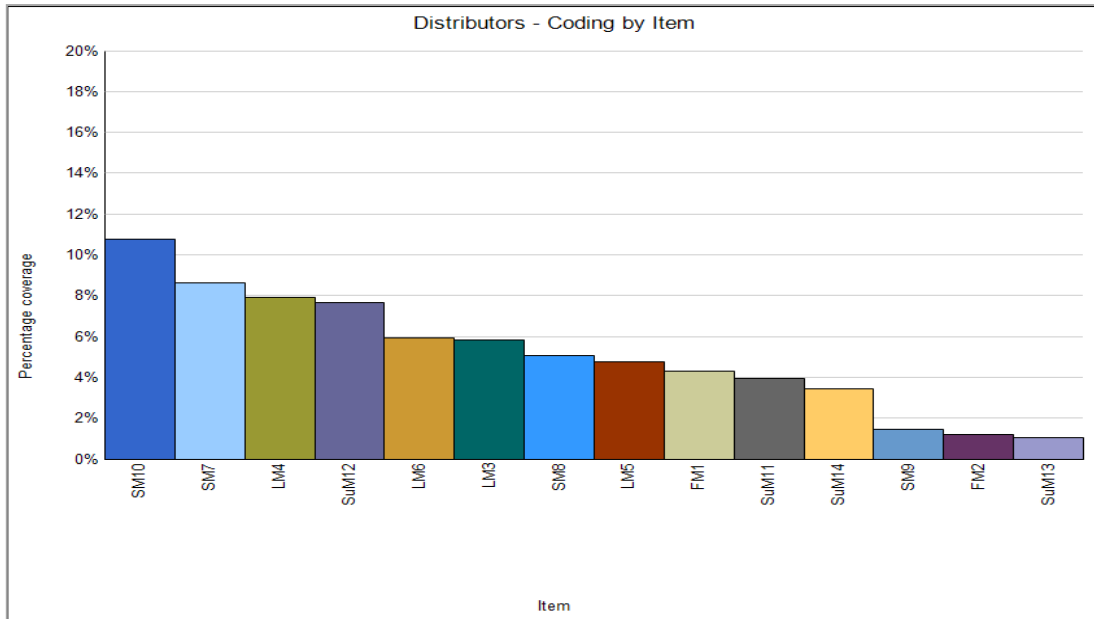


Figure 6. 9: Distributors coding by item

The SMEs have direct or indirect kind of relationships with intermediaries in distribution channel, such as the SMEs have direct relationship with its customers and customers do refer their own forwarder to the SMEs (LM6; SM9; SM10; SuM11; SuM12). These forwarders than directly communicate with the forwarders referred by the customers. Manager, SM9 describes it as ‘our customers nominate forwarders’. Manager, SM10 describes it as ‘they have their own nominated forwarders’.

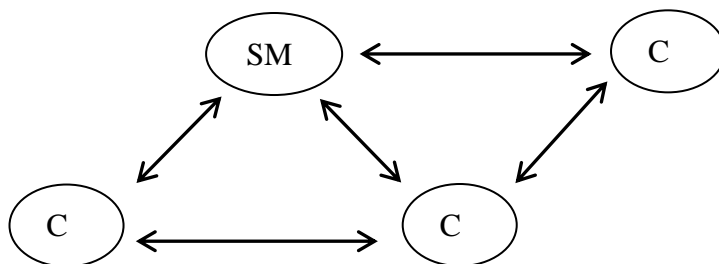


Figure 6. 10: Dyad and triad relationship with cargo-agents

Selecting the cargo-agent as the intermediaries is a difficult decision for both the customers as well as for the SMEs. There are important relational factors considered by both parties in dyad relationships of customers and manufacturers for selecting the

cargo-agent or forwarders, such as confidentiality of the customer's order. Confidentiality is considered as the part of trust the one party have on another party in dyad relationships of SMEs with the distributor i.e. cargo-agent. The confidentiality of customer's contact details and order has been observed as critical for almost all the SMEs. For example SuM11 describe it as 'there is the issue of secrecy and we cannot just use any cargo-agent'.

The data analysis reveals that there are certain other factors which may also influence the SMEs for selecting and sticking to a particular cargo-agent such as customer's satisfaction, custom clearance, and good services and complain handling by these channel intermediaries. These elements are explained by Manager, SM7 as follows:

We have to check that what services they provide to customers on the other side. The other issue is about the custom clearance; here we check how helpful the cargo-agent is for custom clearance. If we get good services and do not get any complaints from customers then we prefer to carry on same airlines, shipping agents or cargo-agents.

(Manager, SM7)

There is clear evident the SMEs prefer to have long-term relationship with its intermediaries in distribution such as cargo-agent. On various occasions the manager SMEs has mentioned that they are having similar cargo-agent since last 10 years or last 5 years. For example Manager, SuM14 claimed to have same cargo-agent since the inception of the business. As the relationship between the cargo-agent and SMEs are of long-term bases (FM1, FM2, SM 7), therefore it can easily be concluded cargo-agent as intermediary have strong influence on strategic choices of the SMEs for international markets. In case of cargo-agent often these business relations are converted in personal or family relations SuM13. The more personal relations add to more strong ties between SMEs and distributor such as cargo agent. In next step we are going to observe how behavioural factors such as trust, commitment, power and

dependency and strong or weak ties in dyad business relationship with cargo-agent moderates the standardisation /adaptation strategies of SMEs.

6.4.4 Competitors in dyad and triad relationship with SMEs

With competitors usually the SMEs do not have dyad relationship it is more a triad relationship between SMEs and competitors except that it is a family business.

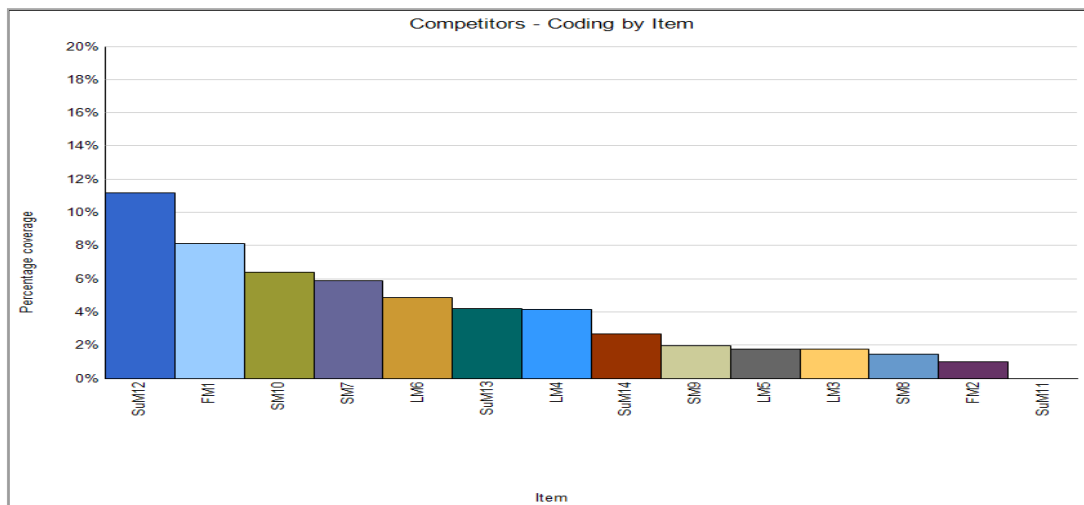


Figure 6. 11: Competitors- Coding by item

The above figure shows the percentage coverage that competitors were being discussed by the SMEs managers during the interviews. Though the SMEs do not have direct relationship with the competitors in local or international markets, but SMEs keep themselves aware of the competitor’s product and pricing. It is evident from the analysis that SMEs are connected with the competitors through triad relationship in business network. For example Manager, FM2 describe it as ‘we do not have direct contact with the competitors or personal contact with the competitors but officially we might be in contact’.

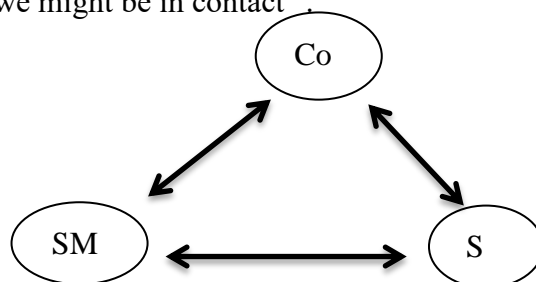


Figure 6. 12: Dyad and triad relationships between the SMEs and competitors

‘If our customers get samples from competitors, and are having good relationship with us, having confidence that we will produce that sample with better quality and design, they pass that design to us. In this way the customers are also used to get information (know how) of competitors as they are using different machines and designs.

(Manager, SM7)

As mentioned earlier that there is mostly a triad relationship between the competitor and SMEs and hence observed no behavioural aspects in dyad relationship with competitors which could possibly influence the standardisation/adaptation strategies. Though it’s been found that the non-relationship factors such as nature of the product, size of the firm has more influence on standardisation/adaptation strategies of the SMEs. Therefore the non-relational factors are found having more influence on dyad relationship of SMEs with computers and are further explored in next step as moderating factors influencing the standardisation/adaptation of marketing mix elements.

In certain cases it is found that suppliers also play role of competitors. For example in surgical goods manufacturing industry, the suppliers/vendors are involved in production. These vendors have advantage of producing at low cost and these suppliers directly sale their products to international buyers with comparatively low price. SuM14 describe it as follows:

We face competition from suppliers (local vendors) otherwise the exporters set their prices in similar way mostly. Exporters adjust the prices and do not have that high competition among them.

6.4.5 Government agents in dyad and triad relations with focal firm

Government as an institution may have much more influence on small and medium size enterprises in developing economies such as Pakistan. This chapter describes the findings based on SMEs dyad or triad relationship with the authorities in these government institutions and more importantly the behavioural aspects of the relationships or we can say relationship factors affecting SMEs international marketing strategies. According to the SuM13,

Government plays its fair role in boosting business activities of SMEs in international markets. Government allocate funds in this head and works accordingly. The government also has policies to provide opportunities to new businesses in the markets. It also arranges exhibitions to promote local businesses abroad.

As for as the relationships are concerned according to Manager, SuM1;

We do not have direct relationships with these government organizations unless we need to interact with them for export related procedural matters or tax payment issues.

Apparently it seems that the Government as an institution has less or almost no influence on marketing decisions of single SMEs. Government policies and procedure influence all SMEs working in that business environment collectively. When it comes to more personal or direct relationships with authorities in these government institutions, the respondents seems reluctant to show strong ties with the government authorities that may have positive or negative influence on their business activities. Despite the fact that almost none of the respondent shown strong ties with government authorities for their own firms, it was clearly mentioned that other competitors having strong links or ties in government are having more opportunities to acquire business from international markets.

From the responses based on in-depth interview with cases, it is inferred that SMEs usually prefer not to have direct relationships with the government. The relationships between two parties are weak and mostly these are triad relationships. There has been almost no trust and commitment in the relationship between government agents and SMEs. In terms of strong/weak ties, these government falls into the categories of weak ties. The relationship within such organization are usually used to acquire information about new customer's inquiries or changes in the government policies or for quick reimbursement and for acquiring loaning facilities. Finally we can say that good relationships within government organizations may influence the promotional standardisation decisions of these SMEs.

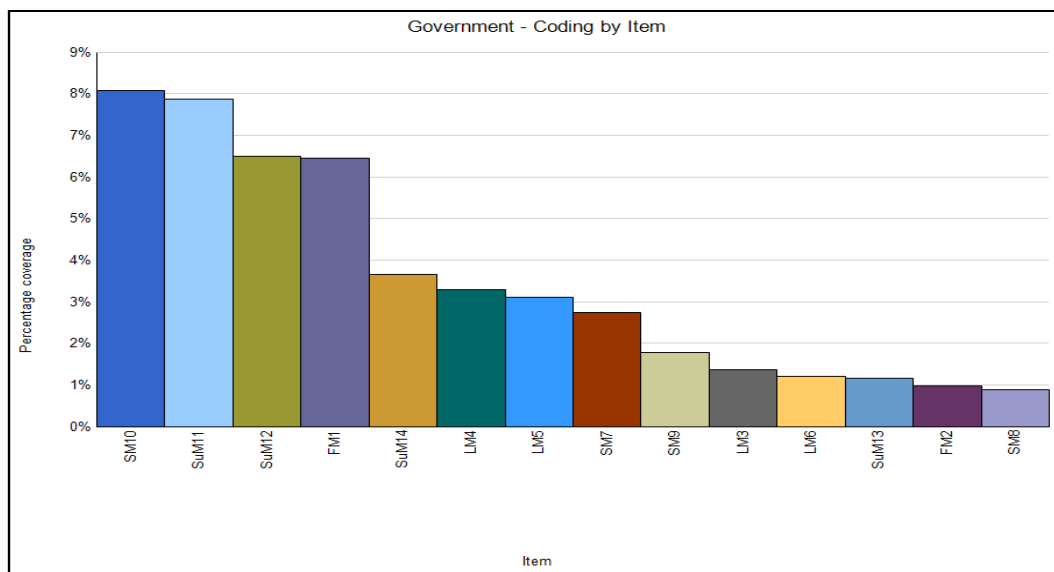


Figure 6. 13: Government as an actor in dyadic relationship with SMEs
The figure showed above states the percentage coverage of interview discussion regarding government as an actor in business network.

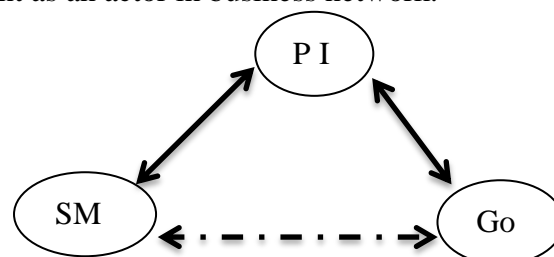


Figure 6. 14: SME's triadic relationship with government agencies

The SMEs do not reveal direct relationship with the government for some personal reasons. This is the only actor in dyad or triad relationship, where the SMEs were reluctant to show strong ties with government. Power and dependency were clearly evident in triad relationship with government agencies, but the SMEs described the relationship as weak ties with no trust and almost not any commitment shown by government as actor with SMEs. This kind of behaviour was apparently quite different from what it actually was. When same SMEs were asked to share the kind of relationships its competitors had with government agencies, the results were different from how they see their relationship with government as an actor in business network. For example SM8 had quite negative comments when discussing about the other firms relationship with government agencies and power and decency as relationship was much more apparent as behavioural factor and discussed how other firms get benefits and get access to the list of customers from international market through these government plate form using company's position and strong ties with the people working in these government agencies. When asked how you find what relationship you have with government agencies, the answer was quite fuzzy and distorted.

6.5 Relationship factors as intervening factors in dyad interaction of SMEs with actors

Following figure shows the Nvivo 10 results for nodes codes as relationship factors across industries. The relationship factors in dyad relationship with SMEs shows similar kind of responses for behavioural factors and relationship factors except that the nature of industry or nature of product or quality of product may influence the kind of relationships that SMEs have with its actors.

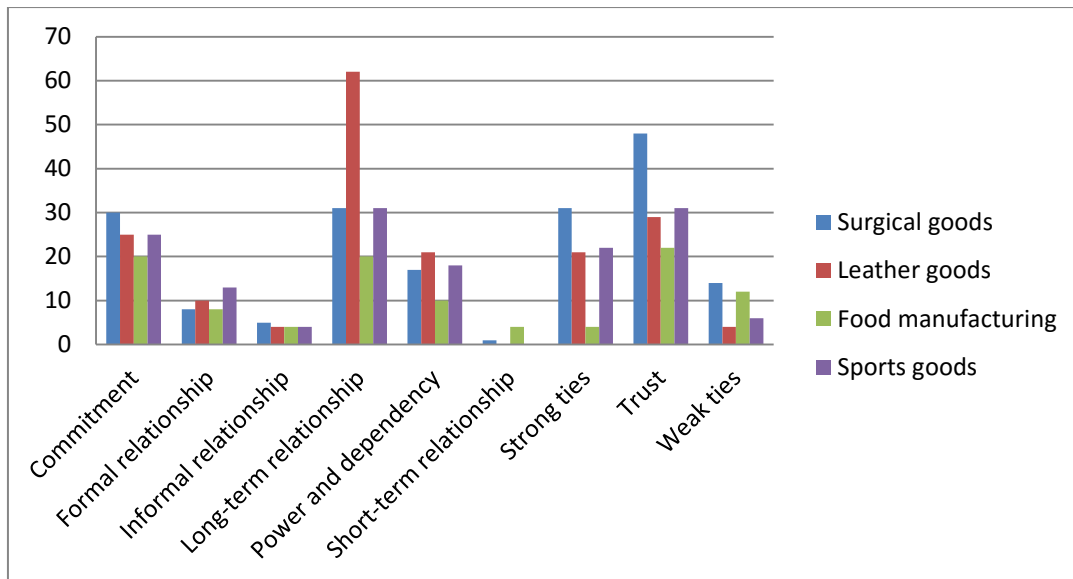


Figure 6. 15: Relationship factors across industries

6.5.1 Relationship factors as intervening in dyad relationship of SMEs and customers

Following figure shows the moderating factors affecting the dyad relations of customers with SMEs. This figure is based on the references coded for each moderating factors across all cases.

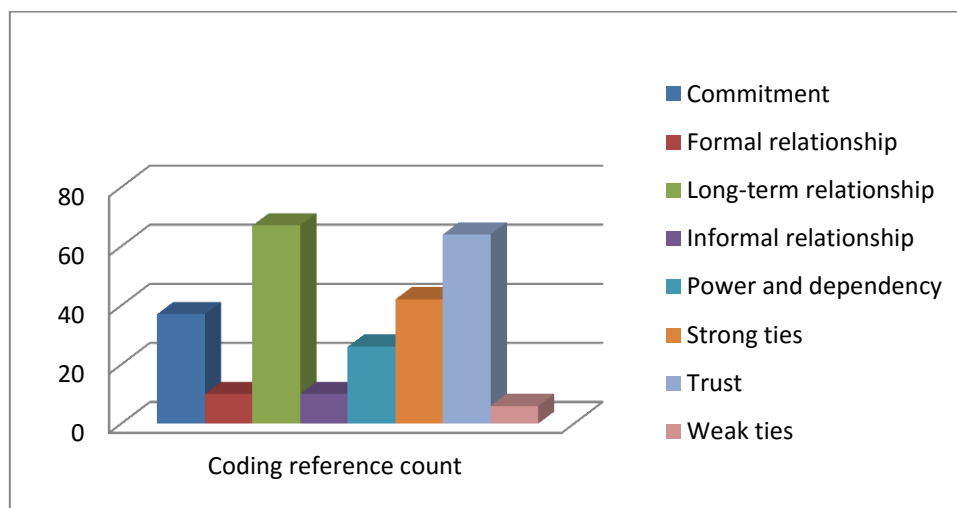


Figure 6. 16: Relationship factors in dyad relationships of SMEs and customers

There are number of behavioural factor which affects the dyad relationship between customers and SMEs. The customers in business markets are known as resellers, we will use the term customers. As there are fewer customers in business markets as compare to b2c markets, the SMEs focuses on developing and maintaining the long-term relationship with its customers. Apart from the intension to have long-term

relations, the other relationship factors such as trust, commitment, power and dependency, social ties such as formal and informal ties, strong or weak ties are being found vital are import part of business relationship with customers. In particular, this section will describe how the dyad relationships are affected by the behavioural factors mentioned above.

As mentioned above the SMEs tend to have long-term relationships with its customers/resellers. This fact is described by manager SuM13 as ‘‘We have certain customers who are doing business with us since last 15 years. It can be more than 15 years but according to my knowledge there are customers more than 15 years old with whom we are dealing now’.

Manager, SuM11 talks about old customers as ‘Some of them are our old customers who regularly buy from us and therefore we book raw-material in advance’. Almost all SMEs working successfully in international markets had some regular customers. The reason to analyse these behavioural aspects or relationship factors such as long-term relationship is to find if they really matters when these SMEs undertake strategic decisions. At another point in interview SuM13 further describe the firm’s relationship with its old customers in following manner. ‘

For example the customers whom we are doing business since last five years or more than we do really compromise on prices with such customers. Once we develop friendly relationships with these customers then we do not the value money but we value the relationship.

From the above stated, it is evident that the surgical firm (SuM13) consider the relationship with its customers when deciding about the prices they will charge for the product. Another point the manager SuM13 further said

‘We do price settlement with our old customers’.

Similar kinds of comments were noted from other SMEs when talking about the old verses new customers, such as ‘We hold the prices especially for old customers’ (Manager, SuM11).

Intensions to have long-term relationship with customers were mentioned by all the managers regardless of their industries. When asked about what kind of relationship you think you have with customers? The answers were like:

The relationship with customers is very prosperous’

The relationships with customers are friendly’.

‘We have business relationship with customers’.

‘You only can have good relations with customers if they are satisfied with your product quality, price ad delivery’.

Therefore it can be concluded the successful SMEs wants to have friendly, long-term relationship with its customers/resellers and older the customers you have, the more they influence the SMEs strategies regarding pricing.

Trust and commitment as relationship factors were found very crucial in dyad relations of SMEs and customers. There were mostly positive comments and some negative comments regarding trust on customers from SMEs. For example a negative comment was: If you try to access customer through internet, you may not know what kind of customers you are dealing with’ (Manager, LM3). On the other hand customers as well as SMEs show more trust in dyad relationship when using exhibition as the source of accessing customers from international market. The manager, LM3 stated:

There are certain customers who just ask for samples and get disappear for forever, these kind of customer's sale our samples.

(Manager, LM3)

The lack of trust shown by SMEs such as SM10 on the customers who access SMEs through internet leads to promotion standardisation by preferring exhibition over other sources to access customers. The SMEs prefer to have those customers they access them through exhibitions, because customers as well as the SMEs are assure that the companies having stalls in the exhibitions are registered firms in their own countries. Similarly the SMEs are sure about the customers, that they are genuine and have a registered company. This lack of trust on customers indirectly influences the strategies of the SMEs to promote the product through internet and hence the SMEs prefer to use exhibitions for promotion of product in international markets. It's been found that those SMEs committed to their work are in better business relationship with its customers. Customers/resellers only continue doing business with SMEs if they are committed with what they agreed in business.

It's like better you offer the product, the better you would have relationship with the customers. If cannot provide them with better product or services with competitive pricing you do not have any relationship with them.

(Manager, LM4)

From the above stated, it is evident that somehow trust and commitment are the factors linked with the long-term relationships. The more trust in dyad relationship between the customers and SMEs the more the customers continue doing business with same SMEs.

When asking about 'who decide what should be the product?' most of the SMEs spoke about the dominant position of the customers in dyad relationship with SMEs. From all four marketing mix elements such as product, price, placing and promotion, it's been found that customers due to their power position in dyad relations were

directly influencing the SMEs strategic decisions except the promotion decisions.

For example when researcher asked that who take product decisions, the manager

(SM9) replied:

‘All these decisions are taken by the customers that what product the customers want and in what quantity. The quality is approved by them and quantity is also ordered by them with the delivery time mentioned. All these decisions are taken by customers/reseller ’

(Manager, SM9)

The SMEs selling products in international markets have customers from different countries. The product decisions are based on customers/resellers market demand which would be quite different from the market demand where the SMEs are actually producing the products. Therefore usually it's the reseller or the customer who actually order the product according to his own country's market demand. The customers are in power position in dyad relationship with its SMEs. The above stated is described by a food manufacturing firms as follows:

‘Final decisions about products are taken by the customers because they have to sale the product in their own market’.

(Manager, FM1)

Manager SM7 describes it as:

‘It is all decided by customers. We produce whatever the customer's requirement is’.

Apart from the product decisions, the customers /resellers in dyad relationship with SMEs also influence pricing of the product. Therefore as an actor in business relationship with SMEs the customers are the most influential actors influencing product, price and distribution decisions.

‘During bargain with customer, at whatever price the customer agrees that will be our price’.

(Manager, LM5)

However, there were some other relationship factors found in dyad relationships of customers and SMEs, such as some SMEs prefers to only have business relationships with the customers. Other prefers to have more informal relationships with the customers. This analysis shows that for social ties, the SMEs have strong ties with its customers which may also influence strategic choices of SMEs. Manager, LM4 stated an interesting fact that good business relations are based on/linked with non-relational factors such as quality of the product, pricing and timely delivery.

It’s like better you offer, the better you would have relationship with the customers. If cannot provide them with better product or services with competitive pricing you do not have any relationship with them.

(Manager, LM4)

Therefore it is evident that SMEs intend to have informal relationships with its customers, the customers relationships with SMEs are more formal.

6.5.2 Relationship factors as intervening in SMEs and supplier dyad relationship

The business relationship with suppliers is considered important because of their immediate impact on the price or cost of production. Even in long-run good business relationships reaps its benefits for manufacturers such as booking raw-material without advance payment because the supplier has trustworthy relationship with manufacturers overtime. Therefore it’s been observed that there are certain behavioural factors in dyad relationship of suppliers with manufacturers here SMEs which not only influence the type of relationship SMEs with suppliers but in long-term context it also indirectly influences the SMEs marketing strategies such as

standardisation/adaptation of marketing mix. To understand the strategic impact of dyad relationship of suppliers with SMEs it is important to first understand the behavioural or relationship factors affecting this dyad relationship.

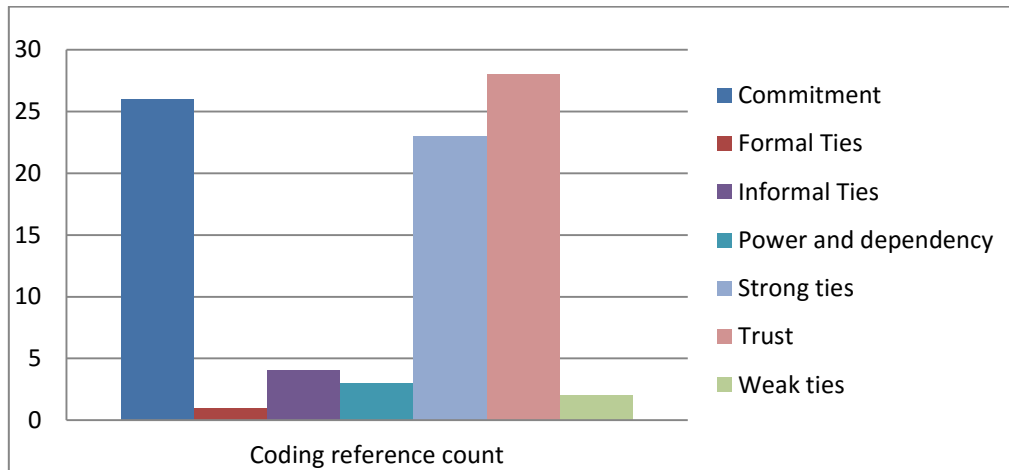


Figure 6. 17: Relationship factors in dyad relationship between SMEs and suppliers
 Using Nvivo 10 for primary data analysis the results shows that the most influenced factors in dyad relationship between supplier and SMEs across all the cases are long-term relationship, strong ties, trust and commitment. These behavioural aspects or relationship factors in dyad relationship of suppliers and SMEs are analysed from the perspective of having impact on strategic decisions made by SMEs.

In relation to the long-term relationship with suppliers, almost all the sample case firms showed that intension to have long-term relationship. Not only the intension but practically these SMEs are maintaining long-term with their suppliers for various benefits such as to develop understanding with supplier. Manager, LM3 and LM6 describes it as:

‘I have told you that all depends on understanding with your supplier. If you have developed understanding then it goes to long-term relations with them. ‘
 (Manager, LM3)

We are continuously in contact with these suppliers. There is specific frame of mind as they understand us and we understand them. As we give benefit to

the customers, the suppliers give us the benefit due to the long-term relationship.

(Manager, LM6)

Depending on the kind of material purchased from these suppliers the manufacturers in business network shows flexibility to keep same old suppliers or to look for new suppliers in the market. For example in case of food products where the quality was not the issue, the manager FM1 and FM2 showed quite flexible attitude toward having new suppliers. On the contrary, those SMEs where maintaining quality is important, they rarely try new suppliers, because these SMEs believes that they trust their old suppliers and know how committed are they in doing business with these SMEs. Sometimes SMEs also try new suppliers because the old one does not offer the products they need, such as stated by (Merchandiser, LM6):

We retain our long-term relationships with suppliers. The suppliers which worked with our company since beginning, they are still working with us. We also explore new markets for our raw-materials as most of our accessories are imported.

(Merchandiser, LM6)

Similarly there are certain reasons why SMEs do not want to change their suppliers, such as described by manager, LM4 and FM2:

Finding the new supplier is problematic for us, because they (new suppliers) would commit for something and would provide something else. They are not that reliable. The older the relationship we have with the suppliers the more trust we have on each other and we can have transactions with them on credit terms easily.

(Manager, LM4)

We keep same suppliers for almost 3-4 years. Otherwise there may be some reasons for leaving a supplier such as 1) late delivery of raw material or 2) he do not provide quality raw material 3)supplier have his own financial crises.

(Manager FM2)

Trust and commitment were also found important relationship factors in dyad relationship of suppliers and SMEs. From the following stated, the manager, LM4 and SuM11 suggests what kind of commitment is needed by suppliers:

The relationships we have with suppliers is that when we do business with them, we look for the quality raw-material and the suppliers who provide quality raw-material at good rates we keep long term relations with them and continue doing business with them.

(Manager, LM4)

It is like what commitment vendors do have with us about time and delivery or price; we do commitment with our customers.

(Manager, SuM11)

From the above stated it is concluded that the SMEs needs the supplier's commitment for quality of material, timely delivery and price of the material. There are strong ties found between the suppliers and SMEs. Strong ties with suppliers do influence the strategic decisions of the SMEs. The longer the relationship with supplier, the more it develop trust or vice versa between the SMEs and suppliers.

Once we develop strong relations with the suppliers, we do not want to change the suppliers, neither supplier want to leave us. The reason for this is that the older the relationship is, the more we trust our suppliers.

(Manager, LM4)

Another manager, SM7 describes the trust on its suppliers by saying that:

We know people here very well. This is our own town. For the suppliers if you are not confident that he will fulfil his commitment then you really cannot do business with them. Definitely we trust our suppliers.

(Manager, SM7)

Therefore we can say that trust, commitment, long-term relations and strong ties were found as most influencing relationship factors in dyad relationship between SMEs and suppliers.

6.5.3 Relationship factors as intervening in dyad relationship of SMEs and distributors

Having good relationship with best distributors/ cargo-agent is considered as the competitive advantage for SMEs. The major relationship factors found vital in dyad relationship of SMEs and distributors are trust, commitment, strong ties, long-term relationships, informal ties and power and dependency.

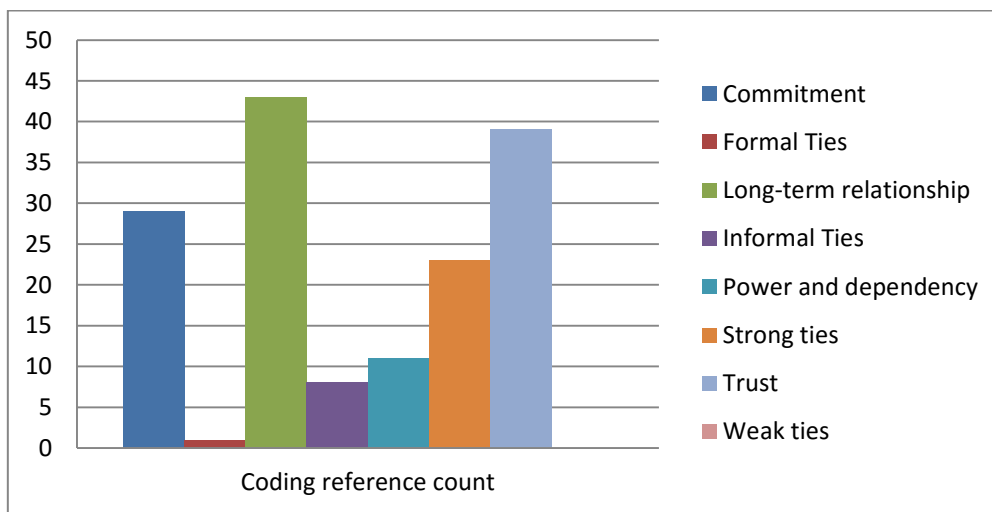


Figure 6. 18: Relationship factors in dyad relationship between SMEs and distributors

The figure shows the number of times each relationship factor are coded and coded material shows that how many time each relationship factors are discussed by the SMEs managers. Why these SMEs select to keep using similar cargo-agent for long-term depends on what type of the relationship SMEs have with the distributors in business network.

Yes of-course we keep same cargo agents for years. We do not change cargo-agent after each few months or years. For example I know that we have one of the cargo-agents named x cargo-agent. We are having services from them since last 15 years. We did not need to change the x cargo-agents in all these years.

(Manager, SM7)

Similarly Manager, LM4 stated:

Mostly we try to keep long-term relationships with the cargo-agents. Since we started business we had same cargo-agent for more than 17 years.

(Manager, LM4)

Interestingly, if the SMEs do not find the results according to their expectations from the cargo-agents it might change the cargo-agent to avoid future problems such as

Recently we started having problems in delivery, our consignment were not on time, we were asked to pay more therefore we have changed our cargo-agent.

(Manager, LM4)

The words encapsulated in this quote by manager, SM7 and LM4 suggest that SMEs hardly change their cargo-agents/intermediaries for distribution of goods to its customers in international market. It also shows what relationship factor worth to be considered in dyad relationship of SMEs with distributors. SMEs prefer to have same cargo-agent as it's the matter of trust or confidence between two parties. Having same cargo-agent as an intermediary for such a long time of 15 year in case of SuM13, LM4, SM7 it confirms the high commitment by both the parties in dyad relationship.

Confidence as part of trust is really important in dyad relationship of cargo-agent and SMEs. By confidence or trust on cargo-agents the managers SME's believe that the cargo-agent keep their customer's information confidential and would not pass it to third party or competitors. Therefore for selecting a particular cargo-agent as intermediary trust on cargo-agent is considered vital. The SMEs describes the trust on its cargo-agent in following ways:

Yes off course cargo-agents usually have our customers details and we do not want them to disclose it to any third party. The confidentiality and confidence on cargo-agent are really important matters in these relations.

(Manager, LM4)

The business relationships vary between formal or business relationships or informal and friendly relationships with the cargo-agent. In dyad relationships with cargo-agent, the manager SuM13 describes the kind of relationship it has with the cargo-agent as 'Mostly the relationships are based on that you know these people personally'.

In relations to commitment as relationship factors , the managers LM4, and LM6 spoke of the criteria that they thinks show commitment to the other parties in business networks.

The business relations with cargo-agents are based on the services we get from these cargo-agents such as competitive rates and timely delivery.

(Manager, LM4)

When analysing the dyad relationship between the cargo-agent as an intermediary from distributor's perspective following facts were highlight in in-depth interview with cargo-agent SuM13:

We try to develop the confidence and trust in terms of rates. As our company do not sale the physical products that mean that we should provide better services to our customers and develop our understanding with our customers. We work on minimum profit margins. We use the strategy such as 'more clients with fewer profits'. The profit margins are so low that no one competitor tries for our customers at that price.

(Cargo-agent, SM8)

From the above stated, it is evident that 'trust and commitment' is an important factors in dyad relationship with customers/SMEs which the distributors can develop by offering better services with competitive pricing. These cargo-agents/intermediaries not only are aware of the importance of trust and commitment to develop the dyad relationship with SMEs but they also maintain their relationship

by trying to have personal relationships to bring the relationships up to that level that SMEs find it difficult to change its cargo-agents.

Once the relationships are developed then we get to gathers in dinners or tea parties. These things are part of the relations with our customers or even we sometime develops personal or family relations and if the customers want to quit from doing business with us our family ties do not allow them to do so.
(Cargo-agent SM8)

There has been clear evidence that there are strong ties between the SMEs with cargo-agents in business networks. Another interesting fact was found that no SMEs rely only on one company or one person for their distribution services. Though these SMEs shows to their cargo-agents that they trust them, but at the same time they get confirm the rates for shipments from other sources as well. Depending on the size of the firm /production capacity and nature of the product the SMEs select the cargo-agents. In one interview with surgical goods manufacturer, the manager said:

We have accounts with all these companies such as we are working with and first-cargo as well DHL, FedEx and T&T.

(Manager, SuM13)

The number of cargo-agents depends on the requirement of the SMEs selling goods abroad. For example, SM9 are working as OEM service providers to big brands such as Nike, Adidas etc. These SMEs not only use multiple numbers of companies for shipment services but their customers also nominate the forwarders to the SM9 for shipping the goods to them. The aim of exploring these dyad and triad business relations of SMEs with cargo-agent and customers is to find its implications on strategic decision made by these SMEs within the context of standardisation/adaptation.

6.5.4 Relationship factors as intervening in dyad relationship between SMEs and competitors

The SMEs usually do not have dyad relationship with the competitors. Therefore the relationship factors usually found in dyad relationship such as trust, commitment, strong ties are not applicable and are quite different from other actors such as suppliers and distributors. However the relationships factors such as power and dependency, formal ties and weak ties were more apparent in dyad relationship of SMEs with competitors.

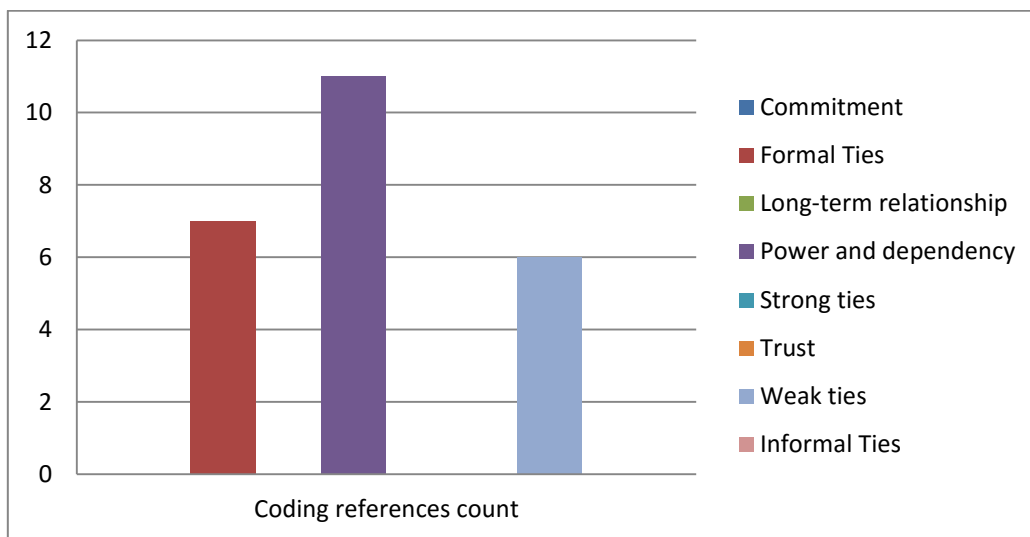


Figure 6. 19: Relationship factors in dyad relationship between SMEs and competitors

According to the manager, the SMEs face competition within local markets as well as from other countries. These SMEs may have formal communication with its competitors when they had meetings in Trade associations. Usually SMEs do not interact with its competitors. There are clear evident that SMEs have triad relationships with the competitors. For example SMEs have business relationships with its suppliers and suppliers are also selling their product to the competitors. In similar way the SMEs having dyad relationship with cargo-agent might also get information about competitors using cargo-agent as source (SM5, SM7, SuM11, and

SuM13). There are triad relationship between SMEs, cargo-agent and competitors. Competitors indirectly influence the marketing strategies of the SMEs.

Power is measured in terms of size of the firm in business network and its influence on sample SMEs. Larger the competitor, the more influence it have on SMEs marketing strategies. The sample SMEs shows weak ties with the competitors. As almost all the sample firms belong to same industrial area and all the companies knows about each other. Some competitors may also be family members to each other as having family business and one member extended the business separately. Overall the SMEs shows positive attitude toward competitors.

We do have friendly relationships with the competitors outside the offices but kind of tussle keeps going on in business and I think that is normal. If there is no competition then how would business growth?

(Manager, LM6)

The competitors usually offer lesser price to customers to switch customers to their own product. According to the Manager, LM6, if their company offer quality product then it becomes difficult for customers to switch to the competitors. There is price war between the competitors in local markets.

Our company has different strategy, competitors definitely contact with our customers, offer low prices, they do so many things to get our customers but for customers once they launched product with us and are satisfied with our products it will become very hard for them to change the producer.

(Manager, SM9)

The data analysis shows that though there are weak ties, almost no trust and no commitment between the SMEs and competitors, the power and dependency may indirectly influence marketing strategies of SMEs.

6.5.5 Relationship factors as intervening in dyad relationship between SMEs and government

The most apparent relationship factors discussed by respondents during in-depth interview were weak ties with government institutions, or formal ties, no trust or commitment between the SMEs and government agents, short-term necessity based relations or power based relationships. It was observed during the analysis when the respondents spoke of their relationship with government agents, the comments were quite negative and shown not having any influence on SMEs marketing activities, but if same questions were asked for competing firms in same market the comments respondents gave were quite different. It seemed to the researcher that the answers were biased.

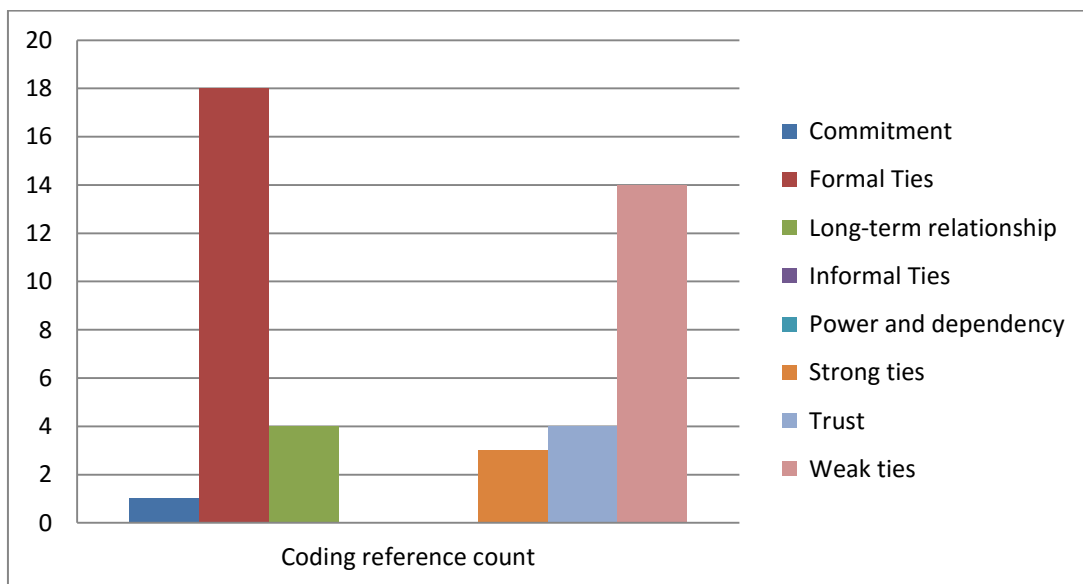


Figure 6. 20: Relationship factors in dyad relationship between SMEs and Government

As stated above, apparently there seem weak ties between the government agents and SMEs. We are using the term government agents because the data analysis is based on dyad relationship on individual based. It is beyond the scope of this research to consider the government institution as whole having relationship with SMEs.

Therefore all the results are based on dyad relationship between the manager, SMEs and government agent in different government institutions. When asked about the relationship with government agent most of the respondents such as FM1, FM2, SM8, SM10 and SuM11 replied for government as a whole rather dyad relationship with government agents. According to manager, LM3:

We do not have that much effective interaction or relationship with these organizations.

(Manager, LM3)

Though most of the SMEs showed weak ties and formal relations resulting in just waste of times, interestingly in one of the interviews it was said that:

If you have high rank position in these government institutions such as president or vice president or the people who have great influence in Chambers of Commerce, they get a lot of benefits from these associations. They go abroad with these delegations for free and there they try to book their customers.

(Manager, SuM12)

Though almost all of the sample firms were the member of these government organizations such as chamber of commerce and trade and development authority, interestingly, none of the sample cases said that government agents influence any of the marketing activities of these organizations. On further query regarding the relationship with government agent it was found that mostly the SMEs get information from these organizations and prefer to use a third party who can have relationship with these organizations on behalf of these SMEs. Depending on the information provided by respondents across all the cases, in next stage of analysis the focus is to explore it further to know the strategic implications for SMEs.

6.6 Actors influencing standardisation/adaptation of SMEs

This section discusses the findings for the actors and their influence on standardisation/ adaptation strategies of SMEs. Further this section discusses the

actors in specific which actor influence what standardisation/adaptation of marketing mix elements. It's been found that not all the actors in business networks of SMEs influence all the standardisation/adaptation of marketing mix decision for international markets. For example it's been found that the distributors in dyad relationship with SMEs influence distribution standardisation/adaptation decision.

6.6.1 Actors influencing product standardisation strategies

As mentioned earlier not all the actors influence all the marketing mix decisions made by these SMEs. It's vital for the SMEs to know the kind of relationships they need to have to perform well in international markets.

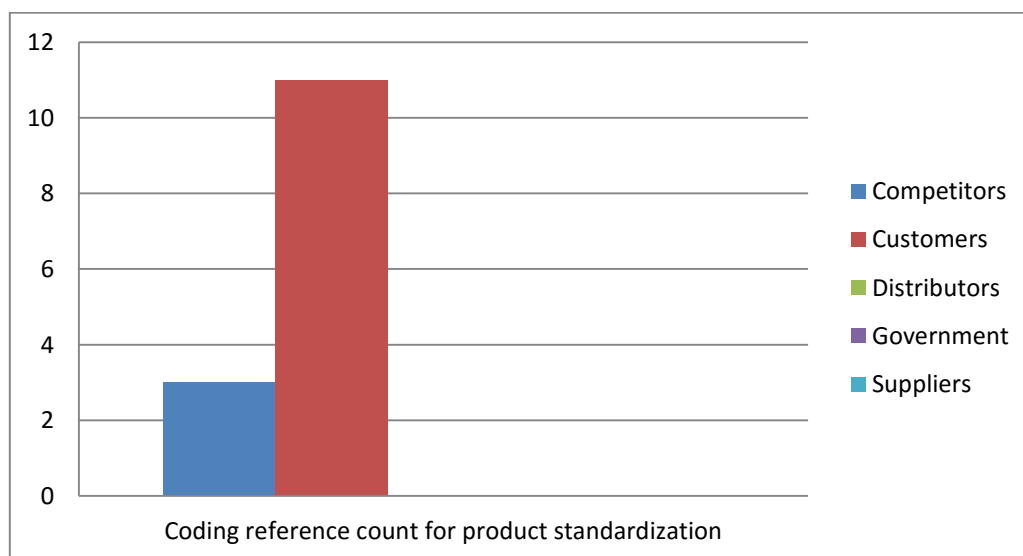


Figure 6. 21: Actors influencing product standardisation

From the above figure, it can be seen that eleven comments are coded for involvement in product decisions and only three comments are coded under competitor's node and no comments were coded for distributors influencing product standardisation/adaptation decisions. Interestingly, the suppliers and government were also not coded having any influence on product standardisation decisions. This may suggest that there are two important actors which usually influence most the

product standardisation/adaptation decisions i.e. customers and competitors. For product standardisation/adaptation, the customers are found most influential actors in SMEs business network. The customers are in power position to influence SMEs product decisions. This can be seen from the statement below:

We follow the saying " We make what you desire". Whatever customers will ask we will produce accordingly. Therefore we can say we always follow customers' demands.

(Manger, SM3)

Therefore it is concluded as the customers are in power position in dyad relationship with SMEs; it's the customers who decide whether product is standardized or adapted. The customers usually ask for variety of the product and results to have product adaptation. The second most influencing actor for product standardisation is the competitor in triad relationship with SMEs. Usually the competitors as actors in SMEs business networks influence more the product adaptation decisions and therefore are discussed further in detail in next step.

6.6.2 Actors influencing product adaptation strategies

Using Nvivo 10 from the data analysis it is evident that the customers in dyad relationship affects the product decisions most. The SMEs tends to standardize the products as to save the production cost in dyad relationship with customers. However, the customers most often ask for new products or new variety in products depending on the demand from their local markets.

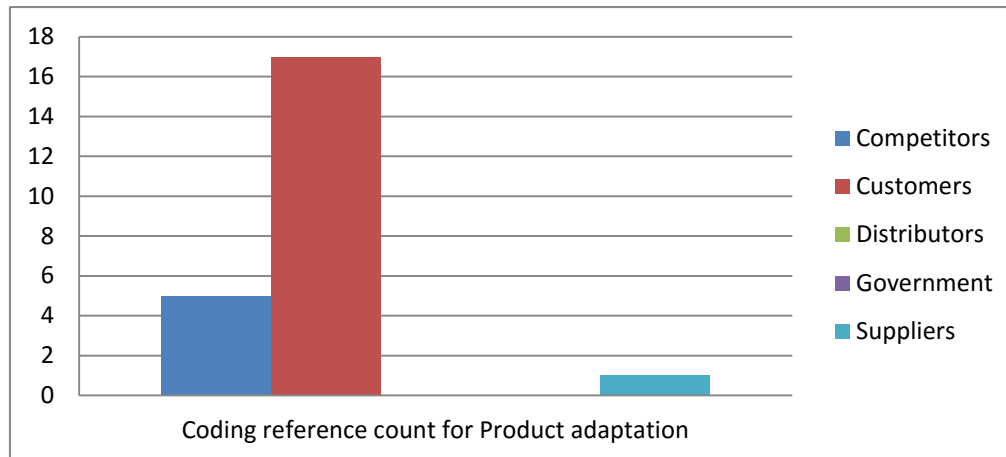


Figure 6. 22: Actors influencing product adaptation

The customers directly influence the product decisions by asking SMEs to produce the products according to their required specifications. Usually it happens that the customers required product specifications are based on what demand they have in their own local markets.

Competitors as part of business networks indirectly influence the product decisions made by these SMEs. The SMEs such as (SM8) tries to adapt new technology for variety production because, they think it is important to know what competitors are offering to your customer and hence have clear impact on product strategies of SMEs. Due to the competitors, the SMEs are compelled to produce new variety and hence tend to adapt products for its customers.

Therefore it is evident that the customers and competitor are two most influencing actors for product standardisation/adaptation. Some of the SMEs comments on suppliers as well. If the SMEs with new material and new ideas that helps the SMEs modify existing products or offer new products in markets and hence results in product adaptation.

6.6.3 Actors influencing price standardisation strategies

The price standardisation decision by SMEs is the most influenced marketing mix element due to the relational factors in dyad relationship of SMEs and the number of actors such as supplier, customers and competitors. The interesting fact is that among

all these network actors which influence price standardisation decision by SMEs, the relationship factors that influence SMEs decisions of price standardisations are different. For example in dyad relationship between SMEs and competitors, the relationship factors that results in price standardisation may be power position of competitor. However in dyad relationship of supplier and SMEs the relationship factors that influence standardisation/adaptation are trust, commitment and strong ties. Moving from suppliers to the customers, the relationship factors influencing price standardisation are power and dependency, long-term relationship, trust and commitment between the two parties. In dyad relationship of SMEs with suppliers, the SMEs are in power position, whereas in dyad relationship of SMEs with customers, the customers are in power position. Therefore considering the power position in first scenario, the suppliers will reduce the price for SMEs and in the relationship where customers are having power position, the SMEs will reduce or standardise the price. The suppliers in dyad relationship with SMEs have indirect influence on final product price standardisation. However, the relationship factors in dyad relations of SMEs with customers directly influence the final product pricing and hence result in price standardisation. Each of these actors is further described in detail below:

In triad relationship with competitors in business networks, the competitor indirectly influence almost every aspect of the marketing activities carried on by SMEs.

Our company cannot charge higher prices from customers as compare to the other firms in the market. If we do so then there are several other targets are available for the hunt by customers. Therefore we can say it influence our pricing decisions'

(Manager, SuM13)

However in dyad relationship between suppliers and SMEs the strong ties, trust and commitment are found having indirect influence on price standardisation. The

suppliers indirectly influence the final price of the product and this indirect influence results in price standardisation. Supplier, FM2 describes it as:

If we have long run relationships with customers (SMEs) for example more than 10 years than we have to give special favours to them. Sometimes it happens that rates are increased and customers ask us to give relief in particular product for two months. In this situation we do complementary things for such customers. All these things are based on relationships'

(Supplier, FM2)

The above stated, clearly indicate that suppliers offer bargain prices to old customer as to the new customers based on the long-term relationship they have with the customers. This favour given by suppliers in terms of low raw-material prices to SMEs enables SMEs to produce the products with low prices. Hence this indirectly influences the final pricing of the product in international markets.

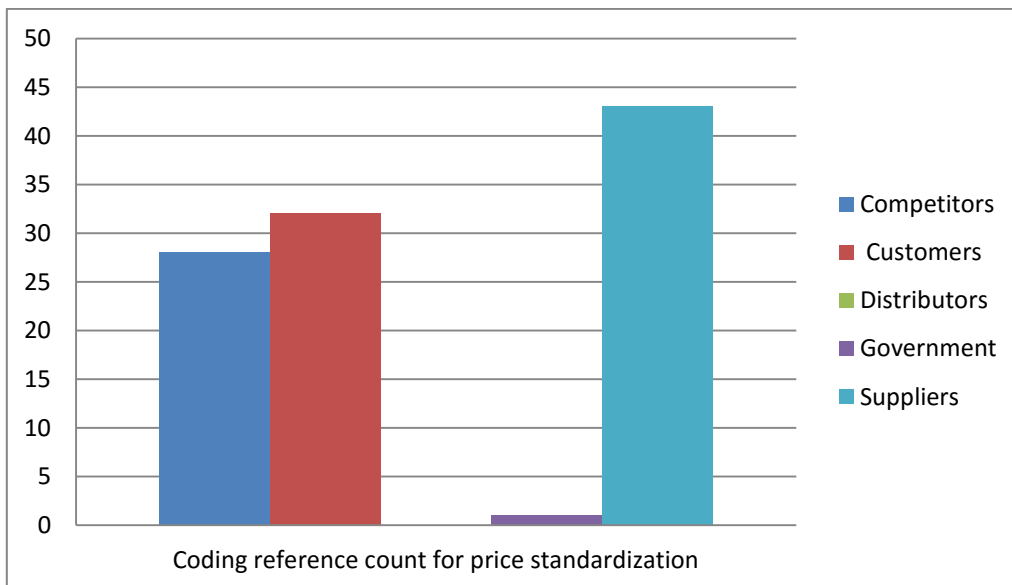


Figure 6. 23: Actors influencing price standardisation

'Customers' are identified as the third most important actor which may influence on price standardisation decisions made by these SMEs. Long-term relationship between the customers and SMEs in dyad business relations is the most influential relationship factors in terms of price standardisation strategies of these SMEs, which has been described number of times by respondent across all the case studies. The manager, LM5 explains this as:

With those customers who are continuously working with us and giving more business, so we become flexible in pricing and may offer discounts.

(Manager, LM5)

Therefore we can conclude that in dyad and triad relationships of SMEs with actors in business networks, three of the actors such as customers, suppliers and competitors influence price standardisation decisions.

6.6.4 Actors influencing price adaptation strategies

The SMEs dyad relationship with customers may influence price decisions. The SMEs offer the products on standardize prices to its old customers (SM7, SM8, FM1, FM2, SuM13, SuM12) etc. If the SMEs get new customers then SMEs ask for current market rates (FM2).

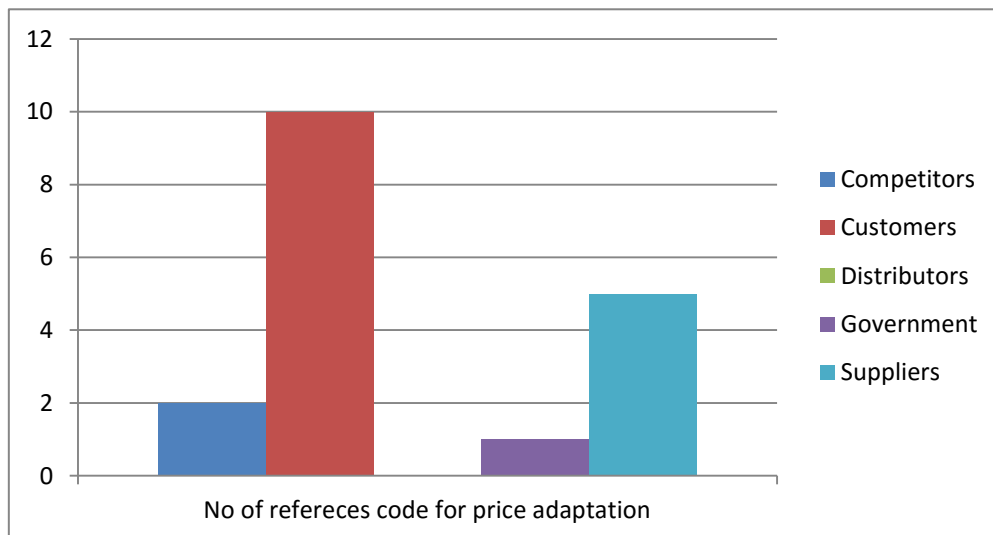


Figure 6. 24: Actors influencing price adaptation

The customers as most important node in dyad relation with SMEs in business network are found having influence on pricing strategy of the SMEs. For new customers with whom the SMEs may not have yet developed strong ties or trust and commitment, the SMEs describes it pricing strategies in following ways:

Yes in long-run we change our prices. Every time we get new order from new customers the price would be changed.

(Manager, FM2)

From the above stated it may be suggested that the customers who have long-term relationship with SMEs influence the focal firms to have similar price and for every

new customers the SMEs try to charge current market price to maintain cost and profit gap.

SMEs tend to have long-term relationships with its supplier, as those suppliers having the short-term relationship with SMEs offer the raw-material with less price bargains and change the price quite often. Hence the short-term dyad relationship of SMEs with suppliers may results in price adaptation for final product in international markets.

Yes of course these networks do influence. The reason to get influenced is 'price', because earlier if the price has to increase and the credit terms with the supplier were flexible and if price had to change, we have been told well in time before the change of price. Now a days they do not give any time line if any impact is there for anything such as wrapping paper/ packing material you will get a letter with the excuse that ' in the resent days due to the increase in oil prices or in dollar price we are compelled to increase the price of things. With immediate effect of this change it will be applicable on all recent deliveries. The supplier even does not give cushion in price for the orders which are already placed.

(Manager, FM2)

Government as the part of b2b network may influence the pricing decisions of these SMEs in general, but as this research focus is the dyad or triad relationships of SMEs with the actors in business markets the role of government as an actor in dyad or triad relations do not affects the pricing of these SMEs for their products in international markets. The competitors usually indirectly influence the pricing of the product by these SMEs. The competitors due to their size of the firm and power position in the market can results in price adaptation, but in most of the primary cases it's been found that competitors indirect influence SMEs results in price standardisation and not in price adaptation.

6.6.5 Actors influencing distribution standardisation/adaptation

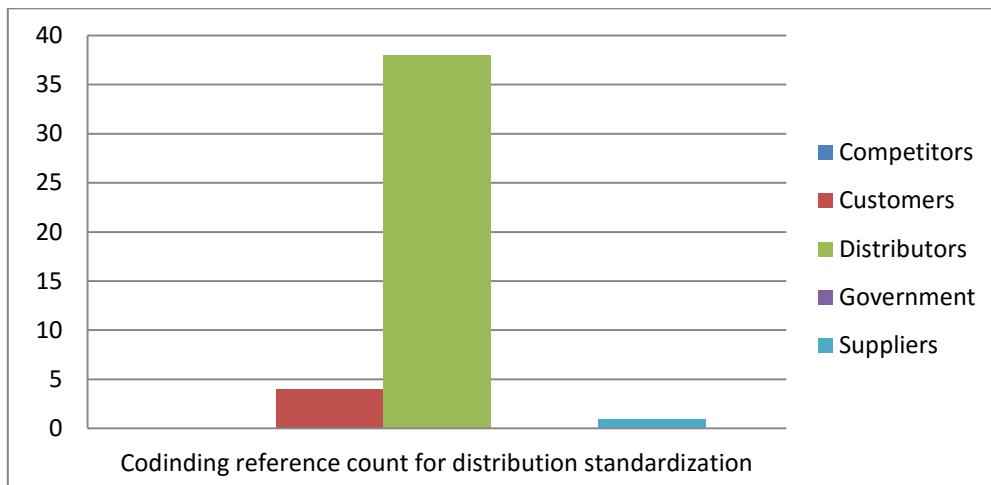


Figure 6. 25: Actors influencing distribution standardisation

The two main actors that manager SMEs spoke of were customers and distributors which can influence distribution standardisation/adaptation decisions made by the SMEs. In the words of Manager (FM2) the confidentiality of the customer's information was the issue that most SMEs seek from its distributors. Confidence as the vital element of trust was considered important in selection of cargo-agent by the focal firm.

In dyad relationship of the customers with SMEs, the customers are always in power position to decide where they will select their own forwarder or the SMEs will have their own cargo-agents. There are usually triad relationship between the SMEs or cargo-agent and the customers. In both relationships the relationship factors as moderators are found similar such as trust, commitment, confidence, strong ties, power position are quite similar again in all 14 primary cases. Manager FM2 describes this fact as

New cargo agent cannot guarantee that he will make your product available in Africa on time; different legal issues can be there.

(Manager, FM 2)

This section discusses the actors in specific which actor influence what standardisation/adaptation of marketing mix elements. It's been found that not all the actors in business networks of SMEs influence all the standardisation/adaptation of marketing mix decision for international markets. For example it's been found that the distributors in dyad relationship with SMEs influence distribution standardisation/adaptation decision.

We can also say that the lack of commitment and trust in dyad relationship with cargo-agent may lead to the distribution channel adaptation. The relationship factors having moderating effect on dyad relationship of cargo-agent with SMEs would be discussed in detail in next stage.

Apart from customers and cargo-agents there are other actors in business networks which may not be influencing the distribution channel standardisation/adaptation decisions such as suppliers. It has been found with analysis the suppliers as an actors do not influence distribution standardisation/adaptation decisions made by customers or SMEs in general. In similar way it is also found that government do not have any impact on SMEs regarding distribution decisions. The government in general may have policies for SMEs regarding warehousing and storage facilities or for distribution channels as well and these facilities provided by the government may enable the SMEs to pay less for distribution channels but this does not imply the effect on distribution strategies because of dyadic relations of SMEs with government agents. Therefore we can say that there was no clear evident that dyad relationship with government agents may leads to distribution channel standardisation. Most of the SMEs avoid using government plate-forms because of the procedural complications.

6.6.6 Actors influencing promotion

standardisation/adaptation strategies

During the data analysis it's been found that the government though do not have direct relationship with the SMEs in business networks. However, as the part of formal networks there are government institutions which influence the promotion standardisation decisions. The trend that government offered plat-form for the exhibitions results in promotion standardisation has been found similar across all fourteen courses. According to Manager, FM2 Government facilitates SMEs as follows:

TADAP as government organization might support us to some extent, such as if there is any exhibition then they will help us to promote the product through participating in that exhibition. Government will support in certification or will subsidize exhibitions, will have reimbursement for sales tax or otherwise we do not get any help from the government.

(Manger, FM2)

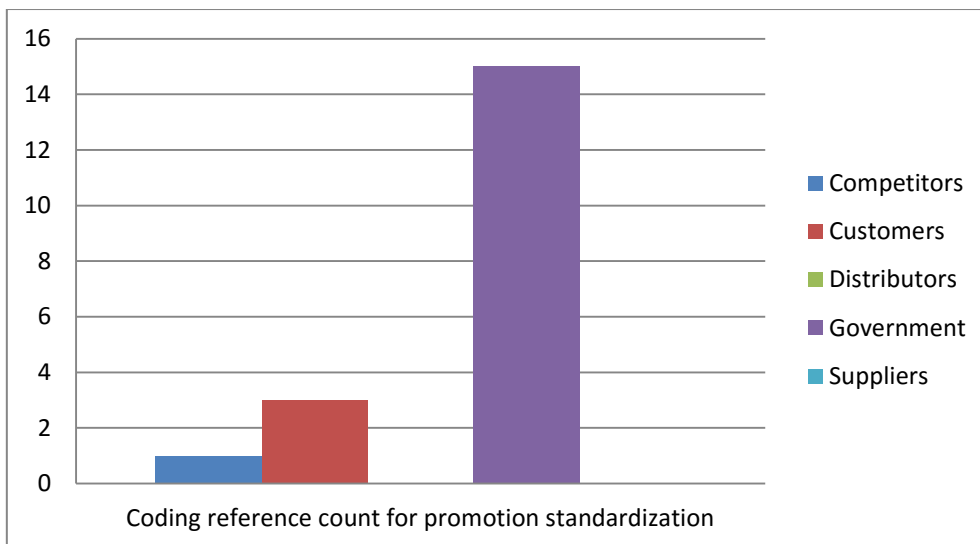


Figure 6. 26: Actors influencing promotion standardisation

Another company SM7 describes it as follows:

When there are exhibitions in different countries such as USA or Germany etc. the government do play role in these exhibitions. The exporter has to pay 40 % and the government bear the 60% for the

stalls in the exhibitions. In this way government give subsidy to the manufacturers.

(Manager, SM7)

Another actor which may also directly influence the promotion standardisation decisions is customers. The mistrust in dyad relationship of SMEs on its customers may also results in promotion standardisation. The SMEs usually do advertise its products on websites and usually get accesses to the customers through internet. These kind of customers are not reliable and just get disappear once they get sample. Therefore mistrust on customer may also lead to the promotion standardisation.

These SMEs may also be influenced by its competitors; the extent of influence by SMEs depends on the size of the competing firm. The size of the firms is mostly important from network structure perspective, but there are clear evidences that size of the firm in business network have relational and behavioural impact on strategic decisions of SMEs.

6.7 Relationship factors reducing the effects of or aggravating the strategic decisions of standardisation/adaptation of SMEs

In dyad and triad relationship of SMEs, the relationship factors affecting SMEs standardisation/adaptation decision such as trust, commitment, power position and social ties are found as the moderating factors in almost all cases from industries. We are using the term moderating because these relationship factors such as trust or commitment, power and dependency and social ties moderates the influence of dyad or triad relationship on SMEs and hence moderates the degree of standardisation/adaptation for marketing mix elements.

6.7.1 Relationship factors reducing the effects of or aggravating price standardisation strategies

The price is the only marketing mix element that is most flexible as compared to other marketing mix elements in business networks perspective. For all 4 P's the moderating factor in dyad relationship varies from product to promotion, price and distributions. Following figure is extracted using Nvivo 10 and is based on the number of references coded for each actor in context to the SMEs relationship with actors which may results in price standardisation.

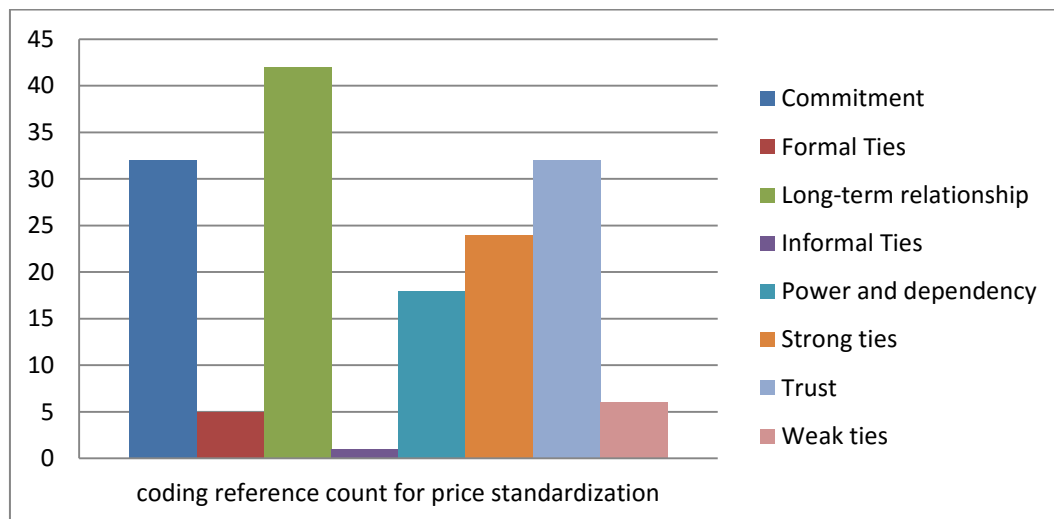


Figure 6. 27: Relationship factors moderating price standardisation

The above mentioned figure shows the moderating factors influencing the price standardisation /adaptation in different dyad or triad relationships of SMEs with actors in business network. It is an interesting finding in itself, that when SMEs tends to have long-term relationships, these SMEs such as SM9 standardize the prices for its customers for more than six months and even in certain cases for almost a year.

The graph shows the maximum number of references coded for *long-term relationships* are 42 which describes the importance of the long-term relationship in SMEs dyad relationship with actors, more specifically the customers.

Definitely for new customers we would use new pricing. For international markets if we set the price once with the customers then it is difficult to change it easily. It is for those customers we are already dealing with and have long-run relationship. Due to the relationship with the customer we may accommodate him in pricing mostly.

(Manager, SM7)

The above stated clearly shows that the longer the relationship, these SMEs have with customers, the more these SMEs tries to standardize price for its customers. In similar way, the trust is also considered as influencing and moderating standardisation or as the important relationship factor which moderates the standardisation/adaptation decisions by SMEs.

Look some of the customers have paid 100 % in advance for them we really buy raw-material in advance and we fix price with them. If someone has given order for six months we will ask him to pay 75% of total amount. So we can buy raw-material in advance and possibly can offer fix price.

(Manager, FM1)

From the above extract it can be seen that the more *trust* between the SMEs and its actors such as suppliers and customers, the more these parties are able to standardize prices to their respective customers. It is also analysed from the above stated that as SMEs trust on its suppliers regarding the quality of raw-mater and therefore the SMEs do advance payment to its suppliers. In return, the suppliers are able to purchase raw material well before the required time and can offer the raw-material with fixed prices to its customers i.e. the SMEs. Therefore the SMEs are able to product the product with comparatively low production price and hence can offer the products to their customers at standardize prices. It can be concluded that the trust and commitment in dyad relationship between the SMEs and its suppliers indirectly

facilitate the SMEs to standardize the price. From the following extract in an interview with SuM14 also confirm that if suppliers offer fixed price option to SMEs, than it indirectly influence the final pricing of the product offered by SMEs in international markets.

Suppose if we signed a contract with the vendor and we have done advance payment in that situation if the price increases or not does not really affect us.

(Manager, SuM14)

Strong ties in dyad relationship of SMEs with customers in dyad business relationship may also influence price standardisation decisions. Manager, LM4 describes the long-term relations with its old customers and its influence on pricing as follows:

That is the difference between old and new customers that old customers know price very well, as they would be working with our company since last many years. These old customers are usually satisfied with the prices we charge and we hardly change or increase the price of old customers. For new customers we have to consider how they are dealing with us, doing advance payments or on credit.

(Manager, LM4)

To understand the long-term relationship between the suppliers and SMEs and *Strong ties* following text is extracted from the interview with Manager,

As for the suppliers we also keep same suppliers until we face any problem from the suppliers. Old suppliers understand our way of working and understand our requirements. In that way our quality of final product would be better.

(Manager LM4)

Apart from the dyad relations of suppliers with SMEs, there are other factors which may also influence the suppliers pricing for SMEs, such as *competition* among suppliers:

The new supplier wants to enter in the market and therefore would prefer to even sale at loss of 5-6% just to grab a good company or customers and the supplier would get long-term customers.

(Manager, FM1)

The SMEs in surgical industry uses vendors for purchasing semi-finished products or we can say that these vendors produce the surgical goods for SMEs in surgical industry. The manager, SuM11 describes it how these surgical firms synchronize their marketing activities with their suppliers and what role the trust and commitment plays between these nodes such as suppliers, manufacturers and customers. In other words, we can say how the dyad relationship between two parties influences the relationship of SMEs with its customers.

It is like what commitment vendors do have with us about time and delivery or price; we do commitment with our customers. There may be changes in the committed things due to the factors such as electricity. Vendors request to increase the price as the price for raw-material increases. Surgical industry in itself is the only industry that does not have in-house production. We only produce one or two products and rest of the orders are outsourced by these vendors.

(Manager, SuM11)

Power and dependency as the moderating factor influencing price standardisation.

The interesting fact is that this power and dependency is found influencing price standardisation in more than one dyad relationship, such as SMEs relationship with customers; SMEs dyad relationship with competitors; and finally SMEs dyad relationship with suppliers.

To explore the power and dependency in triad relationship of SMEs with competitors; If the competitors are large firms, probably the SMEs has to follow the competitor based pricing. The competitors are in power position in business network to influence pricing of these SMEs in international markets. This fact is described by Manager, FM2 in following way:

In this situation especially small firms follow wait and see policy or watching the market leader/ big competitors here such as EBM or LU, every biscuits manufacturer is following their pricing.

(Manager, FM2)

Contrary to the size of the competitor firms, the competitors offer similar products at much low pricings in some cases even below cost just to beat other producers and to gain more customers. This leads to the price war in the market and no company can raise the prices due to the fear of losing customers. The competitors having advantage of low cost production such as vendor in surgical industry drops the profits margins for those companies running businesses with high overhead cost (SuM14). This argument is also supported by manager, LM3.

Definitely they do influence our pricing of the product. The competitors lower the price and create price war. The customers who have clear idea about quality do not bother about the small differences in the price.

(Manager, SM7)

It's been found during analyses that competitors' low pricing may also influence the product quality manufactured by SMEs.

There are different qualities available in similar products for example if you buy zipper, same zip is available in 3 different prices Rs 35 or Rs 60 or Rs 75. We use cheap material to save us from competitor's low price offers then we may not be able to maintain quality or if we want to maintain the quality then we should not compromise on price. Though competitors directly influence the price for the product by offering product at low pricing.

(Manager, LM3)

The competitors influence on SMEs from relationship factors perspective leads to price standardisation. Usually in that situation the SMEs tends to lower the price by changing the size of the product or quality of the product. The non-relationship factors such quality of the product may decrease the impact of the relationship factors on price standardisation strategy.

SMEs in dyad relation with suppliers are always in power position in bargaining the price of the raw-material.

For suppliers it is not always easy to increase the price and the decisions of increasing the price by supplier also influence our product price and then we have also have to increase the price of the product consecutively.

(Manager, FM1)

The relationship factors such as trust, commitment, long-term relationships, strong ties and power and dependency in dyad relationships of suppliers with SMEs discussed in detail in second stage of analysis definitely stimulus the business relations among the parties involved. The manager, SM7 also has describes the pricing of the product for its old customers

We do not change the prices with the old customers, as once our relationships are developed with the customers we do not want to lose that customer.

(Manager, SM7)

The importance of relationship factors such as long-term relationships or trust and commitment can be seen from the following quote by a surgical firm:

"Even if I have to reduce my profit margin I should not let go the old customer".

(Manager, SuM12)

Table 6. 15: Summary of the actors and relationship factors influencing price standardisation

SMEs and actors	Relationship factors	Results in
SMEs dyad relationship with competitors	Weak ties, power and dependency, formal ties No trust and no commitment	Price standardisation
SMEs dyad relationship with Customers	Strong ties, power and dependencies, informal ties, Trust and commitment	Price standardisation
SMEs dyad relationship with suppliers:	Strong ties, Trust , commitment , power and dependency, long-term relationship	Price standardisation

When asked from the respondent, for what duration the SMEs standardize the price on business relationship bases. The answer varied from industry to industry. The firm in surgical industry SuM11 explained in detail by saying that:

For at least one year we try to hold the prices especially for old customers, because if we ask them to increase the price then we might lose our customers. If there is the increase in prices for up to 5-10 % then we try to take the burden of prices on us, do not transfer it to the customers. If customer continue buying from us and he give us the profit margin for some products 10% or for other products 15 % then we keep continue doing business with them. When we think that now we would not be able to absorb the increase in price then we might increase the price for once or twice a year.

(Manager, SuM11)

Interestingly, it's been observed that in all four industries such as food industry, sports goods industry, leather manufacturers and surgical goods industry do standardize the price for their old customers and the trust or commitment between the two dyads, but nature of the product as non-relational factor decreases or increases the impact of relational factors which influence price standardisation. For example in food industry where the products are perishable and there is more variation in the prices of raw-material, the SMEs may standardize price but it is usually for one-month only. However, if it is the leather industry or sports goods the products life is more the foods products, the SMEs considering the business relationships with customers can hardly hold the similar prices for their customers for at least 3 months. Another interesting fact which is observed across the cases the surgical goods manufacturers standardizes the price for their customers at least for a year.

Another important factor to be considered here is that the 'power' as relationship factor is more related to the size of the firms and size of the firm as considered as non-relational factor rather a relational factor. The competitor's power and dependency is more related to size of the firm and may be considered as structural factors in business network rather the relationship factor for focal firms and

competitors and indirectly influence the SMEs to keep same price resulting in prices standardisation.

6.7.2 Relationship factors reducing the effects of or aggravating price adaptation strategies

The relationship factors which results in price adaptation decisions are quite different from what we have observed for the relationship factors affecting price standardisation.

Table 6. 16: Relationship factors for price standardisation and adaptation

Relationship factors for price standardisation	Relationship factors for price adaptation
Trust	Mistrust
Long-term relationships	Short-term relationships
Strong ties	Weak ties
Commitment	No or less committed
Informal ties	Formal ties
Actors in power position	SMEs are in power position

On the contrary to the price standardisation, the moderating factors influencing price adaptation are weak ties, formal ties, and short-term relationships. The above mentioned relationship factors in SMEs dyad or triad relationship with customers, supplies and competitors can influence price adaptation as shown in Figure 6.23. Following extracts from interviews describes how these relationship factors influence price adaptation decisions by SMEs. Manager, SuM13 describes how short-term relations influence pricing policy of the firm.

Even if we get new customer from same country we would not be offering the same price which we offer to old customer. Usually we charge higher price to new customers.

(Manager, SuM13)

These new customers may only share formal ties with the SMEs. Because of these formal ties with customers, SMEs usually do not offer good bargain to its new customers.

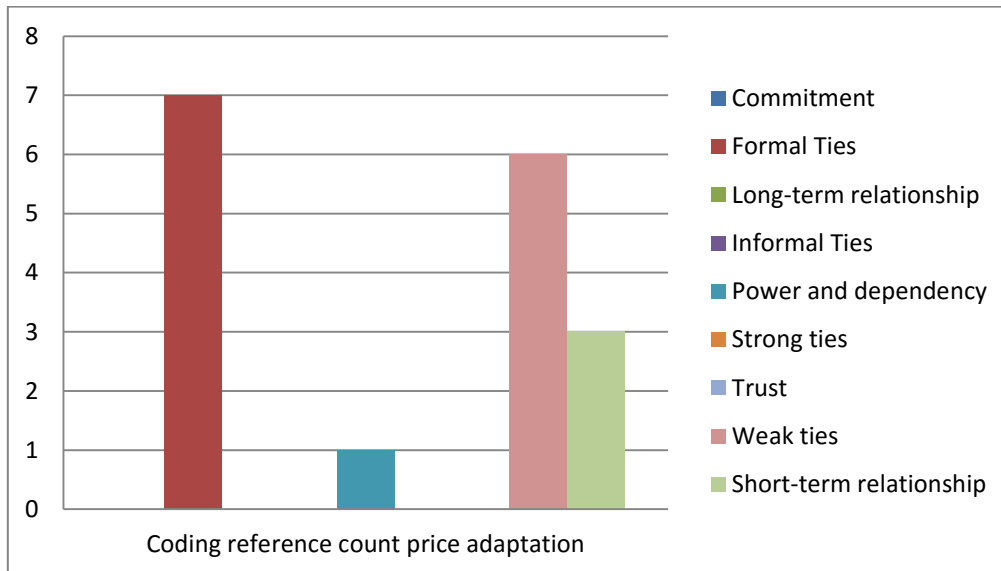


Figure 6. 28: Relationship factors as moderators for price adaptation

Similarly, if the SMEs often change suppliers and do not have long-term relations or strong ties with the suppliers, these suppliers will increase the price every time there is increase in the raw-material price in local and international markets.

6.7.3 Relationship factors reducing the effects of or aggravating product adaptation strategies

In second section of data analysis it is discussed that customers and competitors are the two most influential actors in dyad relationship with SMEs in business network who can influence the product adaptation decisions. The question raised here is what are the relationship/non-relational factors that moderate the product adaptation decisions?. Following figure is extracted using Nvivo 10 for data analysis purpose and the figure shows the coded references of those relationship factors those results in product adaptation in dyad relations of actors with SMEs.

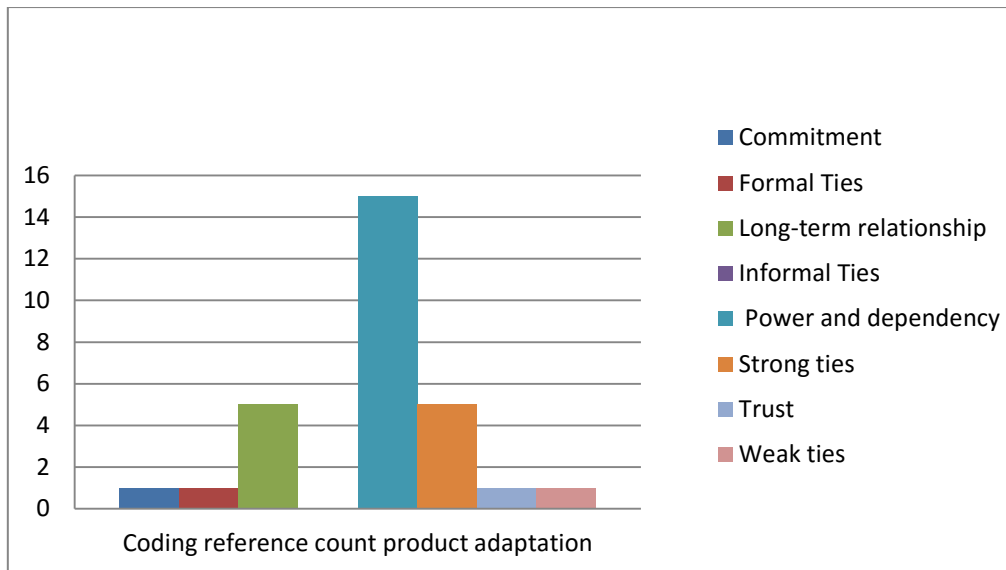


Figure 6. 29: Relationship factors moderating product adaptation

SMEs in dyad relationship with customers usually follow customer's instructions for products. The most influential relational factors are again the power and dependency of customers in dyad relationship with SMEs.

We follow the saying " We make what you desire". Whatever customers will ask we will produce accordingly.

(Manager, SM3)

Another distinguished dyad relationship which may influence product adaptation decisions of SMEs is having strong ties with suppliers and the supplier's capabilities to produce the variety products according to the demand of international buyers for these SMEs. These SMEs have limited resources and capabilities to produce variety products and usually use business networks with suppliers to overcome these issues.

Another interesting finding shows that when SMEs have strong ties with its customers based on trust and commitment shown by SMEs, the customers believes that these SMEs will produce new products according to the international demand. The customers provide designs and catalogue to these SMEs to produce variety products for them and therefore it is inferred that strong ties, trust and commitment in dyad relationship between SMEs and its customers/suppliers results in product adaptation decisions (LM5, LM6, SM8, SM9, SuM11, SuM12, SuM13, SuM14).

6.7.4 Relationship factors reducing the effects of or aggravating product standardisation strategies

In relation to the impact of how the relationship factors influence product standardisation, it emerged that the non-relational factors such as nature of the product or nature of the industry and sizes of the firm have more impact on product standardisation/adaptation decisions of SMEs. For example surgical products are standardized throughout the world, whereas the sports garments cannot be standardized due to the different size population in different countries (SuM12, SuM14). However, the data analysis results shows that the customers are the only actors in b2b network who take product decisions and even the manager, SMEs are not supposed to take product decisions. Following are some extracts from the interviews with SMEs which shows that the customers are in power position and have direct influence on product standardisation/adaptation decisions.

No we cannot bring any change or variation in the product because it would be risky. Customers would only buy those products they ordered.

(Manager, LM3)

We ask from customers what size and colour are required by them. Customer usually tells us and we produce what he says.

(Manager, LM5)

From the above extracts it can be inferred that customers are always in power positions in dyad relations with SMEs.

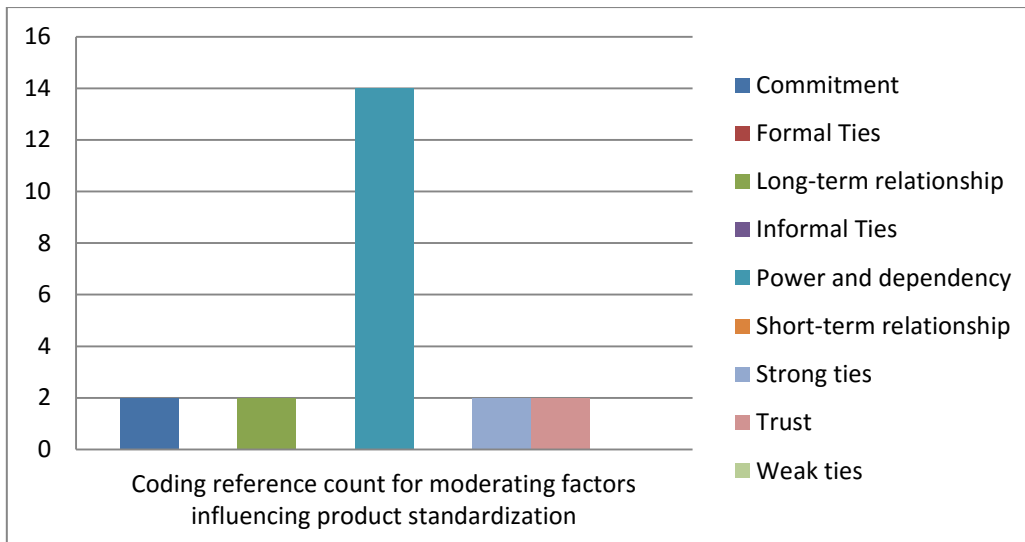


Figure 6. 30: Relationship factors moderating product standardisation decisions

This power position of the customer is further explained in the extract from an interview with manager, SuM13, such as:

Sometimes if it is small buyer he comes to you and whatever you have customer is willing to buy from you, but when you are working with a big brand, so they will come to you with their own samples/designs and they come to you with their own specification or requirement and you need to comply with that. So, it's actually both ways and depends sought of customer you have got or sought of requirement they got. (Manager, SuM13)

From the above stated it is found that not only the power and dependency in dyad relationship of SMEs and customers influence product standardisation, but size of the firm is also linked with the power it have in dyad relationship with SMEs. The customers who buy in bulk and are large firms in business network usually have power in dyadic business relationship.

6.7.5 Relationship factors reducing the effects of or aggravating distribution standardisation

Trust as a relationship factors is the most quoted for influencing distribution standardisation. The other important relationship factors in dyad or triad relationships of SMEs with cargo-agents influencing the distribution standardisation are

commitment, strong ties and long-term relationship (FM1, FM2, SM7, SM8, and SUM12).

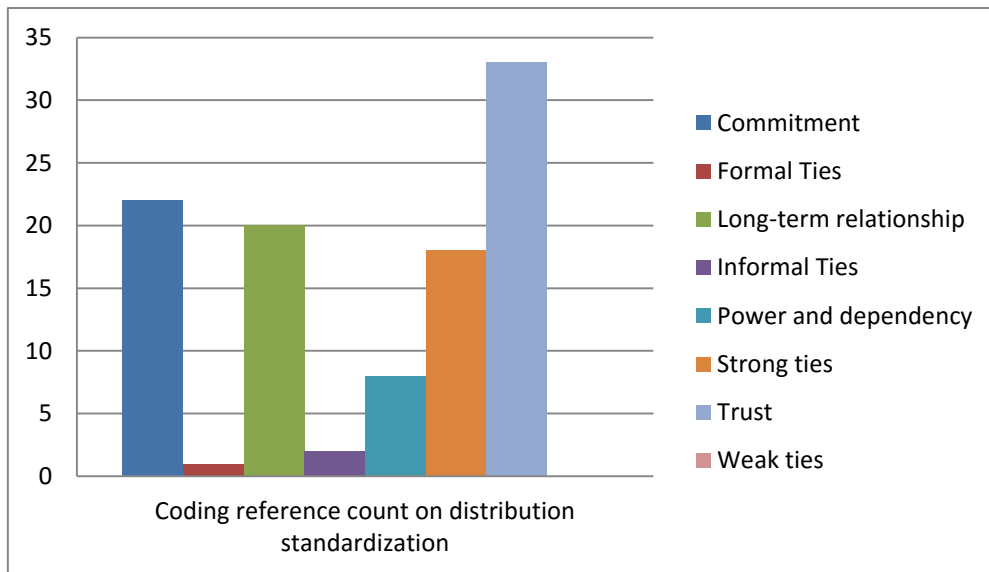


Figure 6. 31: Relationship factors moderating distribution standardisation

Though competitive services, low rates and on time deliveries of goods are really important in distribution channel selection (FM1, FM2, LM3, LM5, SM8, SM9, SuM14). The research study findings shows that relational factors such as trust, commitment and confidentiality are equality likely important for distribution channel standardisation/adaptation by SMEs. Manager, SM7 describes it as follows:

Sometimes it also happens that some cargo-agents may offer low rates in freight but we do not go with them because we do not have confidence on them. We would prefer only those cargo-agents we trust on them and have long-run relationship with them or we are already working with them. For small margins we do not change our cargo-agents.

(Manager, SM7)

At another point during the interview Manager, SM7 further describes the commitment show by these channel intermediaries such as cargo-agent by saying that:

Basically it depends on how committed they are in providing the services to us, such as our customers get delivery on time. Transit time should be minimal so the products should be delivered on time.

(Manager, SM7)

Confidentiality as part of trust has been found vital in SMEs dyad or triad relationship with cargo-agents. The fact that SMEs do not change their cargo-agents because the SMEs want secrecy about its customer's information is confirmed by almost all the cases. All these factors leads to distribution channel standardisation.

6.7.6 Relationship factors reducing the effects of or aggravating distribution adaptation

As mentioned earlier, the SMEs usually have dyad and triad relationship with intermediaries in distribution channel and its customers. There is clear evidence that SMEs usually do not change its channel intermediaries quite often except unless they face any problem from these channel intermediaries such as cargo-agents. It takes time to develop trust on new cargo-agents as well, which is apparent from the following interview extracts:

New agent cannot guarantee that he will make your product available in Africa on time, different legal issues can be there.

(Manager, FM2)

Definitely we need surety that this cargo-agent we are working with will not do such kind of things. This also comes in confidence on our cargo-agent. Basically we are more concerned with time delivery.

(Manager, SM7)

6.7.7 Relationship factors reducing the effects or aggravating the promotion standardisation strategies

Data analysis shows that the SMEs in b2b network prefers to participate in exhibitions and to have more personal or direct relations with the customers rather

just trying using internet for accessing customers. The sample SMEs use both one channel and multichannel strategy for promoting the product to its customers in b2b context (SuM11, SuM12, SM8, LM3, LM4, LM5, and LM6). For example Exhibitions, internet websites, yellow pages, directories, different search engines. Manager, FM2 describes it as:

Most of the time we get access to the customers through these exhibitions or alternatively often we find customers through internet or yellow pages or directories etc. different search engine are also used such as Alibaba.com. We are also listed with various yellow pages they also provide us links or contracts.

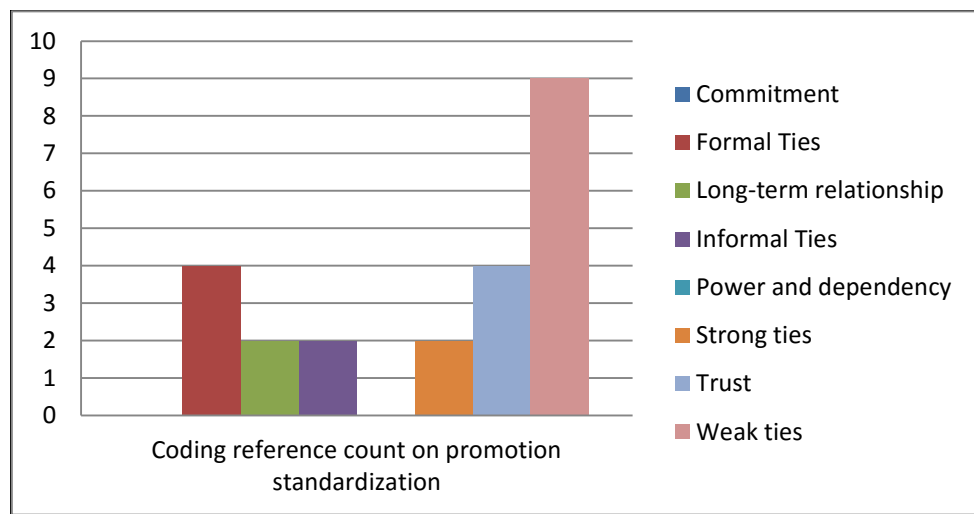


Figure 6. 32: Relationship factors moderating promotion standardisation

Despite the fact that almost all SMEs describe its relationship with government institutions as weak ties or as a part of formal network, the results from data analysis shows that SMEs use government links and relationships to get access to the exhibitions in international markets with subsidized rates. The data analysis results extrapolate that weak ties and formal relations in dyad relationship between actors and SMEs are equally important in strategic choices of SMEs.

Basically these exhibitions are our source of getting orders from customers and we can develop strong business relationships with the buyers.

(Manager, LM6)

Government, when there are exhibitions in different countries such as Germany or USA etc. the government do play role in these exhibitions. The exporter has to pay 40 % and the government bear the 60% for the stalls in the exhibitions. In this way government give subsidy to the manufacturers.

(Manager, SM8)

The government institutions as part of formal network influence promotion decisions of these SMEs. Data analysis shows that almost every SME in sample are aware of government exhibitions and presenting the SMEs portfolio in international market using government participation as plate form to get access to international buyers. Government policies limit this facility to SMEs by implementing policies that no SMEs can participate in such exhibitions for more than 3 consecutive years. Therefore once these SMEs are familiar with how to get access to these exhibitions, later start participating in these exhibitions through private stalls.

6.8 Non-relational factors reducing the effects or aggravating standardisation /adaptation strategies

Non-relational factors are those factors which though influence standardisation/adaptation decisions of the SMEs in business networks but there is no behavioural aspect in terms of dyad relationships such as nature of the product appeared as a very strong factor influencing almost all four marketing mix element decisions in international markets. Quality of the product and size of the firm were also considered as non-relational factors influencing standardisation/adaptation decisions by SMEs in business networks. These non-relational factors are found decreasing the impact of relationship factors on standardisation/adaptation decision made by SMEs. Therefore are considered an important part of the conceptual framework.

6.8.1 Nature of the product/Industry reducing the effects of or aggravating the standardization/adaptation decisions

The nature of the product constraints the impact of moderating factors on strategic decisions such as standardisation/adaptation of the SMEs in dyad relation with actors in business network. For example such as in food industry, as the product is perishable and cannot be stored for longer. This fact influence the stocking of the raw-material by suppliers as well as the b2b manufacturer also usually do not book raw-material in large quantities or for whole year in advance. Therefore suppliers in dyad relationships with manufacturer had less leverage to provide bargained prices to SMEs for raw-material. The suppliers of raw-material for food products can hardly hold same prices or standardize prices for one or two months. This affects the pricing of final food products in international markets by SMEs. SMEs in food industry try to standardize prices for its old customers considering the relationships but nature of the product limits the impact of moderating factors on price standardisation.

In contrast with food industry, surgical goods and leather goods the SMEs tries to standardize price for 3-6 months for their old customers. Whereas in sports goods industry the SMEs book raw-material for whole year in advance with its suppliers of raw-material and hence are able to pass this price benefits to its customers in international markets for longer. By the nature of the product the LM5 produce standardize product such as leather jackets, the only differences are of sizes. There are small sizes or large. In USA they ask for large sizes whereas in Europe small sizes are in demand. In general the prices are different for different customers belonging to different countries. This price adaptation of the LM5 products is based on nature of the product. Therefore it is evident that behavioural aspects of relationship or

relationship factors such as trust, commitment and strong or weak ties or power and dependency between case studies and actors in business networks results in price standardisation and due to non-relational factors such as nature of product , product quality or size of the firm SMEs use price adaptation.

6.8.2 Product quality as non-relational factor reducing the effects of or aggravating the standardization/adaptation strategies

The product quality is considered as one of the non-relational factors which might decrease the impact of moderating factors such as trust, commitment, power and dependency and social ties on standardisation/adaptation of marketing mix element.

I have business relations with them and I am working since last 14 years with some customers. They are very satisfied from our company for our product quality even if they get less price quote from competitors they do not leave us and do not compromise on quality. Their response is that we are satisfied with our existing customers.

(Manager, SuM14)

From the above stated, it is evident that as the SMEs offers different quality products even in the same product line such as surgical goods manufacturers offers standardized product to the international market. However the quality is based on the customer's requirement. Basically different customers ask for different quality products even in same product line. On the one side the SMEs tries to standardisation the product price for its old customers based on the long-term relationships with its customers. On the other side, these SMEs adapt prices because they are producing different quality products for different customers. Therefore it can be concluded that the non-relational factors in business network decreases or diminish the impact of moderating variable in dyad or triad business relationships.

Your firm product quality confines the impact of competitors on price standardisation. If SuM14 manufacture better quality products than its competitors for international markets, then SuM14 can charge higher price for its products and hence reduce the impact of competitors on price standardisation. The non-network factors affecting the price of LM4 (Ltd) may include the quality of the product.

It depends on the quality we sell in these countries. For example in England we sale average quality products, I mean it is not too good quality products neither it comes in low quality. In South Africa low quality products are sold and in Spain always high quality is demanded. There are different categories for the products on the basis of quality it offers, such as A quality products, B quality products, C quality products etc. The prices are according to that required quality.

(Manager, LM4)

Therefore it is inferred that non-relational factors moderates the impact of relational factors on degree of standardisation/adaptation.

6.8.3 Size of the firm as non-relational factors reducing the effects of or aggravating standardization/adaptation strategies

The result of the primary data analysis shows that the size of the firm influences the SMEs standardisation/adaptation from different aspects such as the SMEs in dyad or triad relationship with competitors such as the price standardisation due to the size of competitor's firm. Similarly, larger is the size of the firm, the more it is capable of producing different products and hence results in product adaptation. If the sample SMEs size of the firm is different, the data analysis results shows that SMEs faces different kind of behaviour and have different kind of the relationships with the actors in dyad and triad relationship with the actors in business network. For example if the SMEs is small in size and can handle only a particular capacity for production, than it might also by buying less raw-material from its suppliers and it is clear evident that if

the SMEs buy raw-material in bulk from the suppliers, than these suppliers shows different bargain power as compare to those buyers of (SMEs), the suppliers usually do not offer price reduction and hence SMEs try to cover raw-material cost from overall pricing of the product. Therefore it is concluded that due to the size difference of sample SMEs, the relationship with different actors may differ and hence it might also influence the overall standardisation /adaptation strategies of the firm.

The research result shows that not all actors in relationships with a focal firm influence all marketing mix elements. For example, suppliers interacting with a focal firm only indirectly influence the firm's decisions on price standardisation or adaptation and do not influence standardisation of the firm's promotion strategy. Similarly, dyadic relationship with a cargo agent as an actor will only influence decisions such as standardisation/adaptation of channels.

Table 6. 17: Summary of findings for relationship factors and standardisation/adaptation

SMEs relationship with actors in business networks	Relational factors	Standardisation/adaptation of marketing mix
Dyad relationship between SMEs and customers	Trust	Direct influence of Product standardisation
	Commitment	Direct influence on Price standardisation
	Strong ties	Direct influence on Distribution standardisation/adaptation
	Formal and informal ties	
	Power and dependency	
Dyad relationship between SMEs and suppliers	Trust	Indirect influence on price Standardisation/adaptation
	Commitment	
	Strong ties	
	Formal and informal ties	
	Power and dependency	
Dyad relationship between SMEs and distributors	Trust	Direct influence on distribution Channel
	Commitment	standardisation/adaptation
	Strong ties	
	Formal and informal ties	
	Power and dependency	
Dyad relationship between SMEs and competitors	Formal ties	Indirect influence on Price Standardisation and Promotion
	Weak ties	Standardisation
	Power and dependency	
Dyad relationship between SMEs and government agents	Formal ties	Direct influence on Promotion Standardisation
	Weak ties	
	Power and dependency	
	No or lack of trust and commitment	

Non-relational factor, which may limit the influence of relational factors on degree of standardisation/adaptation of marketing programs.

Table 6. 18: Summary of findings for non-relationship factors and standardization/adaptation

SMEs relationship with actors in business networks	Non-Relational factors	Standardisation/adaptation of marketing mix
Dyad relationship between SMEs and customers	Nature of product Size of firms Product quality	Confines the influence of relational factors on product standardisation Confines the influence of relational factors on price standardisation Confines the influence of relational factors on distribution channel standardisation
Dyad relationship between SMEs and suppliers	Nature of product Size of firms Product quality	Confines the influence of relational factors on price Standardisation Confines the influence of relational factors on product Standardisation
Dyad relationship between SMEs and distributors	Nature of product Size of firms Product quality	Confines the influence of relational factors on distribution channel Standardisation
Dyad relationship between SMEs and competitors	Nature of product Size of firms Product quality	Confines the influence of relational factors on price Standardisation Limits the influence of relational factors on product Standardisation
Dyad relationship between SMEs and government agents	Nature of product Size of firms Product quality	Confines the influence of relational factors on promotion Standardisation

6.9 Finding for inter-coder reliability

The inter-coder reliability allows the researchers to compare the coding done by various coders. For the purpose of measuring Cohen's Kappa, the interview transcripts were coded by two different coders i.e. the researcher or coder A (K) and the coder B(NA). Coder B (NA) was selected as second coder because of his huge experience for Nvivo coding and analysis. Coder B (NA) is nearly finishing his post-doc with major in Entrepreneurships and having a very strong background in computer sciences as well. NA has done his PhD in Computer Sciences with major in Data mining. Second coder reviewed all transcriptions for six sample firms.

The second coder had discussed the context of the researched topic to avoid ambiguities in coding. Second coder was assigned to code 30 % of the actual data coded for this research project. The total number of cases for data analysis was 18 cases, out of which the second coder randomly selected six sample firms. When all coding was completed by 2 coders, the codes were merged into one project.

Inter-coder reliability

To measure the inter-coder reliability, the researcher has used the NVivo 10 software. The coding comparison query results shows Cohen's Kappa inter-coder agreement percentage calculated for all the major nodes and themes such as network actors, relationship factors and the impact on standardization/adaptation of marketing programs such as product standardization/adaptation and distribution standardization/adaptation.

Overall inter-coder reliability of the coded transcripts was 91.38%. Individual document reliability ranged from 71% to 100% throughout major categories of the nodes.

Table 6. 19: Inter-coder reliability by transcripts and document

Transcripts Section	Document No.						Section Reliability
	1	2	3	4	5	6	
Customers as actors	89 %	98%	92%	97%	95%	86%	92.83%
Suppliers as actors	79%	95%	92%	71%	88%	92%	86%
Distributors as actors	82%	94%	75%	79%	88%	89%	85%
Competitors as actors	92%	97%	93%	100%	100%	82%	94%
Government as actors	87%	100%	93%	95%	99%	81%	93%
Trust	71%	79%	100%	100%	97%	88%	89%
Commitment	79%	100%	98%	95%	97%	93%	94%
Power and dependency	81%	89%	98%	94%	93%	100%	93%
Strong ties	89%	92%	91%	100%	100%	100%	95%
Week ties	79%	77%	95%	88%	100%	100%	89%
Price standardization	78%	89%	79%	97%	92%	95%	88%
Price adaptation	99%	91%	95%	91%	100%	100%	96%
Product standardization	98%	95%	91%	79%	98%	99%	93%
Product adaptation	77%	75%	89%	100%	95%	99%	89%
Promotion standardization	78%	99%	100%	100%	92%	82%	91.83%
Promotion adaptation	99%	79%	95%	73%	78%	99%	87%
Distribution standardization	100%	95%	89%	88%	100%	92%	94%
Distribution adaptation	100%	99%	100%	89%	91%	96%	95.83%
Document reliability	92.05 %	91%	92.5	91%	94.61	93%	91.38%

The inter-coder reliability for individual document ranged from 91% to 94.61%. The higher the percentage of agreement between two coders shows the higher the reliability of the coded material and the results extracted from the coded material. Therefore, the researcher is quite confident regarding the outcomes of the results from the data analysis.

6.10 Conclusion

This chapter has presented the cross-case analysis in four steps designed in researched methodology (Chapter 4). Step four in data analysis recapitulates the second and third step in data analysis by further exploring how these relational and non-relational factors moderates the standardisation/adaptation strategies for marketing mix elements. In next chapter, the researcher discusses findings of this study and posits the propositions based on findings from data analysis and conceptual framework.

7. Discussion

7.1 Introduction

This chapter aims at exploring the significance and implications of the findings of this research. The most significant aspect of this research was to explore the interaction in business networks and its influences on strategic marketing decision of SMEs in dyad and triad business relationships. The foremost results of this study reveal that the relationship factors such as trust, commitment, power and dependency and network ties have vital impact on how these SMEs in business networks develop their marketing strategies within the context of standardisation/adaptation of marketing mix programs.

This chapter starts with developing the propositions based on findings from previous chapters. Second these research findings posit conceptual framework based on the empirical findings and proposition developed. Later, this chapter discusses the findings against existing literature on business networks for SMEs. At the end of this chapter the findings will be related to interaction network perspectives presented by Hakansson (1982). This section of the chapter will compare and contrast the research findings with those that are consistent and expected from other studies.

7.2 Propositions

‘A posteriori’ construct development approach is used to develop propositions for this research topic (Eisenhardt, 1989, Miles and Huberman, 1994). Eisenhardt argues that ‘a priori’ construct may biased or and limit the findings (1989: 536). Bryman (2004) also support Eisenhardt approach to construct theory after collecting and analysing the data. Considering potential strength, posteriori approach is used to have more rigorous and robust results based on the empirical findings for this research

work. Another reason for not choosing a priori proposition approach is that the literature needs to be empirically confirmed first. Proposition emerged as the primary data was analysed using cross-case analysis.

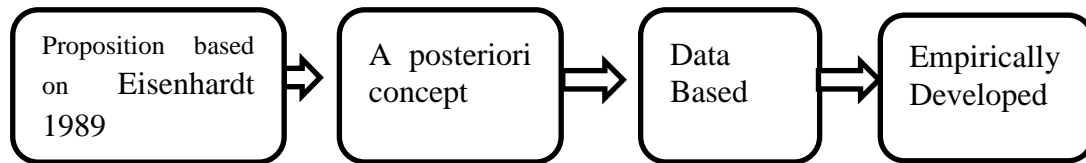


Figure 7. 1: A subsequent proposition development process for conceptual framework

According to Dubin (1978) ‘a proposition may be defined as a truth statement. It is a truth statement of a special and limited kind. The limitation is that we will consider propositions to be only those truths statements that may be made about a theoretical model. Considering above stated definition of proposition we have developed the propositions for our theoretical model of how business networks influence SMEs from developing countries to develop its marketing program along standardisation/adaptation continuum.

The propositions are based on empirical findings from the intra-case and cross-case analysis using Nvivo 10. As described in the Figure 7.1 the propositions are developed using a posteriori concept. A posteriori concept suggests that propositions are gradually develop based on data analysis results from all fourteen cases.

7.2.1 SMEs relationship with actors in business network and strategic marketing decisions

The propositions are based on SMEs interaction in dyad/triad relationship with actors in business networks. There are five major dyadic relationship found during the primary case analysis, such as:

- SMEs relationship with customers in dyad business networks

- SMEs relationship with suppliers in dyad/triad business networks
- SMEs relationship with cargo-agent in dyad/triad business networks
- SMEs relationship with government institutions in dyad and triad business networks
- SMEs relationship with competitors in dyad and triad business networks

Existing literature strongly support the fact there are actors in business networks which may influence strategic decisions of focal firms in dyadic or triadic networks (Smith-Doerr and Powell, 1994, Easton and Hakansson, 1996, Hakansson and Snehota, 1989, Anderson et al., 1994). These dyadic business relationships of focal firm (SMEs) with the actors are also studied focusing on dyad relationship of focal firm with specific actors such as Buyer-seller relationships in business networks (Cannon and Perreault Jr, 1999, Barnes et al., 2007); buyer supplier relationships (Eriksson, 2008); buyer-seller theories and models (Gummesson, 2002); development of buyer-seller relationship (Ford, 1984); manufacturer-distributor relationships (Rosson and Ford, 1982); competitors in business networks (Bengtsson and Kock, 1999) and government as part of business network (Ritter and T., 2004). Various studies has already been done on business network's influence on process adaptation within buyer-seller relationship, adaptations in a supplier-manufacturer network (Hagberg-Andersson and Grønhaug, 2010), however this research findings are unique as these focuses on dyadic and triadic relationship of SMEs and considering the relational/behavioural factors influence on strategic decision of SMEs such as standardisation/adaptation of marketing programs in business to business context.

7.2.2 Relationship factors in dyad and triad SMEs relations with actors in business networks

This section discusses the relationship factors in dyad and triad business networks which have shown strong impact on strategic choices of SMEs in b2b networks context. The literature confirms that these relationship factors such as trust (Morgan and Hunt, 1994), commitment (Dwyer et al., 1987) and power and dependency (Frazier, 1983b) and network ties (Kontinen and Ojala, 2011b) has explicit impact on strategic choices of these focal firms in business networks. Our results are confirming that relationship factors such as trust, commitment, power and dependency and network ties do influence strategic decision of SMEs in business to business network context.

7.2.3 Non-relational marketing factors in dyad business networks influence standardisation/adaptation of SMEs

The non-relational factors identifies during analysis such as nature of the product/nature of the industry and size of the firm and product quality influence standardisation/adaptation of marketing programs are supported by the existing literature (Jain, 1989). The studies on the subject of standardisation/adaptation show how standardisation of marketing program varies with the nature of the industry/product (Boddewyn and Grosse, 1995). This research results confirms that the nature of the industry/products negatively or positively moderates the aforementioned relationship between the two variables. These non-relationship factors are further described in propositions.

7.2.4 Relational and non-relational factors in dyad business networks influencing standardisation/adaptation of SMEs

The findings from this study confirm that actors in dyadic and triadic business relationship with SMEs in business networks influence strategic choices such as standardisation/adaptation of marketing programs. The relationship factors such as trust, commitment, power and dependency and network ties plays the role of intervening factors and reduces the effects or aggravates moderates these standardisation/adaptation decisions of SMEs interacting with actors in business networks.

Based on the above stated findings confirming existing literature and extending it to new dimensions of business network research such as the role of relational and non-relational factors in dyadic and triadic business networks propositions suggested are developed in generic form first. These proposition are classified in two broad categories such as the proposition shown in generic proposition 1 are considering SMEs as unit of analysis, interaction with actors results in network characteristics having influence as intervening network relationship factor, relationship factors such as trust, commitment, network ties and power and dependency as moderating actors influencing standardisation/adaptation as outcomes of the research findings. Generic form proposition 2 describes the non-relational factors as nature of the product, size of the firm and quality of the product as negatively/positively reduces the effects or aggravates the aforementioned relationships between the two variables. In short we can describe it as:

1a: relationship between a relational factor and adaptation

1b: how a non-relational factor moderates the aforementioned relationship above.

Generic form of proposition:

Generic proposition 1:

In a dyadic, the stronger/lesser the X, then the higher/lower the degree of Y

Generic proposition 2:

In a dyadic relationship, the nature of the firm negatively/positively reduces the effects or aggravates the aforementioned relationship between the two variables.

7.3 The propositions based on the dyadic and triadic relationship of SMEs with actors (Customers)

7.3.1 Power in dyad relationship between customers and SMEs

The researchers have explored the dyad relationship between persons and groups in business networks context as early as in 1960's (Emerson, 1962). There is clear evident in the literature that in dyad and triad relationship for individuals (customers) and corporate (business) power relation exists in exchange networks by offering a network exchange theory of how a social structure affects the experience and behaviour of its members (Markovsky, Willer et al., 1988). The customers and manufacturers have different power positions for exchange relationship in business networks (Barens, Naude et al., 2007). According to Dwyer, Schurr et al. (1987), power is conceived as the ability to achieve intended effects of goals and hence power position of the actors in dyads and triad relationships can influence the decisions made by these actors.

Due to the customer's dominance in dyad relations (Axelsson and Easton, 1992), it's almost always the customer who decides what is to be produced in business network. This argument is supported in all cases studies that as customers are more familiar with the demand of their markets they tends to have more variety in the available choice or we can also say the customers ask for modification of the industrial

products before the product is produced (Case 1- Case 14), contrary to consumer products where product is already produced and customers are usually not in position to ask for modification. The responses suggested that in almost all the cases, in business to business context it is always customer who decide what should be product specifications, colour, size and everything related to the product decision.

Proposition 1a: In a dyadic relationship with SMEs, the stronger the power positions of the customer, the greater the degree of product adaptation.

This research results are the extensions to the already existing literature on the inter-firm relationships using power and trust as network dimension in business relationship and its impact on learning and adaptation of process for firms (Huang and Wilkinson, 2006), by adding the impact of power relations in business relationship and its impact on marketing decisions for standardization/adaptation of marketing programs such as product standardization/adaptation.

Considering the data analysis supported by the literature on standardization/adaptation clearly suggests the nature of the product and nature of the industry do influence the standardization /adaptation decisions made by the firms (Jain, 1989, Walters PGP, 1986). The results from data analysis suggested that determinants for product standardization/adaption were different such as packaging, branding, product usage (reselling) based on the variance in the nature of the product across all sample industries (Case 1:Case 18). The case for food manufacturing mentioned it as:

‘Final decisions about products are taken by the customers because they have to sale the product in their own market’.

(Manager, FM1)

The common phenomenon that is discovered that standardization occurs more for the industrial products and less for the consumer products (Waheeduzzaman and Dube, 2004) also support the below mentioned proposition that due to the different nature of the products such as surgical goods (SuM11;SuM12;SuM13;SuM14) and leather products (LM3;LM4;LM5;LM6), there is decrease in the influence of relational factors such power-dependency in customer and SMEs dyad relation.

Proposition 1b: *Non-relational factors such as nature of the product, size of the firm and quality of the product negatively reduces the effects or aggravates the aforementioned relationship between power position and product adaptation.*

The power position in dyadic relationships shows the influence on one party over another party in decisions making. The research result suggests that as the customers are the one who take decisions for product in exchange relationship and they always tends to have variety and modification in the product depending on the market demand internationally (Axelsson and Easton, 1992). Whereas when it comes to the manufacturers, due to their limited capability to produce specific product based on small firm size (Chung, 2003, Chung, 2008, Waheeduzzaman and Dube, 2004), they try to limit the choices made by the customers by offering samples developed by these firm. According to Chung (2003), firm size is negatively related to product adaptation strategy.

By considering this relationship of power position of actors in dyad relationship and taking into account above mentioned link between power position and buyer-seller relationship; one can expect that there is an association between power position of customers with SMEs and its international marketing decisions for standardization/adaptation dilemma.

The literature suggests that various authors have focused on product characteristics as a major element influencing standardization/adaptation decisions of the firms (Boddewyn and Grosse, 1995, Cavusgil et al., 1993, Jain, 1989, Walter, 1989, Chung, 2003). Based on the available literature, that nature of the product and size of the firm (Chung, 2008) along with the strong evidences from data analysis of all cases (FM1;FM2; LM3-LM6; SM7-SM10; SuM11-SuM14) reduces the influences of relational factors such as power-dependency between SMEs and customers on standardization/adaption decisions of marketing programs.

7.3.2 Trust-commitment in dyad relationship for customers and SMEs

According to Ulaga and Eggert (2006), the trust and commitment both have a direct impact on the researched behavioural intensions. He further argues that commitment also positively impact intension to expand business and hence shows the long-term orientation towards business. The firms in business to business relationships purposely maintain the prices for their trustworthy customers who the manufacturers thinks would continue buying the products from the SMEs, therefore the findings confirms and expands the previous studies suggesting the relational marketing variables having impact on strategic decisions.

The literature suggests that older networks do have higher level of trust among network members (Smith and Holmes, 1997). The research results support this argument by Smith and Holmes (1997) and extend the literature by adding that, the higher level of trust between the manufacturer and customers leads to price standardization in business to business context. Therefore we propose:

Proposition 2a: *In dyad relationship, the higher is the trust and commitment between SMEs and customers the more is the price standardisation.*

Trust and commitment are inherently a social phenomenon and appear to be playing vital role in strategic decisions made by the small and medium size enterprise on international markets (Zhou, Wu et al., 2007, Smith and Holmes, 1997). A more in-depth investigation has revealed that the non-relational factors in the business networks such as nature of the product and size of the firm along with quality of the product lessen the impact of trust and commitment on price standardization. For example, the manufacturers having long-term relationship with customers that may lead to higher level of trust as mentioned by Smith and Holem (1997) are hesitant to increase the prices as want to maintain same relationship with customers. The manufacturers often needs to increase price due the quality of product asked by customers is high as compared to previous order. This clearly indicate that though manufacturer still have same relationship with its customers which may usually lead to price standardization of the products but as this time product quality is different, the manufacturer changes the price as it cannot sale the product below this price. This phenomenon can be observed in the sample case for leather manufacturing (extracted from Chapter 6), which states that:

It depends on the quality we sell in these countries. For example in England we sale average quality products, I mean it is not too good quality products neither it comes in low quality. In South Africa low quality products are sold and in Spain always high quality is demanded. There are different categories for the products on the basis of quality it offers, such as A quality products, B quality products, C quality products etc. The prices are according to that required quality.

(Manager, LM4)

It is evident from the above stated the nature of the product and product quality as non-relational factors reduces the influence of trust on price standardization strategy.

Therefore, following proposed:

Proposition 2b:

The non-relational factors such as nature of the product, size of the firm and quality of the product negatively reduces the effects or aggravates the aforementioned relationship between trust, commitment and price standardisation.

7.3.3 Social ties in dyad relationship between customers and SMEs

The social ties exist in almost all business dyads and triad for different reasons. Shi et al., (2007) have studied the connectivity of strong ties in social network for transmitting the information. These social ties plays important role for making strategic choices. Zhou,Wu et al. (2007) wrote about the social ties focusing on internationalization and performance of born-global SMEs and the mediation role of social networks. This research further explores the role of social ties in strategic decision such as internationalization of small firms. Another research by Ellis and Pecotich (2001), suggest that these social ties plays the role of antecedents for export initiation in SMEs. A focus on the content of social ties fits well with Interaction Approach model, a dimension of social exchange process which is actor's interaction among their social bonds. Based on the definition of Bjorkman and Kock (1995), it is evident that customers are the part of social network as social network is 'the network of individuals who are linked through interactions consisting mainly of social exchanges, information and business exchanges also take place through those social relations. The strength of social ties is determined using the criterion of having more frequent and stronger social interactions, where information is perceived to be more trustworthy (Granovetter 1985). Based on literature two other items were used to determine strength of ties such as closeness of a working relationship and

communication (Hansen, 1999, Levin and Cross, 2004). Using both the criterion it's been found the customers have strong ties with the SMEs with whom they are involved in social exchange.

This fact that due to strong ties of SMEs with its customers SMEs tends to offer similar price to its existing /regular customers and hence it results in price standardization is observed during the analysis of almost all sample firms (FM1-FM2; LM3-LM6; SM7-SM10; SuM11-SuM14). The results extracted using Nvivo 10 also confirms that social ties as intervening relationship factor and reduces the effects or aggravates influence of relationship factors on price standardization in SMEs and Customer's dyad. Therefore it is stated that:

Proposition 3a: *In dyad relationship of SMEs, the stronger the social ties with customers, the higher are the degree of price standardisation.*

On the contrary, the SMEs do not offer bargained prices or similar prices to the customers who do not buy regularly or the new customer with whom the SMEs have weak ties. The more regular customers obviously have more interaction with SMEs and hence show strong ties between SMEs and customers. The research agenda lies at the interaction of international marketing strategy and network research. By examining both the behavioural factors such as social ties in business networks and standardization/adaption in marketing literature- we advanced both streams of research and showed how they can be usefully integrated.

The results from the data analysis reveals that there are certain elements which reduces the impact of strong ties between the dyad i.e. SMEs and customers on price standardization such as increase in the price of raw-material or quality of the product.

Proposition 3b: *The non-relational factors such as nature of the product, size of the firm and quality of the product negatively reduces the effects or aggravates the aforementioned relationship between strong ties and price standardisation.*

The relational factors such as social ties in business networks have strong influence on strategic decision of the manufacturing firm more specifically for pricing decisions and have important implications for both theory development and the advancement of management practice in the field.

7.4 The propositions based on the dyadic and triadic relationship of SMEs with suppliers

7.4.1 Power-dependency in dyad relationship for supplier and SMEs

According to Gadde and Snehota(2000), in dyad relationship between buyer (manufacturer) and suppliers, both the parties try to control and manage the relationship so as to achieve their own aims. Gadde and Snehota (2000), suggests that the firms intend to manage long-term relationships with suppliers, coping with interdependences which is aimed to develop the overall business strategies of the company.

In dyad relationship of SMEs and suppliers, the SMEs are the customers of suppliers firms. Considering the dominance for the role of customers (Axelsson and Easton 1992) as the bases shows the SMEs are in power position. The suppliers may also have power position for certain situations such as the access to resources or offering quality raw-material. The Nvivo 10 data analysis based on the extracts from the interviews with supplier and SMEs owner-manager, it is evident that suppliers try to offer similar prices to its customers. Therefore it is proposed that:

Proposition 4a: *In dyad relationship of suppliers, the stronger the power position of SMEs, the higher is the degree of price standardisation.*

Based on the buyer-supplier relationship using interaction approach this research work support the existing literature on power as relational factor in buyers and suppliers (Dwyer and Gassenheimer 1992), this research contributes that the stronger the power position of SMEs in dyad relationship with suppliers would lead to higher degree of price standardization. Extracts from chapter 6 describes it as:

The relationships we have with suppliers is that when we do business with them, we look for the quality raw-material and the suppliers who provide quality raw-material at good rates we keep long term relations with them and continue doing business with them.

(Manager, LM4)

The non-relational factors such as size of the firm, nature of the product and quality of the product, lessen the influences of relational variable such a power position on degree of price standardization. For example, if there is increase in the price of raw-material in international market or the customer is demanding a high quality which comes with high prices, it become difficult to keep same price for longer duration to the existing customers. Therefore, suppliers inform the customers that there is going be an increase in the price and the suppliers are going to change the price after certain period such as after each 3 or 6 months depending on the nature of the product. Therefore considering all these non-relational factors we propose that:

Proposition 4b: *The non-relational factors such as nature of the product, size of the firm and quality of the product negatively reduces the effects or aggravates the aforementioned relationship between power position and price standardisation.*

7.4.2 Trust-Commitment in dyad relationship for supplier and SMEs

Literature suggests that various research articles focus on trust and commitment in buyer-supplier relationship (Finch, Wagner et al., 2010, Dwyer and Gassenheimer 1992, Young and Wilson 1989, Ivens and Pardo 2007, Leuthesser 1997 Zaheer, Mcevily and Perrone 1998). There is clear evidence that trust-commitment as relational factor influence firms /manufacturers in business network (Doney and Cannon 1997). This research result support the existing literature on trust-commitment in buyer-seller dyad relationships (Morgan and Hunt 1997) and contribute by adding the fact that the trust and commitment as intervening relationship factors in interaction of SME with actors in business network having influence on standardization /adaptation as strategic choices of the SMEs and networks characteristics such as trust and commitment reduces the effects or aggravate the influence of relationships on the degree of price standardization.

Proposition 5a: *In dyad relationship of supplier, the higher is the trust and commitment with SMEs, the higher is the degree of price standardisation.*

In dyad relationships between the suppliers and SMEs when relatively dependent firm (*here it would be SMEs*) trusts in the dominant partner's honesty and benevolence, it consequently results in less uncertainty in buyer-suppliers relationships. When there is less uncertainty in such relationships between dyad such as SME and suppliers, the suppliers tends to reduce the price or standardize the price for its customer to have long-term relationship with them. Consequently, for both the firms in dyad relationship such as manufacturer and suppliers, the higher trust will reduce the uncertainty about the prices and due to the commitment made by supplier, the

suppliers also tends to fulfil his commitment regarding material supplied and price offered by him.

The existing literature on network suggests that relationships are a means by which firms influence network counterparts and are a means of influence open to others in return (Ballantyne and Williams, 2008). This is also supported by the extracted from Chapter 6:

We are continuously in contact with these suppliers. There is a specific frame of mind as they understand us and we understand them. As we give benefit to our customers, our suppliers give us the benefit owing to our long-term relationship.
(Manager, LM6)

In relation to the long-term relationship with suppliers, almost all the sample case firms showed that intension to have long-term relationship. Not only the intension but practically these SMEs are maintaining long-term with their suppliers for various benefits such as to develop understanding with supplier. Manager, LM3 and LM6 describes it as:

‘I have told you that all depends on understanding with your supplier. If you have developed understanding then it goes to long-term relations with them. ‘
(Manager, LM3)

The non-relational factors such as the nature of the product and product quality negatively reduce the effects or aggravate the degree of price standardization which is the result of influence of relational factors such as trust and commitment in buyer-supplier relationship.

Proposition 5b: *The non-relational factors such as nature of the product, size of the firm and quality of the product negatively reduces the effects or aggravates the aforementioned relationship between trust and commitments and price standardisation.*

7.4.3 Social ties in dyad relationship for supplier and SMEs

In existing literature, it is evident that the presence of strong links, ties and bonds describes the degree of involvement of the companies in a relationship which shows companies intentions to have long-term relationships (Gadde and Snehota, 2000). It is also evident that social ties strengthen the supplier's relations (Asanuma, 1985, Baker, 1990, Dore, 1983, Gerlach, 1992, Helper, 1990, Simitka, 1991). This research study results further add to existing literature by offering the results that across all 14 cases, the manufacturing SMEs having long-term and strong ties with their suppliers, gained advantage in terms of pricing of raw material purchased from those existing suppliers.

An extract from Chapter 6 shows the kind of relationship between SMEs and suppliers:

Yes we develop personal relationships as well, if you are buying regularly from the same supplier than you might develop personal relationships with the suppliers.

(Manager, FM2)

These strong ties between the buyer/manufacturers and suppliers, brings suppliers in such position where suppliers tends not to increase price of the raw-material just because of existing relationships with buyers (SMEs) and as a consequence the manufacturer also can maintain its prices in international markets based on the strong ties with suppliers. These small manufacturers maintain prices and usually offers standardized pricing to compete in international markets even by having razor thin profits from their customers. Therefore we propose that:

Proposition 6a: *In dyad relationship of SMEs, the stronger the social tie with supplier, the higher is the degree of price standardisation.*

It is evident from the data analysis that suppliers can only maintain similar prices for the raw-material unless the other factors remains same, such as quality of the raw-material or quantity of the raw-material ordered and the nature the products. Ojala (2009) describes that though social ties are important for small firms in business networks, but the result shows that decision to enter these markets is found to be for strategies reasons, rather than to follow the network relationships. The results by Ojala (2009) raise the novel areas for further research such as in what sought of strategic decisions, the social ties are more influential. This research adds to the existing literature by exploring the effects of social ties on international marketing decisions such price standardization due to strong ties between suppliers and SMEs. The cross-case analysis also suggest that this influence of strong ties of SMEs with supplier on price standardization is lessen due to the non-relational factors such as quality of raw-material they offer and nature of the products. The size of the supplier firm and SMEs also influence this prices standardization in reverse.

Therefore, considering all results from sample cases we propose that:

Proposition 6b: *The non-relational factors such as nature of the product, size of the firm and quality of the product negatively reduces the effects or aggravates the aforementioned relationship between strong social ties and price standardisation.*

The literature suggest that relationship factors plays important role in dyad relationship between SMEs and suppliers such as social ties (Han et al., 1993).

7.5 The propositions based on the dyad and triad relationship of SMEs with distributors

7.5.1 Power-dependency in dyad/triad relationship for distributors and SMEs

The existing literature on relationship in distribution channels (Hunt and Nevin, 1974, El-Ansary and Stern, 1972, , 1983) suggests the power and dependence in distribution channel influences the activities of the firms in business network. The researcher's uses different power sources to measure the power in distribution channels (Frazier , 1983). For this research work we used the power based to determine the power between SMEs and distribution channels (Axelsson and Easton, 1992) such as size of the firm, the customer dominancy, access to resources and sources of the power. The research results suggests that almost in all sample cases there is clear evidence the that stronger power position of SMEs based on customer dominancy source of power results in standardization of distribution channels for SMEs.

Proposition 7a: *In triad relationship of distribution channel intermediaries and customers, the stronger the power position of SMEs, the higher is the degree of distribution channel standardisation.*

The non-relational factors such as nature of the product (Jain, 1989) and size of the firms or quality of the product lessen the influence of relational factor such as power on the selection of distribution channel members. Therefore we suggest:

Proposition 7b: *The non-relational factors such as nature of the product, size of the firm and quality of the product negatively reduces the effects or aggravates the aforementioned relationship between power position and distribution channel standardisation.*

7.5.2 Trust-commitment in dyad and triad relationship for distributors and SMEs

Various researchers have focused on the relationship in distribution channel members in business network (Anderson and Weitz, 1992, El-Ansary and Stern, 1972, Hunt and Nevin, 1974, Nevins and money, 2008). The Morgan and Hunt (1994) article on relationship between distribution channel member uses trust and commitment as key mediating and moderating variables in channel member relationships to develop trust-commitment theory. According to Geyskens, Steenkamp et al. (1998) trust and commitment in distribution channels contributes towards the firm's long-term orientation over and beyond the economic outcomes of relationships. This study confirms the presence of trust and commitment in dyad and triad relationship of distribution channel members with SMEs. We ascertain that the high trust and commitment factor in distribution channel relationships with SMEs leads to the distribution channel standardization. The results from almost all the samples firms shows that SMEs owner-manager are reluctant to change their channel members to avoid the anticipated termination and switching cost (FM1,FM2,SuM11). Therefore considering the above mentioned reasons and the support from the literature we propose that:

Proposition 8a: *In dyad relationship of SMEs, the higher is the trust and commitment with distribution channel intermediaries, the higher is the degree of distribution channel standardisation.*

The non-relational factors such as nature of the product such as variation in the level of involvement, product line, and sales volume reasons (Akaah, 1991, Ozsomer et al., 1991, Quester and Conduit, 1996, Michell et al., 1998) and size of the firm (Chung, 2003) play crucial role in standardization/adaptation of distribution channel selection.

These are the factors which lessen the influence of relational factors such as trust and commitment on distribution standardization decisions and leads towards more adapted distribution channel selection. Therefore it is proposed that:

Proposition 8b: *The non-relational factors such as nature of the product, size of the firm and quality of the product negatively reduces the effects or aggravates the aforementioned relationship between trust and commitments and distribution channel standardisation.*

7.5.3 Social ties in dyad and triad relationship for distributors and SMEs

There is clear evidence that the role of social ties have been studied in the context of small firms (Ojala, 2009, Chetty and Agndal, 2007, Coviello and Munro, 1997, Graves and Thomas, 2004). The distribution strategy is mostly adapted for international operations (Walters, 1989). Almost all the research papers available on distribution standardization/adaptation of marketing strategy show the similar kind or results (Lages and Montgomery, 2004, Shoham, 1999, Akaah, 1991, Ozsomer et al., 1991, Quester and Conduit, 1996, Michell et al., 1998, Theodosiou and Leonidou, 2003). Contrary to this our research results shows that the strong ties between the small firms and distribution channel agents leads to distribution channel standardization across the countries.

According to Geyskens et al (1996: 308), the tenor of distrusting relationship is quite different. Therefore firms are likely to behave in different ways, when they find there is high trust between the dyads or there is low trust between the dyads. He further argues that when trust is low, firms are more likely to carefully scrutinize and monitor the other partner's behaviour, to guard against the partner's opportunism and to avoid incurring various costs of such vigilance.

According to Geyskens (1996), when the trust is low, the decisions whether to maintain the relationship are more likely to be based on calculation of immediate benefits versus costs. A channel member who intends to continue the relationship is more likely to be motivated to do so because it cannot easily replace its current partner and obtain the same resources and outcomes outside its current relationship.

We therefore posit that as a firm's trust in its partner decreases, it is more likely to perceive. Considering all mentioned facts we propose:

Proposition 9a: *In dyad relationship of SMEs, the stronger the social tie with distribution channel intermediaries (cargo-agent), the higher is the degree of distribution channel standardisation.*

The non-relational factors such as nature of the product varies across all four sample firm lessen the impact of above mentioned proposition and hence we propose:

Proposition 9b: *The non-relational factors such as nature of the product, size of the firm and quality of the product negatively reduces the effects or aggravates the aforementioned relationship between strong social ties and distribution channel standardisation.*

7.6 The propositions based on the dyad and triad relationship of SMEs with competitors

7.6.1 Power-dependency in dyad and triad relationship for competitor and SMEs

The competitors as an actor in business networks play important role. The literature reveals that SMEs have business relationships with the competitors in domestic markets for different reasons (Chetty and Wilson, 2003). In domestic markets the

SMEs compete with the competitors whereas it is found that SMEs tends to coordinate with competitors for international markets. The data analysis shows that the SMEs usually have indirect relationship with competitors. For example the small firm customers may also be buying from its competitors (Manager, SM7). Usually SMEs often are found as having no direct or dyad relationship with its competitors in local markets. These kinds of relationships between SMEs and customers are described as the non-exchange relationships (Cook et al., 2003). Power positions of competitors are based on the size of the firm in the local market as compare to the SMEs a focal firm (Axelsson and Easton, 1999). If the competitor's firm is larger in size and the price they offer is more acceptable by the buyers than SMEs must have to follow competitor's based pricing and often ended up having similar prices for long durations. Therefore we propose that:

Proposition 10a: *In triad relationship of SMEs, customers and competitors, the stronger the power position of competitors, the higher is the degree of price standardisation.*

Contrary to the above stated, it is also been found that smaller firms in local markets for surgical goods such as vendors for surgical goods are in position to offer surgical goods with great discounted price as compare to the SMEs and gets more customers by offering lower pricing than the SMEs. The findings shows that even small vendors have similar impact on the pricing strategy of SMEs as the SMEs in such business relation cannot increase the price more than the vendors pricing. Or else the SMEs might lose their customers. Extracted from Chapter 6, SuM14 describe it as follows:

We face competition from suppliers (local vendors) otherwise the exporters set their prices in similar way mostly. Exporters adjust the prices and do not have that high competition among them.

This clearly mentioned that size as the power bases do give a power position to the competitors in dyad or triad business relationship. Whether the competitors are small in size than SMEs or larger than SMEs, it does influence price standardization decision of the firm. There for we propose that:

Proposition 10b: *The non-relational factors such as nature of the product, size of the firm and quality of the product negatively reduces the effects or aggravates the aforementioned relationship between power position and price standardisation.*

This is also inferred that the power as a construct is more a structural aspect of business network in dyad relationship between SMEs and competitors.

7.6.2 Triad relationship of SMEs, customer and competitors,

It is evident from the literature review, that there are dyad and triad relationships in business networks having power relations in exchange relationships (Markovsky et al., 1988). Various other articles have also used power as a dimension in business relationships (Huang and Wilkinson, 2006) and especially for buyer-seller relationships (Barnes, Naude et al., 2007, Narayandas and Rangan 2004) and power as function of dependence (El-Ansary and Stern, 1972). Using the size of the firm as the bases for the power in dyad and triad relationship (Axelsson and Easton, 1992) suggest that larger the competitor is, the more powerful position it have in business relationships with actors such as SMEs. Due to the large firm sizes the competitors are able to offer more product varieties as compare to small firms with limited production capabilities. Therefore it is proposed that:

Proposition 11a: *In triad relationship of SMEs, customers and competitors, the stronger the power position of competitors, the higher is the degree of product adaptation.*

Similarly it have been mentioned that customers dominancy in dyad and triad relationships based on Axelsson and Easton (1992) power of bases also results in product adaptation which is evident in aforementioned in customers related power positions propositions.

Contrary to the above given proposition, the nature of the product and quality of the product as mentioned by Jain (1989), do influence the industrial product standardization/adaptation decisions and reduces the impact of power positions of customers and competitors and its influence on standardization adaptation of product.

Therefore it is proposed:

Proposition 11b: *The non-relational factors such as nature of the product, size of the firm and quality of the product negatively reduces the effects or aggravates the aforementioned relationship between power position and product adaptation.*

7.7 The propositions based on the dyadic and triadic relationship of SMEs with government agencies

7.7.1 Trust-commitment in dyad and triad relationship for government agencies and SMEs

The literature suggests that the trust-commitment between government and SMEs can influence the outcomes of experience in that dyad relationship (Buchanan, 1974). Based on the findings from data analysis using Nvivo 10, it is revealed that the lesser the trust in dyad relationship between the government and SMEs compel SMEs to look for new ways of promoting the product in international markets, rather relying

only on Government agencies for exhibition participation. Therefore it is proposed that:

Proposition 12a: *In dyadic relationship of SMEs, the lesser the trust and commitment with government, the higher is the degree of promotion adaptation.*

The non-relational factors such as the nature of the product and size of the firm lessen the influence of relational factors on the degree of promotion adaptation decision made by SMEs.

Proposition 12b: *The non-relational factors such as nature of the product, size of the firm and quality of the product negatively reduces the effects or aggravates the aforementioned relationship between lesser trust and commitment and promotion adaptation.*

7.7.2 The Social ties in dyad and triad relationship for government agencies and SMEs

Granovetter (1983) reveals that the weak ties provide the bridges; the decision making however, is influenced mainly by the strong-ties network in each group. The literature on social ties suggest that managers' interpersonal ties with top executives in other firms and with the government officials help improve business performance on market share and return on assets (Peng and Luo, 2002, Zhou, Wu et al., 2007). This findings from this research works confirms the existing literature on governments as the part of social network of small firms and its impact on overall performance and extend the existing literature on international marketing literature by adding that strong social ties of SMEs with government officials (Buchanan, 1974) in b2b context leads to standardization of promotion by using similar mode of promotion such as participation in trade exhibitions managed by government officials. Based on these findings across all cases we propose:

Proposition 13a: *In triad relationship of SMEs with actors in business network, the stronger the social ties with government agents, the higher are the degree of promotion standardisation.*

The literature suggests that social network perspective is considered fundamental and vital to the study of network relationships and its effects (Zhou, Wu et al., 2007).

The promotional strategies for SMEs in business to business context differ from the firms in B2C markets. The literature reveals that in business to business context usually B2B companies prefer targeted and personal activities in the shape of events and exhibitions, relationship marketing and sales support activities (Jensen, 2006).

The results from the data analysis also suggest that stronger ties with government agencies leads to the use of standardize promotional activities (SM7; SM8; SM9 and FM 1 and FM2). Based on the differences in the nature of the product or size of the firm the results shows little variance in answers such as for FM1 and FM2 as food manufacturing firm uses different kind of approach for using exhibitions for promotion of the product as compare to Surgical goods manufacturers. The data analysis using Nvivo 10 describes that even within the same industry such as surgical goods; the SMEs used different approaches for promotional strategy. In surgical industry very small firms relies totally on government for using government as platform to participate in exhibition. Whereas, the large and more stabled firms rely less on government for participation in the exhibition and rather use private exhibition for promotion of the products in international markets. Therefore it is proposed that:

Proposition 13b: *The non-relational factors such as nature of the product, size of the firm and quality of the product negatively reduces the effects or aggravates the aforementioned relationship between strong ties and promotion standardisation.*

7.8 Conceptual framework development

The conceptual framework is based on the empirical findings from the individual and cross-case analysis. This conceptual model is based on and consistent with the IMP Interaction Model (Turnbull and Valla, 1985). The conceptual framework is based on empirical findings for SMEs relationships with actors in business networks and its impact on standardisation/adaptation decisions. It divulges key assumptions that underlie the conceptual framework and defines the relationships among the concepts such as relational factors and non-relational factors as moderators.

Conceptual framework has under gone through various changes to take this final shape. Initially the conceptual framework covered only SMEs and networks as external factors influencing standardisation/adaptation for programs and processes. Finding from the pilot study suggest there is an intervening or mediating variable that influence, enhance, moderate, reduces the effects or aggravates or even relegate the standardisation/adaptation.

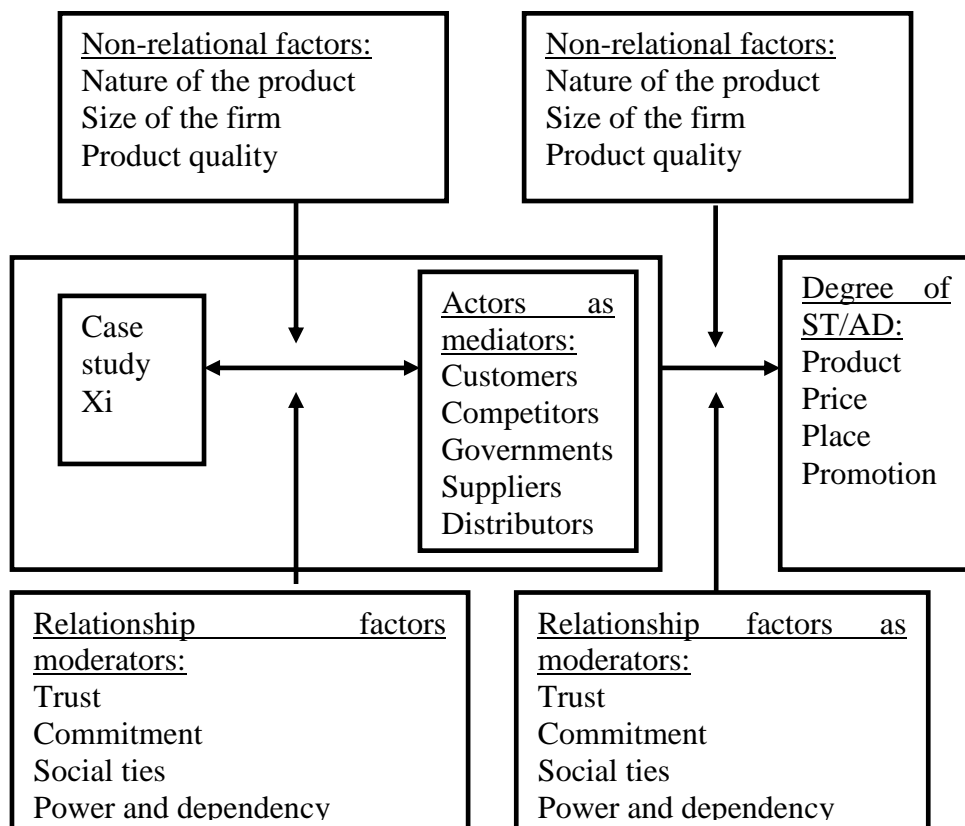


Figure 7. 2: Conceptual framework for business network influence on standardisation/adaptation strategies

In the light of that finding from pilot study conceptual framework is further developed. By incorporating interaction approach (Håkansson,1982) further progress has been made in conceptual framework. Intervening or mediating factors such as trust, commitment, power-dependency and social ties develops due to the interaction between SMEs and actors stands between the focal network and the outcome of the research standardisation/adaptation of marketing mix. Initially it was decided to use only mediating variable showing interaction between SMEs and actors in business networks. Later based on the data analysis the moderating variable was also added to find the influence standardization/adaptation of marketing programs.

The intervening factors such as trust, commitment and power-dependence and social ties plays vital role in dyad and triad relationships of SMEs and network actors which may result in standardisation/adaptation of international marketing strategies and further at next stage in interaction these relational factors reduces the effects or aggravates the impact of relational factors on standardization/adaptation. The relational factors are found as external factors in dyadic and triadic business relations of SMEs with actors in business network. However, the non-relational factors such as nature of the product, size of the firm and quality of the products are internal to the focal SMEs and these non-relational factors lessen the influence of relational factors on strategic decisions such as standardization/adaptation of marketing programs.

7.9 Conclusion

Our findings are in line with existing research on international marketing decisions and business networks and suggest that study provide rich insights into international marketing decisions such as standardisation/adaptation, generally and relationship factors moderators as paradigms of relationship marketing specifically. The SMEs

relationship with actors in business network has obvious spatial applications on strategic decisions within standardisation /adaptation continuum.

For future research the conceptual framework presented requires further discussion and empirical investigation in terms of export performance outcomes. Little is known about standardisation /adaptation of marketing programs within business networks and relationship marketing context. More specifically how the strategic choices of standardisation/adaptation considering the relationship factors in dyad and triad business relations affects the export performance outcomes of these SMEs. The notion is implicit that SMEs export performance outcomes can be linked to the fact that how these SMEs develop, maintain and sustain relationships with actors in business network which due to relational factors such as trust, commitment, power and dependency and social ties may influence strategic decisions such as standardisation/adaptation of marketing programs.

8. Conclusion

8.1 Introduction

This chapter reflects on whether the research questions initially identified in Chapter 1 have been addressed, and presents concluding remarks on the outcomes, future directions and implications of this.

8.2 Outcomes of new knowledge

When conducting academic research, it is important to discuss explicitly the choice of theoretical perspective because the chosen perspective has an impact on the theoretical concepts and models and on the chosen method of research (Gummesson, 2000). This current thesis is influenced by two schools of thought in the field of marketing: the Interaction and network approach (INA) and also known as the Markets-as-network approach, and the IMP approach (Axelsson and Easton, 1992, Hakansson and Snehota, 1995) and standardization/adaptation approach (Jain, 1989).

The INA is main theoretical approach and Social network approach or trust and commitment theory are supporting approaches for my thesis. The INA approach provides concepts and models to analyse standardization/adaptation and build the framework. The power theory and social network theory or social exchange theory is used as sub-approaches used to further explore the role of mediating and moderating relationship marketing factors such as social ties and power & dependency in the research framework

Altogether the eighteen SMEs case studies reflect how business networks influence the design of standardisation and adaptation strategies by SMEs from an emerging economy. General conclusions derived from these case studies contribute to existing

knowledge of how behavioural and social aspects of business networks, such as trust, commitment, social ties and power and dependency, influence SMEs' international marketing strategies along the standardisation/adaption continuum.

The Industrial Marketing and Purchasing (IMP) Group interaction approach has been used to explore how actors in a business network influence SMEs' standardisation/adaptation of the marketing mix as a result of behavioural characteristics of the business network. This behavioural aspect was missing from the ARA model of business networks (Hadjikhani and LaPlaca, 2013). Interaction between the actors and the sample SMEs in business networks reveals that there are exchange processes between the focal firm and the actors. IMP Group researchers have worked extensively on process adaptations in the context of exchange processes under the umbrella term 'business relations' (Brennan et al., 1998). This research work makes a significant contribution by identifying that not only does process adaptation and standardisation take place through business relations in both parties of a business network, but also the behavioural aspects of business relations have an enormous impact on the way in which such organisations standardise or adapt their international marketing strategies across industries.

The IMP Group has extended its work by adding a 'network model of the organisation-environment interface' to explore strategy management (Håkansson and Snehota, 2006) . This network model relies more on the ARA approach and considers the role of actors' activities and resources in the process of managing business strategy (Håkansson and Snehota, 1995). However, it suggests that the behavioural aspects of business networks, such as trust, commitment, social ties and power and dependency, are more influential on strategy development in the standardisation/adaptation context (Hadjikhani and LaPlaca, 2013). The results rely

on the 'interaction approach' to business networks. Moderating factors in dyadic and triadic relationships between SMEs and actors, such as suppliers, customers, competitors, distributors and government agencies, influence the standardisation/adaptation of marketing mix elements within specific dyad/triad relationship settings.

My research findings are in accordance with the theoretical development in the field of business networks, where IMP Group has the major contribution since more than 50 years. Along with that the research findings also contribute to the extending the existing literature on social ties in business network. The literature review on social networks also clearly reveals that findings are not only confirms their finding in social networks but , these finding also extend the existing knowledge by showing that social networks do have impact on international marketing strategies such as standardization/adaptation.

The research relationship factors such as trust and commitment have also been researched in various dyad/triad relationship settings such as buyer-supplier relationships (Morgan and Hunt, 1994). These research findings are also in accordance with the existing findings on the trust and commitment in business networks. So are the other relationship factors and non-relational factors in the research framework. This research provides insights into SMEs' business relationships with actors by focusing on dyadic and triadic relationships. Using the 'interactive' perspective on network research proposed by the IMP Group, it is argued that interpersonal and inter-organisational relationships with specific actors lead to the standardisation/adaptation of only certain marketing mix elements. For example, the results of case studies with cargo agents (distribution channel intermediaries) suggest that strong ties, trust, commitment and longevity in dyadic relationships lead

to distribution channel standardisation but do not influence an SME's product, promotion or pricing decisions. Similarly, dyadic relationships with suppliers only indirectly influence SMEs' price standardisation decisions. The results suggest that competitors, as actors and as part of a business network, influence the pricing strategies of SMEs. This influence on price standardisation resulting from power and dependency in dyadic relationships between competitors and SMEs may be directly related to firm size. Customers, as actors in dyadic relationships with SMEs, influence the standardisation/adaptation of most marketing mix elements, such as product, pricing and distribution. Price standardisation is the most significantly influenced element in dyadic relations within a business network.

The research results elaborate the role of relationship factors such as trust, commitment, power and dependency and social ties in dyadic relationships in business networks, identifying that these relationship factors reduces the effects or aggravates the standardisation/adaptation of SMEs' marketing mix decisions. The aim of this study has been achieved, as the results reveal the strong impact of relationship marketing elements, such as trust, commitment, social ties and power and dependency, on international strategic decisions such as the standardisation or adaptation of marketing mix elements.

8.3 Limitations of the study

The limitations of focusing on Pakistan relate mainly to the collection of primary and secondary data for research work. Primary data were collected through in-depth interviews with sample case firms across four industries. The snowball sampling method was used, but there was a lower response rate, especially from customers, for second and third interviews based on references from first interviews with SMEs.

This research focuses on dyadic relationships between focal firms and actors, so it was equally important to collect data from the perspectives of both SMEs and actors. Almost all SMEs refused to provide details of their customers. Similarly, the SMEs were unable to provide references for interviews with their competitors. Despite these issues, the researcher managed to conduct second and third interviews with suppliers, distributors and government officials in the SMEs' business networks. The results are based on the SMEs' perspectives on how they make standardisation/adaptation decisions, it is important to further explore the actor's perspective as well.

From a methodological perspective, a limitation of case study research is that the population may be too small to draw adequate samples. The number of sample cases used for analysis was limited to 14 cases and the focus of analysis was narrowed in order to improve the quality of the results. The findings of this study are limited to the small manufacturing firms in b2b network in four industries hence, in service providing sector in b2b networks, the impact on international marketing strategies lead to different outcomes. Another limitation of the secondary data collection was that the literature was limited to only a few, relatively old studies. Few studies focus on marketing in SMEs (Mian, 2008), and even government websites and sources fail to provide the most recent data (Shahid, 2008) .More than 98% of SMEs in Pakistan employ fewer than ten people (Bari et al., 2005) and therefore generalisation of the results is based on decisions taken by these firms from the perspective of relationship factors rather than structural aspects (e.g. size of the sample firm) of business networks. The SME manufacturing sector experienced a 50% decline between 1981 and 2001 (Bari, Cheema et al., 2005); therefore, only firms which had successfully conducted business in an international market for ten to twenty years were included in the sample.

8.4 Future Research

In the current research, the propositions, conceptual framework and theory were based on a qualitative mode of research. Future research needs to empirically test the conceptual model. To empirically test the conceptual framework validation, reliable and valid measures of four factors proposed in the model as mediating and moderating variables needs to be developed. Moreover this research will spotlight the great potential of providing the guidelines in policy-making and managerial decision-making of SMEs managers and potential stakeholder.

In future research, the researcher aims to explore the given conceptual framework further by adding another variable – the performance outcomes in the existing conceptual model. The aim will be to confirm the theory presented in this thesis using an empirical method of research to identify the role of these moderating variables in dyadic relationships and the impact of standardisation/adaptation strategies on export performance from a business network perspective. Standardisation/adaptation strategies and their impact on performance outcomes have been the focus of researchers over the last three decades. Kotabe and Omura (1989) find a positive relationship between standardisation and performance outcomes. Cavusgil and Zou (1994) argue for a positive relationship between adaptation and the performance outcomes of exporting firms, suggesting that SMEs' past performance has a significant impact on their marketing strategy adaptation. Standardisation/adaptation of marketing strategies has an obvious impact on the performance outcomes of exporting firms (Lages, 2000), but this has yet to be explored from a relationship marketing and business network perspective.

Certain findings arising from the analysis could not be included in this research work. For example, it has been found that industrial clusters exist in the local market. These clusters potentially influence the international marketing strategies of SMEs, which may be a topic for future research. Future research might also focus on cluster development in different industries and its impact on the standardisation/adaptation of marketing programmes by SMEs within these clusters.

Another potential future research area is the non-relational factors such as nature of the product and size of the firm. How does the nature of a product drive a company to develop business networks which lead to standardisation of marketing mix decisions? A separate study of how firm size affects relationship factors in business networks, which may lead to different standardisation/adaptation choices, is a major avenue for further research using similar research methods.

One case study reveals that a company's strategic choices differ according to geographical proximity/distance in business networks and its impact on marketing mix elements, which needs to be confirmed across cases. As geographical proximity/distance is a structural aspect of business networks, whereas this research focuses on behavioural aspects, it has not been included in this research. Similarly, embeddedness of business networks is a structural aspect of business networks and hence will be considered for future research.

Literature review suggests that there is still need to elaborate local networks, internet based networks, e-portals, e-marketing, because with the advancement in technology and its use in business activity it is very clear that the networks are not only confined to local/physical networks but also includes virtual networks. This research work can be extended to such a great length for online networks and their impact.

8.5 Implications

The implications of these research results can be seen from three broad perspectives. Firstly, they make an academic contribution to existing knowledge of how networks influence the international marketing decisions of SMEs along the standardisation/adaptation continuum. Secondly, they raise implications for SMEs working in the real business environment within business networks. The concept of engaged research used in some ESRC projects would help bridge the gap between the research outputs and their implications for SMEs, bringing more relevance, topicality and applicability to the outcomes of this four-year study. This would improve the capabilities of SMEs to develop and maintain business networks, which may have long-term strategic implications for SMEs, leading to better performance and financial outcomes. The researcher aims to participate in this kind of engaged research to investigate the implications of the research outcomes.

The results of this study provide a better understanding of the strategic implications for marketing activities of actors and focal firms in business networks, and how dyadic or triadic relationships between actors are moderated through trust, commitment, social interaction, and power and dependency between network members within the context of developing economies such as Pakistan. The result from this study provides unique contribution to the existing literature on standardization/adaptation. The four relationship marketing factors aids to decisions relating to standardization/adaptation in international marketing context.

This research results can contribute to policy makers, practitioners and researchers within the context of developing countries SMEs such as n Pakistan, as very limited research has been done on business networks in Pakistan and how networking for marketing activities can improve overall performance of SMEs within Pakistan.

Providing the policy makers with the vision that by facilitating the development of business networks for SMEs marketing activities and by having strategic planning such as standardisation/adaptation can increase the SMEs contribution to the country's economy.

Thirdly, for researchers, this study extend and contribute to the available literature on business networks, IMP group , INA network approach, Social network approach, and more importantly to the existing literature on international marketing strageis such as standardization/adaptation and opens the opportunity to explore the behavioural/ relational factors in business networks from various perspectives to find the influence on standardisation/adaptation of marketing program for b2b products.. Better understanding of these dynamic aspects of business networks and their influence on the standardisation/adaptation of marketing elements may improve SMEs' output performance.

8.6 Conclusion

Though monetary benefits are crucial for all business firms, but the relational behavioural factors are important as well for businesses. This was really an interesting finding itself the in various dyadic relationships of SMEs with suppliers and customers, the SMEs showed trust and commitment to its customers and due to the trust and commitment and intension to have long term relationships with it customers, the SMEs were using more standardized pricing for their old customers where possible. It's been found that 'price ' as marketing mix element is the most influenced by relationship factors in business networks.

This research proposes a theory of how relationships between focal firms and actors influence the standardisation/adaptation decisions of SMEs, and how relationship factors such as trust, commitment, power and dependency and social ties reduces the effects or aggravates the impact of these relationships on the standardisation/adaptation choices of a firm. This research paves the way for moving from direct business network research to international marketing strategies. Mattson encapsulates beautifully the various aspects that have been major themes of this study: network theories are an 'actor's set of systematic beliefs about market structure, processes and performance and the effects of its own and others' strategic actions' (Mattsson, 2003:417).

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