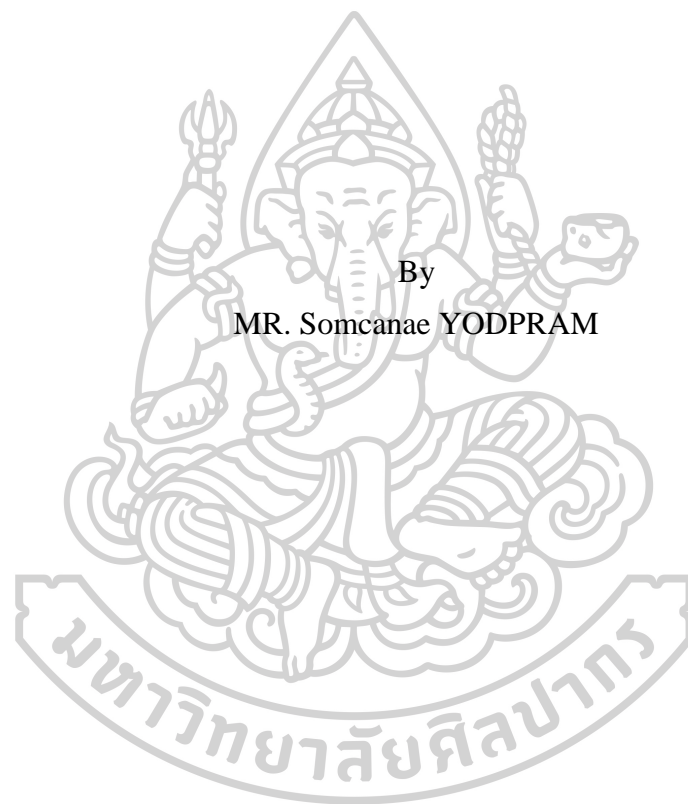By
MR. Somcanae YODPRAM

A Thesis Submitted in Partial Fulfillment of the Requirements
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# KNOWLEDGE ACQUISITION AND NETWORKING IN INTERNATIONAL TRADE SHOW: THE IMPACT ON MARKET SELECTION AND MARKET ENTRY MODES

By

MR. Somcanae YODPRAM

A Thesis Submitted in Partial Fulfillment of the Requirements
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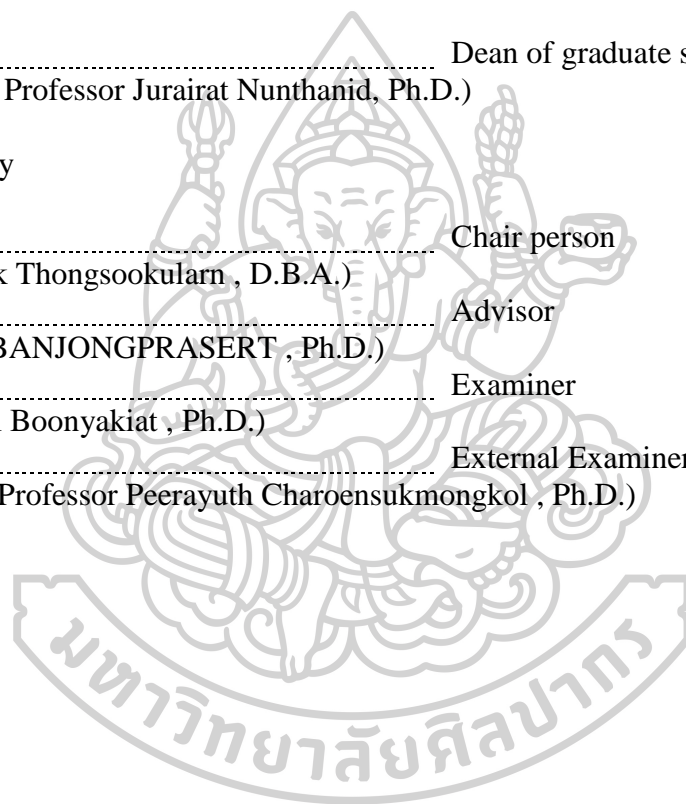
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     Contemporary research in the field of international business has shown interest in the international activities of small and medium enterprises (SMEs) in emerging economies. The related literatures have been growing in the second half of the 20th century. Among these, the relevant literatures with regards to international trade show have shown their significant in gaining knowledge and network on international markets. Despite the critical roles in promoting products and service, international trade show has received little attention in the SMEs' context. In addition, the international trade show activities and internationalization process in the SMEs' context have become one of the most international business areas of study. The emphasis of this study is on the roles of knowledge and network acquired from participating in international trade shows of SMEs.

     The qualitative research aims to indicate the influences resulted from different types of knowledge and network on two mains SMEs internationalization: market selection and entry mode. Based on literature, there are five types of knowledges: market, product, cultural, competitor, and technological knowledge and four types of networks: buyer, competitor, supplier, professional and government network that SMEs received from trade show participation. Market selection are divided into different categories namely, pattern, stage, as well as pace, and type for entry mode.

     The qualitative data were collected by semi-structured interview of managers/owners with a sample of twenty two SMEs was conducted to determine the influence of knowledge and network on market selection and entry mode. The findings lead to the conclusion of definition for each type of knowledge and network including shipping knowledge which was not initially found on existing literatures. In addition, different firms perceive the importance of each elements in knowledge and network unequally. All of knowledge and network was blended into knowledge and network that firms received from other sources. Their impact and process on market selection and entry mode are differently depends on capabilities and limitation of each firms. Various internationalization theories including Uppsala, International New Venture, Born global, Resource-based view, Eclectric paradigm and Network are used to discuss the findings.

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Last but not the least, I would like to thank my family for supporting me spiritually throughout writing this thesis and my life in general. Special thanks for my mother who is my first initial motivation in pursuing this precious journey.
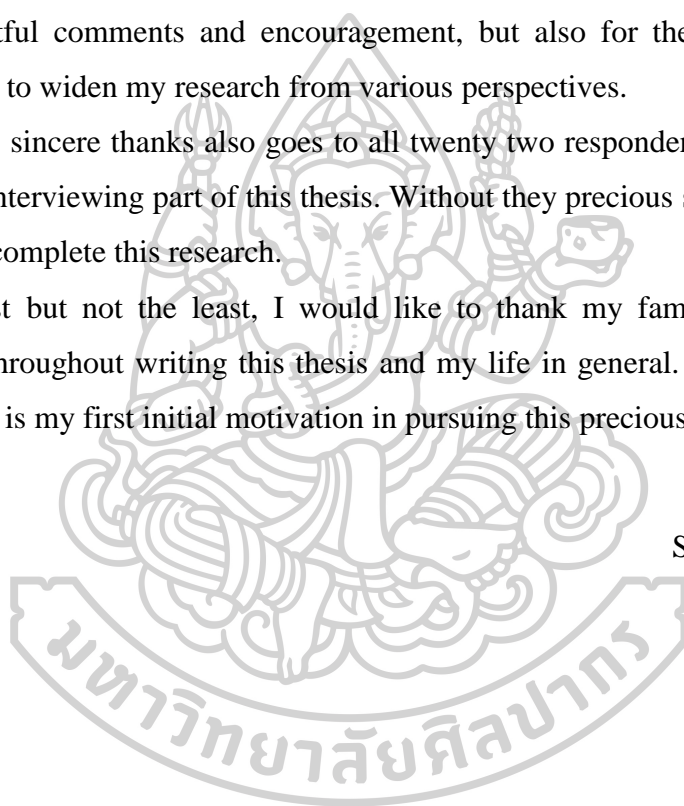
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**Chapter 1 Introduction**

**1.1 Research Background**

Over the last decade, research on internationalization field emphasis on Multinational Enterprise (MNEs). However, the unit of analysis has shifted from the larger level such as country to smaller one such as subsidiaries of firms (Rugman et al., 2011, p. 755). Contemporary research in the field of international business has shown interest in the international activities of small and medium enterprises (SMEs) in emerging economies (Zhou et al, 2007). The related literatures has been growing in the second half of the 20th century (Mejri and Umemoto, 2010). Their behavior and actions have attracted interest from academic researchers as they are increasing their importance to economic development of developing countries.

SMEs' international activities and their internationalization process is becoming significant aspects of international business research in emerging economies. According to global statistics, SME is account for approximately 80 percent of global trade. From domestic country contribution perspective, SMEs supports growth in production and create 50 to 60 percent of global employment which resulted in economic growth (UNIDO 2002, as cited in Kaffash M. et al, 2012, p. 51). Globalization has brought SMEs immerse in global trade community. SMEs has their advantage in flexibility and excel their strategic option to achieve growth. As it is easier access to international marketing activities such as trade show and exhibition, SMEs are able to present their competitive advantage and achieve accomplishment in global trade. Various literatures view trade show as platform for selling activities, while others observe trade show on different functions such as gathering information and obtaining business contacts. Different perspectives lead to new discovering in this field.

Previously in international business field, internationalization is explained by Uppsala or Uppsala model, which firms immerse themselves in international trade gradually in form of exact stage of involvement. With present technological advancement which made trade barriers decline, SMEs can enter international markets at faster pace. Various related theories such as International New Ventures (INVs) and Eclectic theory were presented later in order to explained internationalization through different lenses. Today, researchers still try to explain the phenomenon. Existing theories are debatable while new theories and research with different perspectives has been developing to explain reasons and internationalization process. Many theories have been applied to investigate various phenomenon of SMEs. Particularly, the cases for developing economies remains an attractive area for researchers to explore.

Due to the complexity of globalization, there is the need for new perspective in explaining internationalization process especially for the case of SMEs in developing countries. There are various motivations for small firms to expand markets aboard such

as access to newly markets to accomplish target growth. Globalization enable many SMEs from emerging economies to enter global market due to the necessity to survive which is unavoidable (Hashim F., 2012, p.97). Internationalization is the phenomenon impacted from various internal and external factors (Mejri K., Umemoto. K., 2010). The integration of explanation has not yet widely conducted. Among the external factors, participating in international trade show is one of the approach for global expansion (Karabulat A., 2014, p.53). After the completion of various literature review, there was a motivation to conduct the research that fill the gap of smaller units of business and developing countries. Therefore, the thesis under the mentioned theme was developed to explain the phenomenon.

**1.2 Definition of SMEs**

The interpretation of SMEs is varied among countries. Kaffash M. et al., (2012) proposed that the best definition of SMEs was given from Bolton Committee in 1971. They define SMEs as enterprise that has low partial ratio in competitive market and cannot influence on market price. Other scholars identified SMEs by using number of employee and amount of capital as the main criteria. For number of employee perspective, United States define SME as a company that has 500 employees or less. In Taiwan, number of employees in SME limited is 650 or less. Malaysia categorized small scale firm is a company with less than 50 full time employees and with turnover of less than RM 10 million, meanwhile the range of employee for medium-scale business unit is between 51-150 employees and annual turnover of between RM10 million to RM 25 million Cavusgil S.T., Knight G. and Riesenberger, J.R. 2008, Lin K. and Chaney I., 2007, cited in Helliah S., et al., 2010). In Thailand, the Thai Ministry of Industry defines SMEs and classifies them into production, service, and trading sectors as shown in Table 1. Number of employees and capital are our main criteria in selection measures. This research employed the definition of SMEs from Thailand Ministry of Industry with focusing on size of employees as a main criteria. Therefore, it is defined as the enterprise that has employees under control of less than 200 people.

**Table 1 Thai SMEs classification**

| Type | Small | | Medium | |
|---|---|---|---|---|
| | Employees | Capital (million baht) | Employees | Capital (million baht) |
| Production | Not more than 50 | Not more than 50 | 51-200 | 51-200 |
| Service | Not more than 50 | Not more than 50 | 51-200 | 51-200 |
| Wholesale | Not more than 25 | Not more than 50 | 26-50 | 51-100 |
| Retail | Not more than 15 | Not more than 50 | 16-30 | 31-60 |

Source: Office of small and medium enterprises promotion, 2007

**1.3 International trade of Thai SMEs**

SMEs has been recognized their importance in Southeast Asia region. The export volume of SMEs in the area is approximately 35 percent (Hall C., 2000, cited in Hashim F. 2012, p.99) SMEs has significantly contributed to development of Thai economy particularly international trade sector. There were approximately 2.8 million units in Thailand which accounted for 99.2 per cent of business establishments and slightly more than 35 per cent of GDP during 2017 to 2013. Thai SMEs also represented almost one third of total exports by value during the same period (Amornkitvikai Y. and Harvie C., 2016, p.3).

There are various significant aspects of SMEs on their contribution to Thai Economy. According to the report on small and medium enterprises of Thailand in 2016 by Office of Small and Medium Enterprises Promotion, Thailand, the total export value of Thai goods was 7,550,704 million baht in 2016. SMEs exports reached 2,190,550 million baht, accounting for 29.01 percent of the total export value, an expansion of 10.72 percent from 2015. Exports showed a positive expansion nearly every year except in 2013 when it was in deficit due to a contraction according to the economic conditions of key trade partner countries. The top 20 trade partner countries with an export ratio of 83.61percent of the total exports. The major destinations of Thai exports including the overall SMEs exports, were United States by 11.37 percent, China by 11.04 percent, and Japan by 9.51 percent. In 2016, trade partner countries with the highest growth market in exports for SMEs was Switzerland with an increase of 137.62 percent, Australia experiencing a rise of 34.72 percent, and Singapore increased by 29.88 percent.

For the international trade classified by good list according to Harmonized System Codes, the highest proportions of exports for SMEs were those in HS Code 84 covering machinery and parts as well as computers and accessories, HS Code 85 for electrical machinery and parts, and HS Code 87 for automobiles and parts, accounting for 6.74 percent, 6.58 percent and 5.63 percent respectively. However, the highest proportion of the SME export value for goods are HS Codes 71 covering gems and ornaments, HS Codes 39 for plastics and plastic – made, and HS Codes 84 for machinery and parts as well as computers and accessories. The proportion of export are 19.81 percent, 8.29 percent, and 6.74 percent of total export volume respectively. The presented information on export and import volume as well as exporting product categories shows that international trade of SMEs is importance and has contribute significantly to the Thai economy.

Although many SMEs from developing countries, including Thailand, find their success position in international trade arena, abundance of them are facing unstable trading environment in which lacks of knowledge and network constraint their competencies. SMEs is vital to developing countries since they contribute significantly not only to current economy but also be an essential engine for future development.

Trade show is considered to be one of the marketing strategy for both large and small firms. SMEs tend to enter global market place by participating in international trade show. Trade show is a growing field of research by using developing countries as evidence of studies such as Singapore, Thailand (Rice and Almossawi, 2002). SMEs typically face similar constraints such as limited budgets, management structure, therefore, trade show is useful marketing activities for them since it offers more informal and spontaneous marketing practices. The involvement process will contribute to firms' internationalization (Kellezi J., 2013, p. 268). SMEs usually bring their business units to exhibit in international trade show organizing in various cities all over the world. Many developing countries that has export led policy usually has government agencies that facilitate firms in doing international business through various international activities. For instance, Malaysia External Trade Development Corporation(MATRADE) , Enterprise Singapore, Hong Kong Trade Development Council(HKTDC), Department of international trade promotion (DITP), etc.

## 1.4 Research objectives, questions, and method

According to the importance of SMEs, trade show, and the lack of previous research study in the developing countries, this thesis aims to advance international business theory particularly internationalization scheme. Previous studies on the trade show and internationalization of small to medium sized enterprises (SMEs) have been conducted mostly by western researchers in developed or high-income countries (Che Senik Z., 2010). For emerging market, internationalization has been studied form the viewpoint of, such as, internationalization and performance (e.g. Chelliah S., 2010), internationalization strategy (e.g. Alpha A. and Vincent S., 2015), etc. However, the study of specific factors: knowledge and network that influence market selection and entry mode for emerging market is very limited. Therefore, this research will contribute to value added to existing internationalization theories in term of geographically validation as well as factors impacting on internationalization of SMEs.

The second purpose focuses on the evaluation of international trade shows since it has an important role in a firm's acquisition of relevant knowledge and network of international markets. However, there is limited study regard to identification in detail about the different types of knowledge and network obtained, and their creation process from trade shows. Without clarification of type of knowledge and network, the influences toward the end of internationalization process will not be completed.

Finally, the linkage of knowledge and network acquired from trade shows to the internationalization process of SMEs especially their impact on mode of entry and market selection are also limited. The holistic process will contribute to internationalization theory since some approach, says, Uppsala approach was received critic on the origin of knowledge on the internationalization process. This thesis will clarify each knowledge and network factors with exploratory evidence that firms obtained and their influence toward market entry and firm's market selection.

Therefore, this research objectives lead to appropriate research design to fulfill the aim of this thesis. The research questions are as follow:

> 1. What are the different types of knowledge and network obtained from international trade show, which are influential on internationalization process of SMEs in emerging market?

> 2. How do different types of knowledge and network that the firms acquired from international trade show influence on market selection and entry mode?

The study seeks to obtain an understanding of knowledge and network process since firms acquired from trade shows through final stage in market selection and entry mode. A qualitative semi-structure interviewing methodology was chosen to understand this holistic process. Qualitative method has a more advantage over quantitative method in gaining insights, express complexity, and understand the whole process of phenomenon. Various internationalization researches employed qualitative interviewing since it is able to provide exploratory evidence and motivation behind SMEs' internationalization. There is no specific industry for this study. Since the first objective of study is to investigate type of knowledge and network, therefore, the more variety of industries tend to be resulted in more type of knowledge and network acquired from trade shows.

## 1.5 Contribution of research

This research would contribute to international business field with concentrating on internationalization theories. The result will be specific to the context of international trade show and developing economy. The prominent existing theories namely Uppsala, born global, network approach will certainly be added with the explanation of the knowledge and network elements that contribute to internationalization process.

Secondly, the research will enhance the understanding of internationalization theories in the emerging economy. The two main theories that focus on the development of internationalization process, namely Uppsala and born global will be justified how small firms bring themselves to international markets.

Finally, this study will also set ground work for the next level of research pertain to elements of knowledge and network as well as the perspective of developing economy. The results of study has been discussed in the research from developed countries, however, the data of developing economies is still limited. The mentioned elements could be discussed further different context of study such as developed economy, bigger firms, or even the similar environment of study.

## 1.6 Structure of the thesis

The thesis is divided into five main chapters, and after this introduction chapter, the thesis is structured as follows.

Chapter2: Literature Review

This chapter reviews international business literature that relevant to the interested area of study. It aims at understanding variables that are part of internationalization process originated from international trade show. The type of knowledge and network are elaborated in different dimensions. The main and relevant theories of internationalization are then reviewed and discussed their main features. In addition, knowledge management and relevant issue about network in the context of SMEs' internationalization are presented. The two aspects of firm's internationalization: international market selection and entry modes are identified their main elements in relevant to research objectives. The chapter concludes with an conceptual framework emerged from literature review which will be used to as a road map to find explainable answers. :

Chapter 3: Research methodology

The chapter present the necessities and importance of research approach as the tool to acquire results. Quantitative and qualitative method are discussed to find their advantages in discovering the answers. The suitable approach were chosen with explainable details to provide supported reasons. Criteria for sample and data collecting method are discussed. The chapter as well discussed further on process of questions development and the final set of questions outcomes, criteria in selecting samples and appropriate size. Moreover, data obtained will be further processed and analyzed.

Chapter 4: Findings and discussion

The main objective for this chapter is to describe empirical results after data was collected. The outcomes are presented in accordance with research questions. Therefore, the discussion can be divided into two parts. The descriptive in first part is to provide explanation regarding elements that previously discussed in the literature review. Another section elaborates the findings in regard to process of the variables presented in conceptual framework. Analysis of findings are embedded to provide different perspectives.

Chapter 5: Conclusion, Implication, and suggestions for further research

Conclusion of conceptual model is presented in the chapter. The comparison between original proposed model and the ending outcome caused by the finding data is discussed. The chapter also summarized all the major findings which results yield to contribution to international business theories and managerial applications. Finally, the further suggestion on academic research is given.

## Chapter 2: Literature Review

## 2.1 Introduction

Research over the last decades had developed various aspect of firms' internationalization and trade show especially in already developed economies (Western Europe, Japan, and North America). The few studies based on developing countries are mainly focus on either factor contribute to internationalization process or trade show performance with no linkage between them. Most of the researches are not focus on small scaled firms. However, in developing economies, SMEs have played important role in integrating into global value chain and became involved in international business activities more rapidly than the past (Chelliah S. et al., 2010). Although, in developed economies, trade shows had proved to contribute to firms' international expansion, researchers have, so far, ignored to examine of the impact of trade show on firms' foreign market selection and entry mode strategies. In addition, the knowledge and network factors are studied separately. For the case of developing market such as Thailand or Southeast Asia, the study is even less. Therefore, there is not enough evidence to conclude the influence of trade shows on internationalization process and more studies need to be conducted in order to identify factors that influence internationalization strategies particularly in firms from developing economies context.

Consequently, the following section is a need to explore in order to understand relationships between trade show, knowledge, network and their influence on internationalization process of SMEs. The lack of recent trade show and internationalization process research of SMEs that focus particularly in emerging market is bridged by including a series of research works on related areas into literature review, even if the sources are mostly attained from developed economy markets. The literature reviews is started with the concept of trade show. Various key theoretical review will be critically assessed. The main internationalization theories will be discusses in the context that related to interested elements, namely knowledge, network, market selection, and entry modes. Ending with the linkage of all elements that need to be investigated which lead to conceptual framework of this thesis.

Most of the trade show and other elements research discussed in the chapter stems from the 2000s or an even earlier era. However, the key conceptual knowledge attained from each works still valid recently. However, the work related to emerging market is limited, which lead to the gap in exploring research in this area.

## 2.2 Trade Show

### 2.2.1 Definitions

Definition of trade show can be turned back since 1980's. Black (1986) defined trade show as an event that bring a group of suppliers who set up physical exhibits of their product and services together, in a single location. Borghini et al., (2006) added dimensions of time and believe that trade show is a temporary marketplace where industrial participants exhibit and interact with customers and visitors. Tobb (2007) explained with more specifications that trade show needs to have specific name, type, scope, organizer, date, duration, location to support a certain industry.

According to The global association of the exhibition industry, exhibitions and exposition differ from trade show in five major ways. First, exhibitions and exposition are usually one-time events. Fairs can run a short period of time, however, exhibitions run for months, some for a year or longer, such as World Expos. Second, exhibition are housed in permanent facilities. Third, although fairs are held regularly, they are not highly organized events. Forth, exposition can refer to exhibition with cultural purpose. This type of trade show is sponsored by nations and corporations with the aims to produce cultural meanings (Harris, 1990). Furthermore, exhibitions or exposition do not usually involve buying or selling products. It is aims more to stimulate future sales (Beier J., and Dambock S., 2010, p.5).

In addition, trade show can be categorized based on various dimensions. Wen and Duan (2008) state that trade show can be categorized by geographical coverage, such as international, national, or local trade show. By range of products: universal/general, special interest, industry-specific. Gopalakrishna & Williams, 1992 called vertical and horizontal trade show. Vertical trade show is for a single or related industry for special customers whereas horizontal trade show is for many industries and products categories. In addition they also divided by audience or visitors, weather it is business-to-business (B2B) and business-to-customer (B2C) shows.

For simplicity, this thesis intend to use only the term "trade show". However, literature and respondents often use the term trade show, trade fair, exposition, and exhibition interchangeably. Bettis-Outland H., et al., 2012 also indicate that the terms have similar definition and used interchangeably. It refers to the types of business meetings represent short-term events, typically less than a week in duration that take place on a regular basis. This thesis focuses mainly on the selling and non-selling objectives, and target exhibitors and visitors of international trade show. If the event can primary fulfil the mentioned objectives, then it will be classified as trade show event. The length of time, recurrence, and other objectives can be considered as the different feature which are among trade show organizers.

This thesis focuses on trade show for international business purposes only. The definition will be based on Banting and Blenkhorn (1974), which is the definition that widely uses among researchers. However, the definition has been modified with

description discussed above review to meet with the objectives of this study. Therefore, the definition is as follow;

> International Trade show is a facilitating international marketing event in the form of an exposition, fair, exhibition or mart; which takes place at periodically, ranging from quarterly to triennially; having pre-established hours of operation during a period lasting between one day and several weeks. The objective is to display the goods and services for business-to-business or industrial purpose, and can be both vertical (same industry) or horizontal (various products from different industries). The geographical coverage has to include international markets.

**2.2.2 Functions of Trade Shows**

There are several studies which focus on the functions of trade shows. The two mains categories are selling and non-selling functions. For selling aspect, it was believed that trade show began almost 600 years before the birth of Christ, without precise record documents. The book of Ezekiel, written in 588 BC. mentioned about the merchant trading of silver, iron, tin, and lead (Situma, S. 2012). Therefore, it is clearly indicated that the primary function of trade shows is selling function.

The selling function or sale goals are such as making direct sales and finding local sales representatives. The activities include identifying prospective customers, gaining access to key decision makers, disseminating product information, and servicing customers (Gebarowski and Wiazewicz, 2014; Hansen, 1999; Tafesse and Korneliussen, 2009; Karabulut, 2014). The non-sales goals are such as building brand/image, maintaining contact with current and new customers, improving corporate image, gathering information about competitors, test new product, and increase employee morale (Yao, 2007; Bonoma, 1983). Carmen (1986) extended wider details in non-selling function, such as, finding new ideas and applications, enables attendees to compare own products to competitors' ones, and recruit personnel. The non-selling function is what this thesis focus on. To be specific, the emphasis is on the acquisition knowledge and network non-selling function of trade show. It does not focus on the sale but rather on the objective to facilitate purchasing decision making in the long run.

**2.3 Knowledge and network acquisition from trade show**

Trade show are popular medium for promoting product and service internationally (Kerin and Cron, 1987, p. 87) Based on the previous section, the two functions of trade show: selling and non-selling enable the two most components, knowledge and network, which is important to firm's internationalization. Various research works concluded that firms tend not to conduct selling objective alone at the trade shows, but also extract knowledge generating from various sources obtained from trade shows such as information about competitors, product idea, market opportunities, etc. (Tafesse and

Korneliussen, 2009). Trade shows in the present are good platforms for flows of industry information and knowledge. Raychev I. (2009, p.145) explained the concept of knowledge acquisition in the context of trade show as the skills and knowledge that firms received from business partners from participating in trade show. This thesis focuses on role of international trade shows in providing knowledge, which different from local trade show in the way that they allow firms to access global rather than local knowledge. Firms can access international knowledge about industry trend, evaluate their performance, and develop future strategies and new product (Rinallo D. and Golfetto F., 2011).

The knowledge based theory in the context of internationalization emphasis the acquisition of new knowledge through learning and experiencing with stakeholder such as customer, matket, competitors, etc. (Casilas et al., 2009). Fuerst and Zettinig (2015) cited that searching and learning by doing, resulted in obtaining knowledge as well as interaction between entrepreneur, partners and stakeholder in the international markets. Temporarily marketing events that bring businesses together can provide firms with access to knowledge and opportunities for interaction similar to those provided by permanent geographic proximity. Trade show and similar recurrent events may thus be considered the mentioned temporary business clusters. By bringing together actors from different geographic origin and endowed with different resources and competencies, these initiatives are instrumental in establishing external knowledge channels for actors who are embedded in local clusters (Maskell 2001, Malmberg and Maskell 2002; Lundvall 1992 as cited in Rinallo D., Golfetto F., 2011 p. 454). The term information gathering is used interchangeably with getting an idea on competitors (Measson N., Campbell-Hunt C., 2015).

Gaining knowledge can be priority role for firms to participate trade show. This is because trade show act as temporary hubs that stimulate process of knowledge creation and dissemination (Markell et al, 2008). Rosson and Seringhaus (1995) found that knowledge acquisition between exhibitors and visitors is the reason to participating trade shows. Hough (1998) explained that one of exhibitors' motive in joining trade shows is to acquiring information about products. Firm can acquire market and product knowledge on trends and developments in their relevant sector. In addition, trade shows act as critical knowledge hubs as they provide more than just a repository of information for buyers and seller but act as a means of short-circuiting the long process of experiential learning about foreign markets (Bello and Barczak, 1990; Bello and Lohtia, 1993; Rosson and Seringhaus, 1995, cited in Evers N., Knight J. 2008).

Approach to gain knowledge during trade show can be varied. Bettis-Outland H. et.al. (2012) explained that information acquisition at trade shows could be formal, such as occurring during seminar, presentations, panel discussions, or a keynote address. Or it can be obtained from casual conversation, at lunch and dinner discussions, message board, blogs, email, advertisements, and company brochures. For this study, knowledge from trade show is only attained trade show and its consequence of activities after trade show finished. For instance, additional knowledge acquired as a result of reading brochures received from trade show and summarized customers' feedback during trade

show are considered to be knowledge gained from trade show. Once trade show information is disseminated throughout the organization, it will be used by the organization to produce intangible benefits include improvements in strategic planning, improvements in policy development, new product development ideas, and improved corporate image. Role of international trade show in providing knowledge is different from local trade show in the way that they allow firms to access global rather than local knowledge. Firms can access international knowledge about industry trend, evaluate their performance, and develop future strategies and new product that focus on international markets (Rinallo D. and Golfetto F., 2011).

### 2.3.1 Types of knowledge

The researches pertain to types of knowledge obtained from trade shows is still limited even for the developed markets. Most of them are rarely mention or with limited explanation but without how the knowledge is generated. Among these, gathering product and market information are mentioned relatively higher than other types of knowledge. For example, Tafesse W., Korneliussen T. (2009) draw the thirteen items based on selling and non-selling performance functions of trade show in an emerging market context. These 13 items can be summarized into various knowledge aspects such collect information about competitors, gather information on new product ideas and explore export opportunities. These aspects of knowledge are in the scope of the mentioned product and market information acquisition. As well as, Dallmeyer (2010 cited by Kreivi M. 2011), latest style, observe competitive products, modifications are all relate to product information knowledge. Meanwhile, market trends, meeting with industry representatives, attending trade show reception function can be source of market knowledge. However, the study of knowledge obtained and/ or cultivated from trade shows linkage to type of knowledge and its intensity contribute to internationalization is still limited, especially in emerging market and is not well identified the meaning and/or components details.

In addition to the above mentioned knowledge, types of knowledge obtained from trade show research can be categorized into six main categories:

### a. Market knowledge

Most of the knowledge in trade show-related literature focuses on market trend knowledge or market knowledge. Some literature uses the word "market knowledge" without clearly define the explanation. Reychav (2009, p. 150) mentioned that trade show provides learning experience of unfamiliar market in the measurement items of the study. Conducting market research is also one of the keys in participating trade show (Rice G., Almossawi M. 2002, Menon S., Edward M., 2013).

Market knowledge refers to information about foreign markets, for example, market size, regulations, export opportunities, etc. (Mejri and Umemoto, 2010, p.7, Seringhaus

and Rosson cited in Tafesse W., Korneliussen T., 2009, p.42-43). Trade shows allow participants to interact face-to-face and to exchange information. Dimensions of market knowledge were mentioned in existing literature can be summarized as in table 2

**Table 2 Dimensions of market knowledge**

|   | Dimensions findings | Sources |
|---|---|---|
| 1 | Market size of target markets | Mejri K., Umemoto K. (2010) |
| 2 | regulation, specific legal issues | -Mejri K., Umemoto K. (2010)<br>-Hashim F. (2012) |
| 3 | future trend of market | Gottlieb U. (2014) |
| 4 | general social/ economics such as purchasing power, average spending for target product(s), average income, | Alpha A., Vincent S. (2015) |

Research pertaining to trade show generally lacks definitions of market knowledge and scope. However, combination of various components of market knowledge from research publications make definition of market knowledge meaning more inclusive. From the diagram, market knowledge should comprise with market size of target market, regulation, future trend of market, general social and economic issues. However, some studies mentioned market knowledge in different view. For example, Jonsson A. and Elg U. (2006, p.242) explained that market knowledge can be divided into general knowledge and market-specific knowledge. General knowledge is defined as specific marketing strategies and common characteristics of particular types of customer. Market specific-knowledge is knowledge about specific markets and individual customer characteristics. This research proposes definition of market knowledge acquired from international trade show as the knowledge of target market size, relevant regulation, market trend, and general social and economic issue of related to target market that participant exhibitors received during participating in the trade show event hour.

**b. Product knowledge**

Various literature indicate that trade show is a good source for product knowledge. Bettis-Outland H., et al. (2012, p.386) explained that information from trade show could be from formal, such as presentation and panel discussion, or informally, such as lunch and dinner discussion. Pre and post trade show activities can include new information including gaining knowledge about product displayed in trade show. Firm can utilize knowledge which benefit to the development of new product idea since it is the place

to displays new products. Rinallo D. and Golfeto F. (2011, p.466) mentioned that firms achieved knowledge about products and technology used in industry while observing international fashion and textile trade show. Product innovation is one of the most important attractiveness of trade show especially those in technology related industries (Sarmento M., et al. 2015, p. 589). The summary of product knowledge dimensions can be classified in table 3.

**Table 3 Dimensions of product knowledge**

|   | Dimensions | Sources |
|---|---|---|
| 1. | Make comparison on important aspects such as packaging, quality, price of competitors' similar products line. | -Tafesse W., Korneliussen T.(2011) |
| 2. | Product modifications needed to match customers' need. | -Reychav (2009) |
| 3. | New product idea generation and information. | --Tafesse W., Korneliussen T.(2011) -Gebarowski M., Joanna W. (2014) |
| 4. | New product testing and feedback | Kerin R., Crom W. (1987) |

Product knowledge can refer to various aspects. Gottlieb U., et al. (2014, p. 99) measure trade show effectiveness by various indicators including ability to gather product and/ or service information, identify future trend, and test and see product and/ or service features. Some used trade show as a platform to make comparison with competitors about packaging, quality, price, etc. Four importance dimensions were observed from accessible reserachers are summarized in table 2.4.2B. Belussi F. (2008), referred to the acquiring of product quality knowledge. Tafesse W., Korneliussen T. (2011) conduct research in trade show performance emerging market and cited that firm collected and evaluated displayed competitors' products during trade show event. These elements contribute to evaluation of trade show performance when firm exhibit in overseas countries. The mentioned research attempted to confirm that the objectives that firms in developing market participated in trade show are not only generating sale but obtained other knowledges and network. Research work from Kerin R., Crom W. (1987) presented similar concept. Other dimensions of trade show functions: introduction of new product and new product testing, are ones of the elements in measuring trade show performance.

Evers N. and Knight J. (2008, p.551) referred to packaging, knowledge in exporting procedures, evaluate displayed products by competitors. For the last dimensions, Reychav, 2009 conducted research regarding knowledge sharing in the trade show and conclude that knowledge sharing plays important roles in participating trade show. The research stated that creating knowledge in organization must obtained knowledge from

different sources within or outside the firm. Trade show is significant source of external knowledge. Among these, the needed of customers' product requirements is one of the measurement items of knowledge sharing and acquisition that customers and supplier exchange during the trade show. Therefore, the study defines product knowledge as knowledge on ability to make a comparison between company products and others such as packaging, quality, price, etc. and future trends acquired from participating in the international trade shows in order to adjust products/services according to customer needs.

**c. Cultural Knowledge**

Cultural knowledge is one of the knowledges that can be obtained from trade show. Culture can be referred to various dimensions. The acquiring of this knowledge impact on firm's direction and performance. Existing literature mentioned that understanding foreign culture is one of the key performance measurement of trade show (Seringhaus F.H., Rosson P., 2004, p.165). Table 4 summarized four different dimensions obtained from existing studies.

**Table 4 Dimensions of cultural knowledge**

|   | Dimensions findings | Sources |
|---|---------------------|---------|
| 1. | How to deal with foreign partners. | -Mejri K., Umemoto K. (2010) |
| 2. | Cultural Distance | -Cancino C., Coronado F. (2014) |
| 3. | way of thinking of people from different culture | -Cancino C., Coronado F. (2014), Seringhaus F.H. & Rosson P. (2004) |
| 4. | Language, values, manners, collection code of behavior and belief | -Mejri K., Umemoto K. (2010) -Belussi F. et al. |

Mejri K., Umemoto K. (2010) describe cultural component to the values, manners, and people in that particular market. In addition, experience in business dealing is another aspect of cultural knowledge. The cultural distance concept which is similar to Uppsala theory, understanding foreign cultures, and understanding foreign business practices are key elements pertain to cultural knowledge that Cancino C., Coronado F. (2014) and Seringhaus F.H. & Rosson P. (2004) proposed. In the research, the mentioned authors mentioned the countries that use different language other than domestic country, namely Spanish, as culturally distant. All of these cultural elements are knowledge that firms learn when they engage in business activities such as trade show in overseas countries. The authors cited the situation in which booth personnel have to deal with different kind of visitors. They learnt skill to identified buying intension, making contact, etc.

The elements in cultural knowledge is the perception of different between target market and home country. The more understanding of foreign culture or the including values, manners, beliefs, etc., the less psychic distance perception according to Uppsala model. Cultural distance defines as the proportion of culturally distant target foreign countries compared to all countries to which firms expanding export markets. There is a study regarding to cultural distance and entry mode pace: gradual or born global (Cancino C., Coronado F., 2014). This research defines cultural knowledge as the knowledge, which acquired from participating international trade show, that makes the firm able to understand foreign customers' way of thinking including language, values, manners, collection code of behavior and belief, how to deal with them, as well as cultural distance between the firm and potential customers.

**d. Competitor knowledge**

Competitors and other companies serve as a source of indirect knowledge in regard to internationalization process. Firm in the early internationalization process participate in trade show to imitate those who enter new market before. (Forsgren, 2002, cited in Soberg P., 2012). There are various aspects of competitors that participated firms at trade shows observed. Obtaining competitors' information or exchange information to each others can be objectives that firms interested (Menon S., Edward M., 2013, Karabulut 2014, Tafesse, Korneliussen, 2011). Competitor knowledge from existing literature can be presented in Table 5.

**Table 5 Dimensions of competitors knowledge**

|    | Dimensions findings | Sources |
|----|---------------------|---------|
| 1. | Confrontation with competitors | -Belussi F. (2008) |
| 2. | Exchange information with competitors | -Tafesse W., Korneliussen T.(2011) |
| 3. | Competitors' marketing strategies | Rinalldo D., Golfetto F.(2011) |
| 4. | Success rate of competitor in exhibiting product at trade show | Ling-yee L., (2008) |
| 5. | Competitors' ability to develop customer relationship | Ling-yee L., (2008) |

Belussi (2008, p. 6) categorized main reasons to participate trade show into: selling, relation, and knowledge. One of the main knowledges that firm obtained from trade show is indirect and direct information about competitors. Direct contact with competitors arises during trade show official hours. Firm usually visit competitors' display to observe and receive information through confrontation directly with competitors. In addition, firm concurrent acquired information through third party such as customers. Such information usually contains strength and weakness of competitors. Similarly to Tafesse W., Korneliussen (2011), firm not only observe but exchange information with competitors.

Rinalldo D. and Golfetto F. (2011) and Ling-yee L. (2008) extended that firms are able to acquire more comprehensive knowledge rather than simple observation. Rinalldo D. and Golfetto F. (2011) mentioned that exhibitors were able to observe and compare their products with foreign competitors. This study extends the competitors' observation scope to the comparisons of marketing strategies, manufacturing processes, the use of raw materials, innovation, the quality of products, and price levels. This study adapted the study of Ling-yee L. (2008) about resource that firm used in trade show. The mentioned study uses resource base model of internationalization to imply five aspects that firms compare their resource and capabilities utilizing with competitors. These are Exhibit resources: determined goodness of booth location, Booth personnel resources: indicated quality of booth staff, customer-linking capability: measured ability to develop customer relationship, partnering capabilities: measure ability to access strategic partners, and Managerial capabilities: measure efficiency in managing resource internally and success rate in exhibiting products at trade show. Since this study only study competitors' knowledge that affect to market entry, therefore, some internal information of firms is excluded as access to such information is limited and irrelevant to objective of study. The two components that relate to this research are success rate of competitors and competitors' ability to enhance relationship with customers. The results of Ling-yee L. indicate that firm's resource has direct effect on trade show performance. Therefore, this research defines competitor knowledge as the knowledge about competitor attained from participating international trade shows such as marketing strategies, success rate of competitors in trade show, ability of competitors in developing relationship with customers.  attained from trade show.

**e. Technological knowledge**

Different type of businesses implies different implication for type of knowledge for internationalization process. SMEs tend to rely on technology advantage in entering diverse international market at faster pace. Business unit with innovative technology often internationalize at faster pace. This type of firm usually utilizes their experience and abilities in order to internationalize at early stage of company formation. Table 6 summarize four aspects of tech technological knowledge that relevant to firm internationalization cited in existing literature

**Table 6 Dimensions of technological knowledge**

|  | Dimensions findings | Sources |
|---|---|---|
| 1. | learning about latest technology | -Rice G., Almossawi M. (2002) |
| 2. | the technology level of the product | -Cancino C., Coronado F. (2014) |

| | | |
|---|---|---|
| 3. | Information technology (IT) infrastructure such as a Local Area Network | -Hashim F. (2012) |
| 4. | Sophisticated programs and applications such as Supply Chain Management, Enterprise Resource Planning (ERP), Customer Relationship Management (CRM) | -Hashim F. (2012) |

Cancino Cand Coronado F., (2014) conducted research regarding to internationalization of firm in emerging market, says, Chili. Six factors are used to determine the driving forces namely: networking with foreign companies, networking with government agencies, cultural distance, location of firms, company size, and technology level of company. The improvement of technology level of product sold are important for internationalization of the firms when entering emerging market (Cancino C., Coronado F., 2014), especially to those that require highly research and development such as automotive equipment or medical supply (Soberg P., 2012). Even if the research found that there is no significance influence by technology level on firm internationalization. The main reason was because majority of Chilean firm relied on exporting natural resources. Thus, SMEs from developing economy yield alternative results comparing to those from developed countries and/ or multinational firm. Therefore, it is not irrational to include technology factor in to one of the aspects and attempt to find the validity in the case of Thailand.

Furthermore, Rice G. and Almossawi M. (2002, p. 161), as mentioned earlier in this research that they conducted factor analysis of exhibition goal by focusing a single international trade show, Arabian Gulf Trade Show. Various constructs relating to exhibition goals, including selling and non-selling function, are presented in the study. The non-selling factors are, for example, conducting market research, enhancing firm's image, and learning about latest technology learning. The mentioned technology items provide a certain level of significance in explaining the importance of exhibition goal. Therefore, this study try to identify if technology attained from trade show does make any significance in internationalization.

Another aspect of technology knowledge acquired from trade show are new knowledge for production and manufacturing (Sarmento M. et al., 2013, p.589). Information about technologies is important for trade show that specialized in industrial machinery and the knowledge can be acquired from interaction between actors in trade show such as firms operating in complementary sectors (Belussi F. et al., 2008, p.12). Bettis-Outland H., 2012, p.386 cited about technical training. Some literature even mentioned the specific type of information technology such as improvement of local network area (LAN), or sophisticated computer technology will support firms' internationalization Hashim F. (2012). Hence, for this study, technological knowledge is the knowledge about latest technology, level of technology available, other related information technology, as well as sophisticated technology in business management gained from participating in international trade show.

**2.3.2 Network Acquisition from Trade show**

SMEs use international trade show as opportunity to establish and strengthen relationships that can lead them to enter international markets. Trade show is seen as a networking platform that allow people to interact with each other and gives SMEs the chance to grow overseas (Measson and Campbell-Hunt, 2015). However, research work on trade shows mostly focus on selling and promotion, but have received little attention on network building perspective (Evers and Knight 2008). Therefore, for the case of emerging market, the study is even less.

According to Axelsson and Johanson (1992), a network involves "sets two or more connected exchange relationships". The relationships among various groups such as customers, suppliers, competitors, will influence strategic decision. In addition, network involves resource exchange among its different members. Some research work view networking function is more importance than selling function especially for the newly or unknown international markets. Sometime, the firms are not selling at the moment of trade shows but build relationships with potential buyers until they become customer later. To confirm this, Meason N., Campbell-Hunt C. (2015) conducted 6 cases studies and find that networking is the channel to sales in an unknown environment. And the trade shows' role is to provide companies the opportunity to meet business partners and customers and conduct one-on-one meetings. However, the magnitude of networking change overtime. The deepen the relationship is more important as the time passes.

Based on literature review, types of network obtained from trade show can be category as follow:

**a. Buyers network**

Trade shows usually brings various type of stakeholders from a particular or related industries to physically meeting. Undoubtedly, trade show allows sellers face-to-face contact with buyers. Network with buyers in trade show are firms rather than end user consumers, therefore, the building relationship with another business unit is more complicated than individual customers who are end users of product or service. Trade show have significant influence to buyers . It was observed that 85 percent of trade show visitors have buying influence from trade show. The cost of per visitor is one-third of a personal sales call. (Herbig et al, 1998 as cited in Menon S., Edward M., 2013, p. 66). Therefore, the importance of buyer is substantial one. Three important aspects from existing literature can be summarized in Table 7.

**Table 7 Dimensions of buyer network**

| | Dimensions | Sources |
|---|---|---|

| 1. | Find potential new customers | -Menon S., Edward M. ( 2013) |
|----|------------------------------|------------------------------|
| 2. | Maintain and enhance existing relationship with existing clients | -Cobanoglu E., Turaeva V. (2014)<br>-Gilmore A. et al. (2001) |
| 3. | Gain more trust from key decision makers | -Tafesse W., Korneliussen T. 2009)<br>-Seringhaus F.H., Rosson P (2004)<br>-Sarmento et al. (2015) |

The study from Menon S., Edward M., 2013 investigate main objective of firm in participating trade show in the tourism industry. The research concludes the fourteen goals of company in exhibiting trade show and found that findings potential customer is one of the top three in the ranking. They bring the customer to the company (Gopalakrishna and Williams, 1992; Godar and O'Connor, 2001 as cited in Sarmento M, et al., 2015, p. 586).

Cobanoglu E., Turaeva V. (2014) employed factor analysis method in analyzing trade show performance. The data is collected from SMEs who participate in three international trade show in Istanbul, Turkey in 2013. The research cited the "maintain and enhance existing relationship with existing clients" as one of the items in the main factor. It can be implied that trade show does not only provide opportunity to meet new buyers but enhance relationship with the current ones. It is consistent with Gilmore A. et al. (2001) that companies realized the importance of building relationship with customers. It is one of the vital elements in determining company's success and companies usually invest time and effort in maintaining this kind of relations. Although creating relationship will not generate sale immediately but it affect to trade show performance and increase their export eventually. In addition, Trades show is an important platform to meet key decision makers (Tafesse W., Korneliussen T. 2009, Seringhaus F.H., Rosson P., 2004)

The development of a buyer-seller relationship can be classified into five phases: awareness, exploration, expansion, commitment and dissolution. Each phase represents a major transition as to how parties regard one another (Dwyer et al., 1987). Ford (1980) classified the stages into the pre-relationship stage, the development stage, the long-term stage, and the final stage. Based on the higher levels of relationship, Sarmento M. et al., (2015, p.590) indicated that trade shows lead to relationship reinforcement, act as a source for relationship development and create trust in the counterpart's abilities (Hansen, 1999, cited in Sarmento M., et al., 2015, p. 590). Therefore, it can be concluded that trade show is not only a place to meet customers for buying and selling but extend to create better relationship between stakeholders. Therefore, this research defines network from trade show as the acquisition of new customers, enhance relationship and trust from existing clients. This kind of network must be attained during the international trade show event.

**b. Supplier network**

Meeting supplier can be one of the reasons to attend trade shows. Most of the research focus on networking with clients or buyers. However, there are existing literature that mentioned about other relationship acquisition with other sources such as supplier network. Three different dimensions of supplier network acquired from trade show is presented in Table 8.

**Table 8 Dimensions of supplier network**

|   | Dimensions | Sources |
|---|---|---|
| 1. | To meet the existing machinery suppliers | Belussi F. (2008) |
| 2. | Discuss about business with suppliers | Gottlieb Udo et al. (2011) |
| 3. | Learn about new suppliers, service providers | Menon S., Edward |

Belussi F. et al (2008), explained that term "fair-network" as the horizontal and vertical integration of value chain. The horizontal dimensions include associations, partners, and institution. The vertical dimensions consists of customer and supplier. The synergy between horizontal and vertical resulted in acquisition of knowledge and network. The mentioned research divided reasons for firm to participate trade show in Winery business in to selling, relation, and knowledge. On the relation aspect, meeting with the existing and new machinery suppliers is one of the items. However, the average score measuring importance degree is not high comparing to other items such as meeting with the existing clients. Therefore, a question regard to its significant is arise. Moreover, the existing mention research work use the case from developed countries. Therefore, it is beneficial to include supplier items into research and seek its importance in term of international business contribution by using data from developing economy.

In addition to the aspect of meeting with supplier, Gottlieb Udo et al. (2011, p. 10) mentioned about contact with supplier. This implied different aspect in measuring supplier. In addition, Learn about new suppliers, service providers is another benefit that exhibitors able to receive (Menon S., Edward M., 2013). Suppliers are not customer as they do not buy product from firms. But they sell parts or components to firms. Developing relationships with suppliers can help facilitate internationalization of firms. Chen T. (2003) explained the situation of Taiwanese electronic firms entering foreign country, says, Malaysia and seeking new suppliers locally by using local supplier networks. Initially, the firm utilized new suppliers from the supplier networks that were established before from MNEs rather than bringing suppliers from Taiwan. This study is a good example of how networking with local suppliers can benefit to overseas business expansion. This study propose that supplier network composed with meeting with existing input suppliers such as machinery, discussing business with them, and acquiring new suppliers that important to SMEs.

**c. Competitors network**

As one of the main features of trade show is the event that bring seller and buyer to meet with each other. Thus, sellers or exhibitors will confront with each other for a certain period of time. Interaction with competitors occurs during trade show event (Belussi F. et al., 2008. Different dimensions of competitor network are presented in Table 9.

**Table 9 Dimensions of competitor network**

|  | Dimensions findings | Sources |
|---|---|---|
| 1. | Confronting with competitors<br><br>Exchange information and experience with our competitors, suppliers and customers (Cobanoglu) | -Belussi F.(2008)<br><br>-Cobanoglu E., Turaeva V. (2014) |
| 2. | Work together on the project that is too large for one company or enter new field | -Tafesse W., Korneliussen T. (2011)<br>-Gilmore A. et al, 2001 |
| 3. | Communicate with competing firms and are supportive of each other. | -Tafesse, Korneliussen T. (2011)<br>-Gilmore et al, 2001 |

Beside confrontation with competitors, Tafesse W., Korneliussen T. (2011) mentions three types of network in the trade show performance items measurement: meet key decision making, develop and maintain relationship with customers, and exchange information with competitors. SME owner/managers often communicate with competing firms and are supportive of each other. They are openly share information and have no reluctance to help or provide advice for each others. In some occasion, the companies even know their competitors and help each other for help or business advice. Another purpose of cooperation is that they want joint working as the project is too large for one company to finish, or if one company may enter into new field of work and require new skills to complete unfamiliar tasks (Gilmore et al, 2001). Therefore, many SMEs realized the advantage of maintaining relationships with competitors, thus, many of them attempts to create this type of relationship when they participate in trade show.

As stated above, the existing literature interpret competitor in the two opposite directions. Firms compete with each other, and at the same time find the mutual benefit among each other. The latter role is similar to alliance network. This is a unique characteristic of SMEs which is different form MNEs. They define exhibitors with same products as competitor, but current engage themselves in alliance form.

It is noted that competitor network measure different perspective from competitor knowledge. The knowledge of competitor measure who the competitor is and what the quality of competitor holds. However, competitor network means the relationship between SMEs' representative and their competitors. It also determines the benefit arise from contacting with competitor. In conclusion, this thesis defines competitor network as the network from meeting with competitors, communicating with competitors with the aims to support each other as well as working on the same project work.

**d. Professional and government agencies network**

Trade show is the event that does not only bring in exhibitors and buyers but also other professional participants. In emerging markets, government agencies can play a vital role in internationalization by assisting SMEs in export activities. Furthermore, the related third party that present in trade show can enhance firm's internationalization. Table 2.4.4d presented five dimensions of government agent and other professional association that could affect to firm's international business activities.
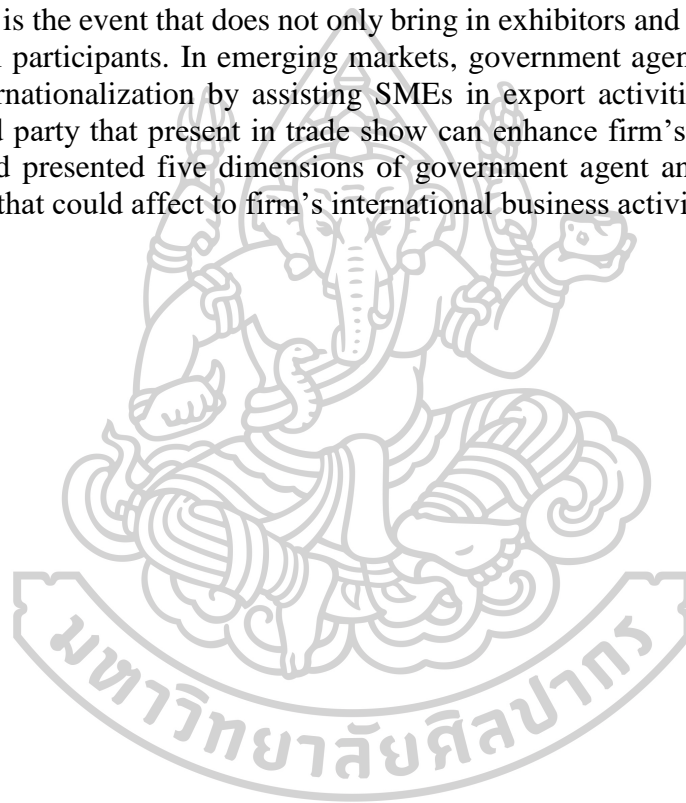
**Table 10 Dimensions of professional and government network**

|  | Dimensions findings | Sources |
|---|---|---|
| 1. | Government. The domestic government such as Ministry of Economy, SME development bank, Exporters' association, etc. | Karabulut A. (2014) |

| 2. | Trade show organizers. Trade show is the place for networking among participants, including organizers. | -Sarmento M. et al, 2015<br><br>-Menon S., Edward M. ( 2013) |
|---|---|---|
| 3. | Press and media are participants that trade show encourage interaction during event. | -Sarmento M. et al, 2015<br><br>-Menon S., Edward M. ( 2013) |
| 4. | Networking with industry leaders is one of the reasons in participating trade show. | -Sarmento M. et al, 2015<br><br>-Menon S., Edward M. ( 2013) |
| 5. | Trade associations, institutes, and professional associations acts as a means for industry networking. They provide opportunity for people in the industry to meet with each other. | Gilmore A., et al., 2001 |

Many of SMEs from developing countries relied on government assistance scheme from their local government. Hashim F. (2012, p.110) mentioned MATRADE, a Malaysian government agency that helps SMEs with investment, participation in international trade shows and trade missions. Evers N. and Knight J. (2008, p.554) cited Freeman (1999) who stated that links to professionals and government agencies can help to provide information about foreign markets. Karabulut A. (2014) cited six types of government agencies that Turkish firm use their incentive scheme including: Ministry of Economy, SME development organization, Istanbul Chammber of Commerce, Export development center, Export's association, and others. All of these organizations provide incentives to encourage SMEs to participated international trade show and expanding aboard. The study found that SMEs tends to seek assistance program from Ministry of Economy the most. In addition, the study stated that companies that participated trade show can established various network including customers, suppliers, and government officers.

According to Sarmento M. et al, 2013, the research interviews was conducted from respondents who participated five trade show in Portugal. The examination on network perspective prevailed that selling is not main focus of exhibiting in trade show. Participants had opportunity to meet and know each other face to face. Network extend to not only buyers and sellers but organizers, press, opinion makers. Other type of professional such as industrial leader was cited in research of Menon S., Edward M. ( 2013) in the regard of objective of firm's participating trade show.

In addition, trade associations, institutes, and professional associations likewise perceive trade show as an ideal place for meet each other. Trade associations allows manager to become known to their peers in the industry. They create formality occasions that allow exhibitors and stakeholders to meet each others. The benefit occurred once they meet and inform each other about general development within the industry. (Gilmore A., et al., 2001). Participants gain various of relevance benefits from these types of relationship reinforcement and development. Base on the literature, this research defines professional and government network as the networking with

government units, trade show organizers, press, media, industry leaders, trade associations, institute, and related professional associations.

## 2.4 Small firm Internationalization theories

This part introduces theories behind research question. First the internationalization concept is explained. Then, internationalization theories that linkage to knowledge and network concepts are selected for discussion. With regard to the theoretical controversy, the thesis aims at answering question regarding how knowledge and network influence on internationalization process especially mode of entry and market selection aspects. Therefore, this part will review internationalization model in the mentioned context.

Welch and Luostarinen (1988) define internationalization as the process in which firms increase their involvements in international operations. Calof and Beamish (1995) defined internationalization as process of adapting firm operations including strategy, structure, resource, etc. to international environment. Hynes (2010) describes internationalization as the way that business unit seek growth beyond domestic market. In conclusion, the description among researchers are similar. But the internationalization processes that each scholar or school proposed are different. There are many researchers present internationalization theories in various way. Early researchers such as Adam Smith or David Ricado presented the theories that explained how the nations could benefit from international trade. Later, the theories were developed through differences perspective which will be discuss in the following part.

### 2.4.1. Uppsala model

The Uppsala approach explained internationalization as a gradual process where a firm commits to international activities gradually. The model is set on the premise that market knowledge is the key factor for firm to expand market overseas, and that necessary knowledge can be developed once firm operate in such overseas countries. However, the definition of market knowledge remains unclear and was interpreted in different directions among scholars. The theory state four dimensions of the firm when expanding market overseas: market knowledge, market commitment, commitment decision, and current activities (Figure 1).

**Figure 1 State and change aspect in Uppsala model (Johanson & Vahlne 1977)**

**Stage aspect**                    **Change aspect**

| | |
|---|---|
| Market Knowledge | Commitment Decision |
| Market Commitment | Current activities |
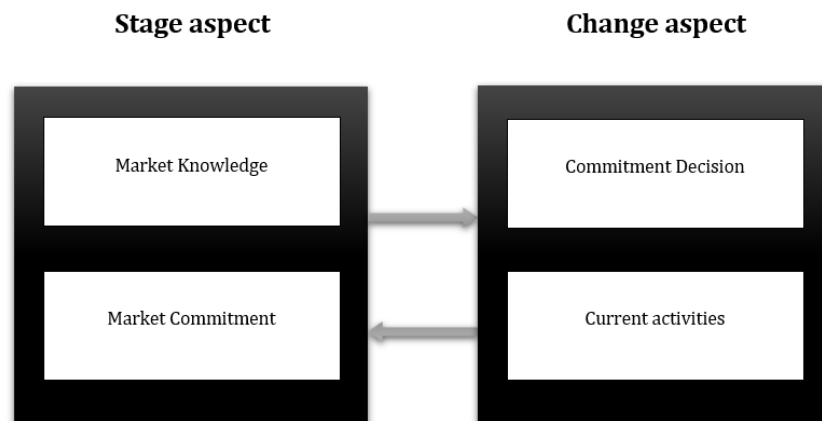
Market knowledge and market commitment are assumed to affect both commitment decisions and current activities. Current activities are the main source of experience. As the firm gain more international market knowledge, firm will allocate more of resource commitment to that market. Current business activities have some lag between initiation and its consequence. For example, marketing activities need some time for actual sale to happened. This is the reason why international process proceeds slowly. Commitment decision is one of the change aspects. It is decisions to commit resources to foreign operations. Uncertainty reducing commitment. Decision alternatives are raised in response to either alleviated problems or take benefit of opportunities arise. They are pertained to the currently undergo operations in the market. The gradual process of increasing its international involvement resulted in four stages of international development. Each stage represents higher degree of international immersion (Johanson and Wiedersheim-Paul, 1975).

First stage: No regular export activities

Second stage: Export by independent representative or agent

Third stage: Establish sale subsidiary

Forth stage: Establish production or manufacturing in overseas     market.

The classification of four stage in sequential arrangement represented magnitude of firm involvement in international market. The original model does not mentioned only export as only market entry, and foreign investment as the medium of expansion. Contractual agreement such as likening has not yet mentioned in the original model. The higher stage means the more intensity of engagement. Uppsala approach indicated that firm generally start with establishment of business in domestic countries with no track record of international activities. Then, the firm begins to export through third party such as agent less knowledge about foreign importer. Firm move to higher involvement in third stage gradually and finally settle production base in foreign target country.

There are two key features that Uppsala approach emphasis on: knowledge and psychic distance. The details are elaborated as follows:

**a. Knowledge**

The model emphasis on knowledge and its influencing on is the commitment decision. In details, the authors mentioned that there are several kinds of knowledge. For example, knowledge of opportunity, problem, competition, channel of distribution, payment condition, etc. Knowledge created by experience provide firm to have "feeling" of suitability in the current and future activities.

Johanssen and Vahlne (1977) presented two types of knowledge: general knowledge and market-specific knowledge. The model focus on the market-specific knowledge which is the knowledge in the specific markets such as business climate, cultural pattern, market structure, characteristic of individual customer firms and their personnel. Specific knowledge can be gained from experience in the market. In addition, knowledge is considered to be valuable resources, an additional dimension of human resource which is difficult to transfer to other individual, that has positive relationship with commitment to the market. In sum, the term market knowledge and knowledge was used interchangeably in this approach.

**b. Psychic distance**

Johanson and Vahlne (1977, p. 24) defined psychic distance as all factors that prevent flow of information to come and go out from market. It refers to the different aspects between home and foreign markets e.g., culture, language, or physical distance (Dikavo, 2009; Hennart, 1988, as cited in Laufs and Schwens, 2014). Various research related to internationalization cited term "psychic distance" as the underlying concept behind the phenomenon of the firm gradually expansion to international markets. The firm started from foreign market which is close to domestic market due to uncertainty. The psychic distance is occurred due to the differences in e.g. languages, education, business practices etc. (Ruzzier M. et al., 2006, p. 482). Jaffe E.D. and Pasternak H. (1994), as cited in Vasquez F. and Doloriert C., (2011) mentioned that the decision to entering foreign market of firms depends on perception about opportunities, risks, and trade barrier that managers have to deal with. Psychic distant perception is the mindset that impact to the internationalization of firms. The concept of psychic distant was argued due to the emergence of information technology that influence on international knowledge of firms' human capital, thus, the power of psychic of had been decreased (Sakaya S., 2006). After that, the theories that incorporated the importance of information technology was emerged.

**2.4.2 The International New Venture (INV)**

INV approach is considered to be the biggest challenge for the Uppsala model. (Oviatt B. & McDougall P. 1993). The model contrast to the Uppsala approach where the firm enters international market gradually. INV is the firm that, from inception, seek to expand it business to various foreign countries at the time of formation. INV tend to develop competitive advantage from utilize its limited resources (Oviatt and Mcdougall, 1993). These businesses commit their resources (e.g., material, people, financing, time) in more than one country. This is mainly result from the technology advancement (Fuerst and Zettinig, 2015). The criteria focus on the age at which firm internationalize, not their size. The key features of INV are as follows;

**a. Internationalization at inception**

More specifically with this type of internationalization, time and place to internationalize are important factors. Because the model proposes that firm can internationalize since inception. This concept also challenges the international business operation of MNEs as those with a moderate amount of capital, and international experience of human resource can conduct business anywhere. However, the changing of economic and especially technology, resulted in dramatic increases in the speed, quality, and the efficiency of international communication and transportation make smaller firms to access to this kind of competitive advantage (Oviatt B. & McDougall P. 1993).

**b. Alternative organization structure**

INV usually characterized by shortage of resource comparing to larger firms. Therefore, firms must rely on alternative mode of controlling asset. Contrast to Uppsala model, hybrid structure such as licensing and franchising was introduced as the new business cooperation concept that smaller firms can undertake in order to control and exchange resources. This phenomenon allows small firms to internalize through acquisition partially resources essential to their survival. This characteristic emerged due to the limitation in size and resources of INV (Falahat et al., 2013).

**c. Sources for competitive advantage**

Knowledge is the key element driving firm's internationalization for both Uppsala and INV approach. Firm emphasis on unique of knowledge as the result from technology advancement (Oviatt and Mcdougall, 1993; Fuerst and Zettinig, 2015). However, the different in INV is that knowledge is considered to be public good due to advancement

in technology. Knowledge, even if valuable asset, can be reproduced and transferred at minimal marginal cost. Therefore, INV must limit the use of knowledge by outsiders in various countries. Knowledge is view as intangible assets in the context for INV. Therefore, knowledge must be kept proprietary in the form such as licensing, patents, copyright, trade secrets, etc. Contractual agreement form of business was introduced in the setting of INV approach.

### d. Internalized of organization structure

When there is imperfection of economic transaction, says, market price of transaction cost is higher, then there is opportunity for firm to established, regardless of domestically or internationally. For example, if the firm found that cost of establishing overseas manufacturing is less than domestic production, then, there is a incentive to undertake foreign production rather than keep it at home country. This situation can be called internationalize due to location advantage. This concept is similar to Dunning's eclectic paradigm (Dunning, 1988). The theory mentioned that if firm can find advantage in transferring some moveable resources such as raw material, knowledge, or intermediate products to foreign countries in order to process with immobile resource such as particular raw material or market, then internationalization is likely to emerged.

### 2.4.3 Born Global (BGs)

Many researches undertake BGs and INV interchangeably since their conceptual of internationalization are oppose to Uppsala model e.g. Criado et al., (2015). Although, the two approached share some similar perspective on internationalization process, but the detail definition is different. Oviatt B. and Mcdogall P. (1993) proposed different type of INVs. New international markets makers are export or import start-ups or multinational traders emphasis on serving a few countries that entrepreneur is familiar. Geographically Focused Start-ups serve their product to particular region. Multinational Trader is the geographically focused start-ups involves tacit knowledge that make them competitive advantage. Global Start-ups is the INV that respond to globalizing markets and geographically unlimited. However, in conceptual term, INVs is a business unit that, from inception, seeks to derive competitive advantage from the use of their resource to the outputs sales in multiple countries. BGs, refer to smaller firms that usually be technology-oriented companies that operate international market from the earliest days of their establishment (Knight G. and Cavasgil T., 1996). Therefore, BGs can be either exporter start-ups, Geographically Focused Start-ups, or Global Start-ups in INV approach. The technology-oriented terminology is uncleared define of level and magnitude of its significant to definition of BGs.

### 2.4.4 Dunning's Eclectic paradigm approach:

Dunning's eclectic paradigm approach different from the above model in the way that it aims at providing reason underlying firm's internationalization, focus on overseas production and manufacturing. The approach proposes three characteristic of firm's advantage which is the reason that lead to firm's internationalization. The authors presented three requirements, namely OLI-specific advantage, for firm to undertake production in overseas country.

Ownership-specific advantage is the specific quality of firm that is difficult for other firms to replicate. The source of advantage are, for example, production technology, marketing strategy, tangible, and intangible asset, etc. that only occurred once production is in another countries beside home country. In addition, the asset must be transferable between countries with less problem. Location-specific advantage allow firm to make profit in other countries. For example, competitive labor cost allow firm to lower production cost. Firm have incentive to carry out foreign direct investment (FDI) in favorable political stability, foreign national attitude, language, culture, etc.

Internalization advantages allow firm to control transaction of resource which create efficiency in organization. Overseas production allow firm to excel fully internal control and fortunately lower uncertainty. For example, firm that move its production to overseas country can lower cost of communication and achieve flexibility due to efficiency in price mechanism internally.

Daszkiewicz N. and Wach K. (2012, p.69) explained that Dunning's eclectric paradigm approach is suitable to explain situation for MNEs since they seek to establish production overseas where several advantages emerged. The model also implied that firm is fully rational with extensive information and available of resource. Therefore, this can only refer to the case of larger cooperation. In addition, Laufs and Schwens, 2014 argued that the theory faces some issue regarding SMEs. The authors cited that small firms may face financial resource constraint that do not allow them to undertake higher control mode of foreign expansion e.g., greenfield investment. Hence, it is the limitation of using Eclectic theory in explaining small firm cases. However, as presented earlier in the BGs part, the changing environment allow smaller firm to access information faster and more efficiency, it is rational to review Dunning's eclectic approach since concept might be able to apply to firm in the new era of trade environment.

**2.4.5 Resource based view approach**

Resource based view emphasis on firm's resource as a source of competitive advantage. Wernerfelt B. (1984) develop concept by employing economics theory as a tool to analyze organization resource position. The idea examines the relationship between firm's resources and its ability to make profit, as well as how they manage resources over period of time.

Resource based model's explained that valuable and rare allow firm to enjoy competitive advantage, thus, enter international market. The approach focusses mainly on firm's unique resource. Firm need to protect against resource imitation, transfer, or substitution in order to maintain their competitive advantage. The four characteristics of resources mentioned are refered to valuable, rare, in-imitable, and non-substitutable (Barney, 1991). This concept is in accordance with Penrose (1959, as cited in Manolova et al., 2002, p. 12) that input resources are specific to individual organization. The internationalization process of Resource based approach can be both Uppsala model and born global model. This is due to quality of firms that allow them to enter global market directly at inception and do not necessary to follow steps according to Uppsalas model. The concept of Resource base model was applied to various research works related to trade show and internationalization. For example, Ling-yee (2008) applied the concept of VRIN to build conceptual framework that explain trade show performance. The resources of firms in the model were divided into five different type of resources that impacted on the sales and non-sales goals in participating trade show of firms. Thai and Chong (2008) categorized Vietnamese firms' resources into six types. Two of them are international market knowledge and network. Therefore, organization's resources can be interpreted in term of physical or non-physical assets in respect to different researchers.

The model has advantage in making analysis on firm internal capability since it involves with firm's resource. Gagnon S., (1999) explained that resource based view allows researchers to understand firm's management capability, ensure firms' competencies to be used properly, and help operations strategy to be embedded to company as the sources of strategic advantages. Researchers used the model to explain internationalization phenomenon of both traditional (or Uppsala) and BG. For example, Hitt M. et al. (2006) divided firm's resources that impact firm's internationalization into two categories: human capital and relational capital. Physical resources and skills are the source for firm competitive advantage (Mahoney, 1995, as cited in Shamsuddoha et al., 2009, p. 412). Organizational assets plays an important roles in determining behavior of firm in emerging markets (Yaprak and Karademir, 2010).

Resource based model were often compared with Dunning's eclectric approach and transaction cost view on internationalization. The key different is that transaction cost approach presume firm avoid a certain entry mode, e.g. licensing, as the firms lack of opportunity. But resource based proposed that firms are unable to entry with, says, licensing, because it does not have appropriate resource, or cannot be compete with superior capabilities of MNEs (Peng M., 2001). Both theories can be used to explained entry mode strategy. Das T.K. and Teng B. (2000) explained that low transaction cost with high production cost will resulted in market transaction. Meanwhile, higher transaction cost with lower production costs will result in joint venture as the firm can control internal operation. This implied that the low transaction cost comparing to production cost will be resulted in domestic production rather than overseas investment. Contrast to Resource base approach where the model explained export entry mode due

to competitive advantage of firm. In addition, Resource base explained firm's decision to invest aboard differently. The incentive for firm to invest or use alliances is to obtain resources from other firms that are essential to attained competitive advantage (Das T.K. and Teng B., 2000).

### 2.4.6 Network theory

The Network approach aims to explain intensity level of networking and how firm utilize network under difference internationalization scenarios rather than explaining development of firm's internationalization process. In addition, the theory emphasis on the importance of network as the determinant of firm's success in internationalization (Moreira et al., 2013). Johansson and Mattsson (1988) developed a network model of internationalization based on business network research. The main point of model is the extent of relationship's level of firms in four different situations 1) the early starter, 2) the late starter, 3) the lonely international, 4) international among others. The firm in early starter stage is in the market where it is still very less internationalized. Therefore, the early starter has only few relationships in the foreign market. In this case, agent plays major role in facilitate firms expanding international market since they have limited knowledge of foreign market. The next stage is situation where the firm has developed more business relationship which resulted in highly internationalize but still in the market in which most of the firm are still in domestic focus. This situation is called lonely international. Late starter is the firm in the market that is already internationalize. This case the firm who try to enter foreign market tend to use existing network of other highly internationalize firms. However, they have disadvantage over competitors since they are late in foreign market. Finally, international among others are situation in which firms are internationalize in highly internationalized market with other highly internationalized firms. The network environment is high and firms can use network to seek new opportunities.

Network theory does not classify the magnitude of network and type in each stage of firm's internationalization development. The early starter stage is not the first stage of internationalization. The stage of international among others, similar explanation, is not the last internationalization stage. However, network theory is widely mentioned among researchers especially BGs and small firms. The usage of network approach was later included in three main theories: Uppsala, INV, and BG as the catalyst for firm's internationalization.

**a. Network and The Uppsala revised model**

The Uppsala model was revised in 2009 by Jan Johanson and Jan-Erik Vahlne. The revised work incorporated a business network model of internationalization process. Network is seen as the medium of improving and protecting firm's position in target market.   In addition, business relationship is the key element to identify and develop opportunities and impact on particular geographical market a firm decides to enter.

The main feature of the 2009 business network version of Uppsala model is that an increasing in knowledge may have positive or a negative impact on building trust and commitment. Relationships are characterized by specific levels of knowledge, trust, and commitment that affect to the successful in internationalization. In sum, the revised model is highly emphasis on the relationships variable. The internationalization is subjected to a firm's relationships and network. The firm decision on overseas expansion is based on its relationships with important partners who are committed to developing the business through internationalization (Johanson J. and Vahlne Jan-Erik, 2009).

**b. Network in INV and BGs.**

Small firms often received encourage to expand market overseas through attaining network that offer knowledge and other resources benefits. Oviatt M. and Mcdogall P. (1994) cited that INV utilize the benefit of close network in multiple countries. Network was seen as the source of knowledge and enable INV's competitive advantage. It is observed that manager with international experience tend to excel network for the benefit of internationalization. Gilmore, Carson, & Grant (2001) proposed that marketing for SMEs is different from MNEs because SMEs has limited resource, in term of finance, time, marketing knowledge, etc. comparing to MNEs. Network assist smaller firms in working together and overcome export marketing problems. Networking is also seen as marketing competence. SMEs tend manage relationship with key stakeholders such as customers, competitors, etc. (Ghauri et. al, 2003, Reuber and Fischer E., 1997, as cited in Freeman S., et al, 2006, p. 34).

**2.4.7 The criticism on internationalization theories**

This part devoted to the criticism of selected internationalization theories. The analysis will carry out main feature of theories which will benefit to the result analysis part.

**a. Internationalization Process-oriented**

The main feature of the very first widely accepted internationalization model was Johanson and Vahlne's Uppsala approach in 1977 is that it presented with clearly define process. The challenged approach is International New Venture (INV) and Born Global explained the firm' s alternative way of internationalization with conditional reasons. BGs, depending on the quality of firms, enter global market global directly at inception and do not necessary to follow steps according to Uppsala model. The theories also explain the process of how firm involve in international business activities since

beginning. For example, Uppsala model is set on the premise that knowledge is the key factor for firm to expand market overseas, and that necessary knowledge can be developed once firm operate in such overseas countries. Meanwhile, BGs cited the importance of technology as a key driving force for small firm internationalization. Although, the three theories presented the underlying reasons, but the precise process make them different from other theories. Other main theories, such as Dunning's eclectic paradigm approach and Resource base model, focused on competencies of firm that state underlying reason of firm's internationalization rather than process of international market development.

## b. Competencies oriented

Since Uppsala model was introduced in 1977, the following theories developed later concentrate on the competencies and or conditions of firms in the internationalization. Scholars tried to provide underlying reason for firm to expand market internationally but lack of defining process of how they initially enter to new market as well as how they expand in foreign markets. For example, Dunning's eclectic paradigm explained the concept of competency of firm which is difficult for other firms to replicate. Or the internalization that provide firm to control transaction of resource in the uncertainty.

Similar to Dunning's eclectic paradigm, Resource based model argued that the rare, in-imitable, and non-substitutable firm's resources allow firm to enjoy competitive advantage and able to enter international market (Barney, 1991 as cited in Ruzzier et al., p.486). In addition, the internationalization process of Resource based approach does not specify the path of internationalization. The different is that Eclectic approach explained the reason of firm enter foreign markets with investment mode of entry, whereas, Resource based model does not emphasis on entry mode strategies. Eclectic paradigm extends the Uppsala by providing additional reason of why firm should invest abroad. This approach was classified in the same set of the theories that emphasis on the MNEs such as transaction cost approach and internalization theory. (Ruzzier et al., 2006). It focused mainly on the reason underlying firm's decision to undertake domestic production or invest overseas.

**Table 11 Example of researches involve internationalization of firms in developing economies and methodologies used**

| Main Internationalization Theory | Key findings | Country/ Region | Methodology | Sources |
|---|---|---|---|---|
| Network | Network contribute to knowledge for foreign markets. Market knowledge has positive impact on firm's performance | Czech Republic | Quantitative 169 firms | Musteen M. et al (2013) |

| Network | Network trigger and motivate software firms' internationalization by lowering cost and reducing risk. | Malaysia | Qualitative 3 Case studies | Zain M. & Ng S. (2006) |
|---|---|---|---|---|
| BGs | Driving forces for internationalization are leadership desire, profit, market conditions, business opportunities. | Vietnam | Qualitative 4 Case studies | Thai M. and Chong Li (2008) |
| Uppsala | Focusing in a few markets for SMEs enable SMEs to develop expertise on those markets. | Caribbean islands of Barbados, Dominica, Jamaica, Grenada, St. Lucia, Trinidad and Tobago | Quantitative 306 firms | Brouthers L. et al (2009) |
| BGs, Network | Network accelerated knowledge and decrease uncertainty for new market. | Malaysia | Quantitative Interviewing 1 case | Falahat M., et al (2013) |
| Uppsala, BGs | SMEs face various challenging when deciding to internationalize such as knowledge, skill, product qualities. Government program have support to overcome existing problems. | Malaysia | Secondary data sources | Hashim F. (2012) |
| BG, Network | Firms' internationalization are influenced by various factors including entrepreneur, network, etc. Certain type of entrepreneur associated with type of internationalization. | Brazil | Quantitative | Dib L., et al. (2010) |
| BG | Knowledge and behavior of entrepreneur influences BG firms in the beginning state as well as level of success in global market. | Various unspecified emerging countries | Secondary sources | Persinger E. et al. (2007) |

Based on the review of internationalization models, it is obviously that knowledge and network are important elements in driving firm to internationalize. Table 2.5.7B presented example of research works that employed internationalization theories in explaining firms' international market expansion. Both quantitative and qualitative approach are used as tools to provide answers. In addition, only firms in developing economies are chosen to present that emerging markets were interested by scholars. For example, Zain M. & Ng S. (2006) investigated the relationship between network and internationalization by using three case of Malaysian firms. Therefore, it can be seen that knowledge plays key role in explaining firm's internationalization process in Uppsala or born global approach, as well as network that were mentioned in many research works. Next part will examine on type of knowledge and network that relevant to internationalization process, especially on market selection and mode of entry.

**2.5 Knowledge Management and internationalization of SMEs**

### 2.5.1 Knowledge creation perspective

Eteman H. and Lee Y. (2003, p.6) defined the outcome form learning activities or knowing process as knowledge. Nonaka I. et al. (2006) define organizational knowledge creation as the process of making available and amplifying knowledge created by individuals as well as crystallizing and connecting it with an organization's knowledge system. Knowledge creation can be understood as the acquisition of the new knowledge from continuous learning that make a person be able to overcome his or her boundary constrained by past information and learning experiences. Rechav I. (2009, p. 146) added that the creating of knowledge process can occurred either within and/or outside firms but the outside of organization knowledge is more costly. The knowledge acquisition of firm is importance since it is regarded as an additional of organization's resources (Kippenberger, 1997). In addition, Nonaka I. (1994) explained two dimensions of knowledge in organizations: tacit and explicit. Explicit knowledge is the knowledge that easy to be codified. It pertains to the know-what and informational. This kind of knowledge is easily obtainable and does not need individual engagement in the situation to receive such knowledge. Furthermore, there is less problematic to transfer among firm's members. In contrast, tacit knowledge occurred with personal experience. Occasionally, this type of knowledge referred to as know-how and procedural knowledge. The character of this tacit knowledge is more difficult to codify and transfer since it involves personal encounter. Knowledge from international market activities tends to be tacit and experiential because it is usually created from one's experience in doing business overseas which is difficult to transfer or explain. (Huang H. and Hsieh M., 2013). Tacit knowledge differs from explicit knowledge that is uttered and captured in drawings and writing. For example, knowledge of a solution to a differential equation is explicit knowledge. (Nonaka I. and Krogh G. 2009)

Researchers has employed the concept of knowledge creation theory to explain some phenomenon of internationalization process. Soberg P. (2012) mentioned that international knowledge is crucial for internationalization process. The concept of tacit knowledge has been used to analyzed internationalization of research and development (R&D) activities and investigate differences in the characteristics of knowledge. In addition, the source of knowledge, e.g., knowledge from competitors, can influence on the success of internationalization. Tacit knowledge was mentioned by Lane et al (2001), cited by Soberg P. (2010), that the most important knowledge for different business activities in an international context, tends to differ in terms of the extent to which it is tacit. In addition, Jonsson A. and Elg U., (2006) cited the term "Internationalization knowledge" which is defined as the experiential knowledge that firm utilize their capabilities and resources for new market expansion. Furthermore, internationalization knowledge divided into business knowledge such as customer knowledge, market knowledge, and competitor knowledge, and institution knowledge such as, knowledge of government, institutional framework, rules, norms, and values.

The review of internationalization theories presented that some theories highlighted that knowledge plays an important role in driving firm's internationalization regardless of

type of internationalization e.g., Uppsala or born global approach. It provides internationalizing firms with the ability to enter foreign markets and carry out international operations (Kogut and Zander, 1993 cited in Huang H. and Hsieh M., 2013). For stage approach, market knowledge (and market commitment) affects commitment decision and how decision are made. The firm's knowledge of foreign markets is directly influenced by the commitments of resources in foreign market. The mode of entry is therefore associated with knowledge and start from "exporting via agent" stage to "wholly owned subsidiary" stage. Johanson J. and Vahlne (2003) indicate that lack of knowledge about foreign markets is the main obstacle to internationalization and knowledge can be developed from operation from those foreign markets. Business opportunities and problems can be found when the firms operate their business overseas. The development, integration, and transfer of knowledge is the important part of strategic management of internationalization. Foreign market entry and market expansion are gradually extended once the firms familiar with the foreign market. However, Anderson (1993) critic that there is no clear explanation on how the origin of the process start, in other word, how the knowledge affects commitment are originated from. The source of knowledge that firm obtained was unidentified in the theory.

INVs or Born global approach clearly explain that knowledge of firm plays critical role in determining firm's internationalization. A number of scholars have proposed that knowledge based capability is particularly important to the competitive advantage of born global firms (Huang H. and Hsieh M., 2013). Especially, the term "private knowledge" is mentioned in the research work. This approach mentioned the advancement of communication infrastructures can empower and reproduce valuable knowledge at extremely low cost. Therefore, firms must limit the use of its knowledge by outsiders in many countries for it to have commercial value. The knowledge will also help firms be able to internationalize since inception. Therefore, the entry mode of INVs or born global type of firms does not need to follow traditional internationalization process of Uppsala model. The mode of entry can be various at inception. In addition, market selection of firms can also be varied, e.g., geographically focused start up is when the firms internationalize in a particular region of the world, while global start-ups are type of firm where they can internationalize in any countries in the world at inception.

Huang H. and Hsieh M. (2013) use the approach of knowledge based capability to study the acceleration of born global firms' internationalization and conclude that the capability to apply knowledge is crucial to the global firm. The internationalization of born global is accelerated by a knowledge transformation process. The speed depends on ability to transform internationalization knowledge from individual employees into organization strategies and operational procedures.

The Resource based theory clearly presented that organization knowledge is the key for firms' competitive advantage. Firm that has resource that in-imitable, or knowledge based with difficulty to replicated, then, they have advantage in internationalization

activities. However, the approach does not explain the process that how the firms developing their international market. Nevertheless, the model shares one similar aspect as INV/born global approach which is the specific resource that make firm gain competitive advantage. Therefore, it may be able to imply that Resource based view has the same view on internationalization process as INV which is firm can enter to various foreign markets since inception at various mode of entry.

Mejri K. and Umemoto K. (2010) proposed the knowledge based model of SMEs internationalization. The model proposed that internationalization consists of three phases during four kinds of knowledge impact these phases differently. Firstly, market knowledge including market size, competitors, regulations, etc. is objective or explicit type of knowledge (Nanoka I., 1994). The other knowledge including network knowledge, cultural knowledge, and entrepreneurial knowledge are tacit or experiential knowledge (Nanoka I, 1994). The model divided internationalization phase into pre-internationalization (no experience), novice internationalization (short experience), and experienced internationalization (long experience). The degree of each knowledge is different for each particular phase. This model use the Uppsala approach as the underlying concept model. And the fact that the approach views firm as pre-internationalization, novice, and experienced firm is clearly indicate that it divides the firm into stages. The mode of entry and market selection strategies were not specifically explained but may assume to be gradually involvement in international market based on the stage process explained previously.

## 2.5.2 Knowledge Integration process

External knowledge will be absorbed into firm. Individual is the key player in integrate knowledge and transfer such knowledge to organization (Szulanski G., 1996). Individual person gains various knowledge from outside and share such knowledge to other people in firm. Knowledge become useless without sharing. The integration process involved knowledge capability of firm to absorb new knowledge and combine with the prior knowledge that already existed in the firm, which resulted in country selection and entry mode choices (Casillas J. et al., 2009). The authors also explained that prior knowledge determined by individual e.g., founder, communication structure, and networks in organization.

Knowledge can be transferred from individual to individual or individual to organization. Kippenberger T. (1997) cited the concept of knowledge conversion that such process occurred due to interchange between tacit and explicit knowledge. It is the process with which organization create internal knowledge. The interaction between tacit and explicit are expanded in term of qualitative and quantitative (Nonaka I. and Takeuchi 1995). The authors explained that there are four type of knowledge conversions: tacit to tacit, tacit to explicit, explicit to explicit, and explicit to tacit. Tacit to tacit knowledge can be obtained from personal interaction. Tacit can be converted to explicit knowledge through analysis or creation of hypothesis concept. The conversion

of explicit to explicit knowledge is not complication and is able to exchange between each other meeting, documents, and conversation. Finally, explicit to tacit knowledge require individual in firm to convert explicit into personal own story.

Knowledge conversion can be occurred by various medium such as socialization, meeting, telephone conversation, etc. Face to face interaction, in which individuals share feeling, emotions, experiences and mental models allows knowledge to be socialized (Bakestrin A., Vargas L., Fayard P., 2008). Therefore, it can be inferred that the knowledge conversion process usually occurred during trade show since it involves with socialization and meetings.

## 2.6 Network and SMEs internationalization

### 2.6.1 Concept of Network and business relationships

A network is define as sets of two or more connected exchange relationships (Axelsson and Easton, 1992). Network involves resource exchange amoung its different members (Shama, 1993 cited in Coviello N. and Munro H., 1997). Business networks are sets of interconnected business relationships, in which each exchange relation is between business firms conceptualized as collective actors (Anderson et al., 1994, cited in Johanson J. and Vahlne J., 2003). In addition, social network theory explained that connection and relationship are developed to support personal and/ or organization objective. It can be occurred in formal such as buyer-seller relationship, and informal structure such as people from a similar certain of background (Granovetter M.S., 1985, Burt, 1992, Hitt M.A. et al, 2002, Sorenson O., 2003, as cited in Zhou L. et al., 2007, p. 674)

### 2.6.2 Role of network in internationalization

Research pertains to network issues in the context of small firm is increasing. However, the context that integrate the aspect of international trade show is limited. Many researches supported that networks can influence on internationalization process, such as pace, pattern, market selection, and entry mode. Networking is considered to be an important source of SMEs business expansion to many countries. The accomplishment of internationalization requires good cooperation between related agencies (Senik Z., et al., 2011). Internationalization can be considered as ongoing process of business firm in expanding its business to foreign countries. Firm will have to transfer products or services across domestic boundaries to selected countries as well as medium of international exchange transaction scheme or entering strategy. The two dimensions: entry mode alternative and international market selection are the core strategic decision of firm's internationalization (Andersen O., 1997,).

Networking can stem from prior owner/manager networks, personal, or business contacts (Hallen, 1992). Frequently, international relationships can originate from inward internationalization such as purchase of machinery, or import of raw material. These activities provide opportunities to network with foreign firms and allow domestic firms to learn about foreign trade and possibility to make outward foreign operations (Karlsen et al., 2003 cited in Freeman S. et al., 2006). Based on existing research works, the impact of network on firm' s internationalization can be summarized into four types.

**a. Network influences firm behavior**

Network influences on firm behavior (Caviello N. and Munro J., 1997). In fact, networking impact on decision making of SMEs' owners/managers. As the owner/manager gathers more business contacts and networking becomes more strategic, his decision making will become more rigorous. Networking development can help owner/manager learn from mistake in the past and tend to have better decision making (Gilmore et. al., 2001). Furthurmore, decision making can impact choice of markets to enter. Johanson J. and Vahlne (2003) found that existing relationship can influence the choice of international market expanding for the case of Nordic healthcare business. The strong connection with research center and customers made it easier to form a partnership in overseas countries such as the USA and Eastern Europe.

Different type of network influence firms in dissimilar ways. Shamsuddoha A.K. et al. (2009) explained that government export assistance program can improve positive attitude of firm on international markets. Therefore, networking with government may lead to indirect affect on firm's perception. In addition, SMEs use international trade show as opportunities to establish and strengthen relationships that can lead them to enter international markets. Trade shows are seen as networking platforms that allow people to interact with each other. This gives SMEs the chance to grow overseas. However, research on trade shows mostly focus on selling and promotion, but there has been little attention on network building opportunities (Evers and Knight 2008, p.544). In the case of emerging markets, there has been even less study.

Aside from choosing which foreign markets to expand, entry mode is also the result from business relationships. The same research work from Johanson J. and Vahlne (2003) concluded two cased of hospital and health care business expansion that the jointly owned subsidiary and establish infrastructure in overseas are the consequences of a long-tern establish relationship between high level/ decision makers of organization and potential customers. Thus, network can play vital role in entry mode strategy.

Networks also play an important role in internationalization theories, especially the born global model or INV. Born global firms may enter international markets in various ways including exporting, licensing, strategic alliances, joint ventures, etc. Born global firms have to make close network alliances in multiple countries to build a competitive advantage (Harris and Wheeler, 2005 cited in Freeman S., et al 2006). SMEs use networks to develop partnerships and alliances in multiple entry modes to overcome

constraints and to be able to present their unique innovative product or service to an international market rapidly (Freeman S., et al, 2006, p.34).

**b. Network as a source of trust**

Firm usually exchange basic information with first time meeting with buyers, while they tend to emphasis on trust building with the existing ones (Karabulat A., 2014). Network create trust. Trust and respect are essential conditions for manager and customers from various cultural backgrounds (Cellich C., 1995 cited in Rowden R., 2001). Building trust is very important for doing business with Japanese, Chinese, and Latin Americans. For example, Japanese may need to have many meetings before the discussing business issue (Rowden R., 2001).

The most important type of network, and mostly mentioned in literature is perhaps networking with customers. SMEs owners use networking for international marketing purpose. Building and maintaining good relationships with clients is important. Trust building with customers is vital for company success. Different type and character of customer influence networking relationship. The nature of manager-customer networking and how it is done will either contribute to the ways that SMEs do marketing. The creation and existence of networking impact on enterprise's survival (Gilmore A., et al., 2001).

**c. Network as a source of knowledge**

Without network, SMEs may not be able to attain importance knowledge within a rapid time interval. Network from customers, suppliers, and other international trade stakeholders provide knowledge that important to foreign market penetration (Falahat M., et al., 2013). Fuerst S. and Zettinig, (2015) conducted four case studies and concluded that interaction between stakeholders can be the source for different international market knowledge such as industry insight, legal knowledge, knowledge about clients, etc. Nonaka I. and Konno N., (1998) introduced the concept of *ba:* a Japanese terminology explaining the concept of a space relationship is emerged. Participant who engaged in *ba* means they are engaging in creation of knowledge. This concept has linked the emergence of network to knowledge creation. In addition to SMEs context, owners/ managers of small firm acquired knowledge in the nonsystematic way e.g. such as social network rather than systematic way such as formal information form government (Spence M. and Crick D., 2004).

**2.7 Entry mode**

Another dimension of internationalization that capture research interest is entry mode strategy of firm. Root F.R. (1987) define entry mode as the institutional arrangement for conducting international business activities such as joint venture, contractual agreement, and wholly owned overseas investment, etc. Blomstermo A. and Sharma D. (2006, p.215), propose that entry mode involve in process of experiential knowledge accumulation in regards to business partners, human resource, technical, and administrative resources. However, Tihanyi L. et al., (2004) referred entry mode as the choice of entry strategy that firms decide to enter when they initial penetrate to different foreign markets. Refer to the question research of this thesis, selecting entry mode relate to time of entry. Therefore, the above explanation along with Tihanyi's dimension of time is appropriated for this research. Hence, foreign entry mode involves strategic firm's decision on type of foreign expanding operation when firm initially entering the market.

**2.7.1 Category of entry mode strategy**

Classification of entry modes is different among researchers. The traditional one follow Root F.R. (1987) where modes of entry are export, contractual, and investment. Size of entry mode types is not entirely agreed upon. For example, Ravelomanana F. et al (2015). elaborate in nine categories including direct export, indirect export, licensing, franchising, contracting, sales subsidiaries, manufacturing subsidiaries, joint ventures, and strategic alliances. This thesis employed traditional work of Root F.R. (1987). The three types of entry mode are export, contractual agreement, and investment.

**a. Export**

Export is the first step in entry mode, has least risk, while wholly own subsidiary engages highest risk. In addition, Exporting also required least capital comparing to other medium of market entry (Graves C. and Thomas J. (2008). Among all medium of international market entry, Exporting is considered to be most simple and smallest cost incurred (Karabulut A., 2014, p. 53). Brouthers K. (2002) employed the "risk" concept to study investment mode of entry and concluded that firm manage or avoid higher investment risk by using JT mode than WOS. SMEs tend to have limited resource comparing to large MNE. The resource scarcity, e.g., financial viewpoint, restricts SMEs ability to advance and commit higher stage of internationalization such as contractual and investment. For example, comparing to MNEs, small firms have difficulty in transferring their human resource to perform international task overseas. (Lauf K. and Schwens C., 2014, p. 1111).

The two types of export entry modes are indirect and direct export. Indirect export is one of the most easiest foreign mode of entry. Generally, exporters export their product by through third party or agent whom does not conduct foreign marketing to end user.

Contrast from direct export where exporters export to foreign companies by themselves. Profit of direct profit usually larger than those with indirect export but it involve more cost and time consuming (Kaffash M. et al, 2012).

**b. Contractual agreement**

Contractual agreement is another form of entry mode where domestic firm have contract arrangement with international counterparts. One of the well-known contractual agreement forms is licensing where domestic firm assign privilege of using production process, brand, or trading secrets in exchange for financially return. Another form of contractual agreement is franchising which is mode of conferring licensing is the medium of international business transaction. This is applicable to the case of firm with intangible assets such as trading name. The contractual agreement allows foreign firm to have privilege in using the right of intangible assets. (Selden A.C., et al, 2008, as cited in Kaffash M. et al, 2012).

**c. Investment**

Investment is another type of entry mode where firm engage in in equity ownership when entering new market. It can be classified into joint venture (JV) and wholly own subsidiary form (WOS). Joint venture is where domestic firm engage in partnership with foreign counterparts. It can be minority, equally, or majority involve in equity ownership. Meanwhile WOS enter foreign market with one hundred percent of ownership. Firm can either fully acquire foreign entity by purchase business unit as a whole or start from beginning in the new territory. Firm usually obtain various benefit from investment type of entry mode such as benefit from tariff reduction, gaining skillful human resource, access to competitive workforce, etc.

Three main factors involve in the determinant of entry modes choice are: commitment, risk, and control dimensions. Laufs K. and Schwens C., (2014) explained that the situation regard to entry mode choices and the three mentioned factors. For example, WOS that start business from scratch require higher resource commitment than export choice of entry. The same explanation to contractual agreement such as license or franchising where no equity is involved in ownership. Therefore, the cost associated with the entry mode is only less than WOS. Table 12 summarized the three aspects associated with three type of international entry modes.

**Table 12 Characteristic of type of entry modes**

|  | Commitment | Risk | Degree of control |
|---|---|---|---|
| Export | Low | Low | -Low to none |

| | | | -No equity ownership |
|---|---|---|---|
| Contractual agreement | Low | Low | -Between export and Investment mode

-No equity ownership |
| Investment | High | Low: unintended knowledge diffusion

High: resource | Depends on level of partnership, equity ownership (e.g. minority vs. majority) |

Source: Adapt from Laufs K. and Schwens C., (2014). Develop for this study

Risk is another factor associated when firm undertake mode of entry. Risk related to commitment. The more resource commitment, the higher level of risk in losing its resource when firm expose in international setting. However, in contrast, establishment of WOS can reduce risk associated with limited target market knowledge such as unique technology. This risk tends to be higher in contractual agreement where there are other partners involves in the business. Degree of control over foreign market activities determined by involvement of firm strategic decision making. WOS has fully control over resource and management in foreign subsidiary. Level of control for JV depends on percentage undertaken, agreement, and number of party involve since they might need to share with their counterparts (Hill et al., 1990, as cited in Laufs K. and Schwens C., 2014. In the case of contractual agreement, control is limited to contract enforcement to certain extent. Considering the three factors involving international market entry modes presented in table 2.7.1, this research settles to classified entry mode into three categories, similarly to Root F.R. (1987) and Laufs K. and Schwens C., (2014). The three types are export, contractual agreement, and investment modes.

**2.7.2 Determinant of International market entry modes**

In the regard of commitment, risk, and degree of control, Uppsala model imply incremental process based on control degree ranging from no regular exporting activities, exporting via agents/ distributors, licensing, franchising, strategic alliance, joint venture, and wholly owned subsidiary. Exporting mode of entry has the least or no control over international operation while wholly owned subsidiary provides fully control of international unit aboard. This model also implied the risk in expanding business overseas associate with entry mode. Lack of foreign market knowledge create uncertainty and have difficulty in justifying overseas target markets. Therefore, international entry mode characterized in indirect exporting in the earlier years followed by establishing a part or wholly owned subsidiary once accumulating additional and sufficient market knowledge (Johanson and Wiedersheim-Paul, 1975). The same explanation for the shifting from exporting to contract based such as licensing. The firm likely to engage more commitment when they are accumulating experiential knowledge (Daniels et al, 1976, as cited in Blostermo and Sharma, 2006). Export has the least risk associated and increasing in higher range proposed in the model. Commitment is one

of the key concepts determining Uppsala internationalization process. The firm begin with least commitment when they have limited about foreign markets. Therefore, commitment is lowest in the export modes and highest in WOS mode.

Cultural distance is the one of the main concepts associated with Uppsala theory. Recall that cultural distance refer to the different in national culture systems between countries. Tihanyi L. et al, (2004) conducted a research pertain to this phenomenon by using MNEs as the data inputs. The study stated that cultural distance can lead to complexity and uncertainty for MNEs' managerial decision making (Shane et al, 1995, as cited in Tihanyi L. et al, 2004, p. 272). One of the theoretical positions stated that the more different in cultural distance between domestic and foreign countries, the higher level of equity ownership mode of entry. The demand for controlling might be necessary in the cultural distant market since it leads to an increasing in operating effectiveness. This is in consistent with the presentation in table 2.7.1, the high degree of control in investment mode is in line with low risk of unknown knowledge. However, the result from this research conclude that there is no relationship between cultural distance and higher equity mode of entry choice for the case of MNEs. Therefore, the theoretical position stated in the mentioned research remains unclear for the case of SMEs.

Dunning 's Eclectic model is another theory that few scholars use in entry mode analysis. In sum, the theory is well predicting entry mode choices for SMEs into Central and Eastern Europe. (Brothers K. and Nakos G., 2003, Brothers K. and Nakos G., 2004). As the theory encompass the appraisal of cost related to production. For example, recall the OLI framework explained earlier, ownership advantages refer to the competitive advantages of the enterprises seeking to engage in overseas investment. The greater advantages of the firm investing abroad, the higher incentive that firm will engage in foreign production. Moreover, the internalization part stated that firm with greater benefits of overseas operation, internalizing, the more likely a firm will prefer to engage in foreign production. This implied that firm need to evaluate cost associated with undertaking overseas business activities. Another related approach is transaction cost analysis of international strategic entry mode. Brothers K. and Nakos G. (2004) explained that firm with higher cost in replacing physical and human resource when switching markets tend to be more precaution and entry foreign market with high equity ownership. Firm tend to internalize foreign operation in order access to greater control and protect their know-how from misuse. This tend to occur to firm with high technological advantage. Those with lower switching cost involve generally are not concern about protecting knowledge from competitors, since competitors also easily access to such knowledge. Therefore, the lower switching cost firm tend to enter foreign market with lower equity ownership scheme such as exporting. For example, SMEs with greater technological advantage tend to use equity investment modes of entry.

Root F.R. (1994, as cited in Kaffash M. et al, 2012, p. 48-50) presented internal and external factors in determining firm's entry mode. Internal factors are country product factors and company resource-commitment factors. External factors are including target market factors e.g. size of market, target country production factors e.g. cost of

manufacturing, target country environmental factors e.g. political of target countries, and home country factors. Some of the factors' concept are similar to Dunning's Eclectic approach. For example, as for home country and target country production factors, firms considered cost of production in domestic country and compare to foreign production. If home country production cost is higher, then, firms are encouraged to shift production investment overseas.

The research related to market entry mode can be divided into ones that involve organizational performances or profit (Chi, Hsin Kuang, et. al, 2008) and ones associated to factors influence firm's strategic entry mode. For example, Ravelomananan F. et al (2015), proposed factors influence foreign market entry mode divided into internal factors such as international experience, risks, costs, flexibility, relationships, etc. and external factors such as socio-cultural distance, country risk, demand uncertainty, competitive environment, law and regulation, geographical distance. All of these variables are in consistent with the concept of Uppsala and Dunning's Eclectric framework.

Therefore, the two stream of researches are entry mode performance (Brouthers K., 2002) and factors contribute to entry modes such as transaction cost, legal restrictions, cultural context, firm size, and technological knowledge, etc. (Brouthers K., 2002, Hashai N., 2010). The magnitude of the mentioned factors can be affected by knowledge and/ or network that firms acquired during internationalization process.

### 2.7.3 International market entry mode pace

Determining how knowledge and network affect to entry mode is essential for this study. Testa S. (2010) studied the internationalization of specialty food companies in developed country and specified two separate types of pace: Uppsala and born global. This concept was obviously adopted from two distinct internationalization theories: Uppsala and born global. The pace of internationalization is interpreted differently among researches. Even among born global firm itself, Taylor M. and Jack R. (2013, p.703) define pace, since the research focus only on born global firms, as the speed in which firms start to internationalize since inception ranging varied from two to eight years (McKinsey and Co., 1993, McDougall et al., 1994, as cited in Taylor M. and Jack R., 2013, p.703).

The mentioned study also recalled research from Bell et al., 2001 and Bell et al., 2003 the sub concept of born global: "born again global firms" which is the firms that focus only on domestic market. These firms have never been internationalized before but suddenly revolutionize to internationalize speedily due to a change in internal organization or external business environment. Since the concept of born again global firms seem to be not widely used, therefore, this thesis will emphasis on, but not limited to, two type of internationalization pace: gradual and at inception.

Researchers employed internationalization theories to indicate pace of foreign market entry. The two mains theories that focus on process of internationalization, as discussed earlier, are Uppsala and BG approach. Uppsala model indicated that firm proceed international market gradually. There is some delay between marketing activities and actual sale. Therefore, the gradual pace of market entry is in accordance with the Uppsala model concept. In addition, Since knowledge is the key element in understanding new market, then, the firm can proceed to only single or small number of markets at a time. The criteria in identifying whether firm is expanding at gradual or at inception pace is as metric table 2.7.3.

For BG, there is no exact agreement on certain interval of time taken to internationalize. Welch, L. S. & Luostarinen, R. 1988, referred to the firms that seek to export at the time of inception. Chetty & Campbell-Hunt, 2004 stated the range of time to internationalize is between 2 to 8 years. Meanwhile, Knight, Madsen and Servais 2004 set the measurement of 3 years with at least 25 percent of sale must be from export. Research from developing economy has even less data on specific time interval to classified firm as BG. Abdullah N. and Zain S. (2011) conducted research pertain to BG and used SMEs in Malaysia as empirical inputs. The mentioned study employed the period of up to 6 years of establishment. However, the underlying reason is unclear. A few years of international sale since inception seems to be preferred definition that various researcher set their criteria. Other measure is, for example, Graves C. and Thomas J. (2008) stated that born global normally have exporting activities concurrent or near-simultaneous domestic sale movement.

This research employed both quantitative and qualitative view in justifying whether the company is Uppsala or BG, as well as pace of entry mode. Quantitative and qualitative measurement were used to determine pace of entry mode. Table 13 presented two types of entry mode pace: gradual and rapid by measuring time to internationalize as well as history of firm in international market expanding. It is inappropriate to justified only time dimension since there is no precise conclusion among scholars. If the firm precisely indicated that they have been never interested in international activities and/ or have solid track record of domestic sale at the time of founding company, then, that company will be classified as internationalize at gradual pace. Similarly, if it is found that a company entry foreign market since inception, that company would be considered as entry international market at rapid pace. This research employed main characteristics from existing researches and developed measures that will be used for this study.

**Table 13 Characteristic of pace of entry mode classified by quantitative and qualitative measures**

|  | Gradual | Rapid |
|---|---|---|
| Quantitative measurement | More than 3 years since inception | 0-3 years since inception |

|  | focus on single or small number of market at a time | Export to many markets at once countries |
|---|---|---|
| Qualitative measurement | Domestic expansion first | Near simultaneous expansion both domestic and foreign markets |

After finish collecting data, the detail answer ought to provide explanation of role of knowledge and network play and contribute to development of firm in different pace of internationalization, namely Uppsala or born global, and also type of business contract in choosing foreign partner (export, contract, or investment).

## 2.8 International Market Selection

The decision to conduct international business activities with foreign counterparts is a complex process. It demands various decision on various issues. The outcomes of each decision affect the success of firm performance. Prior concluding which direction and scope that this research will employed in order to analyze IMS. It is beneficial to discuss about issues confronting IMS which is found from existing literature. This part outlines some remarkable controversial regarding IMS.

### 2.8.1 Overview of International market selection

The identifications of prospective international target markets are essential in international business research. However, the definition of international market selection from existing literature is extensive. Rundh B. (2001), stated that international market development can be classified in many ways. Papadopoulos N. and Martin O., 2011 define international market selection as the decision that firms selected market, regardless of a well define geographically or otherwise, in which to be presented. Gorecka D. and Szalucka M. (2013) explained that IMS involve the action of firm in identifying target market in which it wants to offer product as IMS, subsequently, follow by entry mode decision. Unlike the concept of foreign entry mode where elements, such as export, contractual, and investment, are clearly defined. The extensive range of IMS definition resulted in variety of model subject to interpretation of individual researchers.

### 2.8.2 Market selection decision process

### a. Systematic vs. nonsystematic approach

The broad definition of IMS leads to different stream of research work. Many existing literatures tend to conclude that international market selection involves rational decision making. They tend to make judgement by step. However, many studies relied on the study of MNEs where internal organization is well established with clear structure of management. Papadopoulos N. and Denis J.E., (1998), as cited in Musso F., Francioni B., (2014) presented IMS has two approaches: systematic and non-systematic approach. The systematic approach involved formalized decision procedure, statistical method, etc. in order to analyze market. Spence M. and Crick D. (2004) cited that international activities such as trade mission provides systematic method in exploring international opportunities. However, this characteristic of systematic thinking is different since some of SMEs, especially in developing economy, rely the key decision making on business owner's personal goals, and other factors such as firm's stability, resource constraints. SMEs' marketing decision is usually informal depends on owners undertake their business. Key decisions are mostly on their own (Gilmore A. et al, 2001, p. 6). SMEs tend to have direct relationships with resource commitment. In addition, many SMEs are family business owned, the expansion decision cannot be detached from founder's personal objective. Therefore, it seems to be unrealistic for the case of small firm comparing to larger firm as they have resource disadvantage. (Liberman-Yaconi et al, as cited in Marchi G. et al, 2014, p.2201, Erramili&D'Souza, 1993, and Kotey, 2005, as cited in Lauf K. and Schwens C., 2014, p. 1111). Furthermore, the market selection based on cultural or psychic distance is considered as non-systematic approach (Andersen O. and Buvik A., 2002, Dow D. 2000, Ellis P.D., 2007, as cited in He X., et al, 2016, p.917). The decision making process is doubt for the case of SMEs. Therefore, IMS of SMEs in developing market needs to be considered not only rational decision making but also needs to considered other issues that influence them. In addition, market selection tend to be the decision form practitioners, such as manager, than issue debate among researchers. Therefore, there is in need to conduct research that explain the practical side of firms (Papadopoulos N. and Martin O., 2011).

**b. Country focus vs. process focus**

Another challenging issue regarding IMS resulting from unclear definition is direction of IMS research. It is observed that there are two main pillars regard to IMS research: country-focus and process-focus. The country focus emphasis on physical location over a period of time. These researches tend to focus on which country to expand. on the other hand, a group of researchers focus on process that firms implement in selecting such country. In other word, It can be view as horizontal and vertical perspective. The horizontal tends to observe firm's market expansion over time, their expansion behavior, etc. On vertical size, researchers examine on how the firm come up with idea of selecting such market. The criteria that they are managing. Considering all of these challenges, this research settles to discuss in two aspects: pattern and stage of foreign market selection.

### 2.8.3 Pattern of market selection

The two patterns in market selection are the concept of expansive and contractible patterns (Johansson J.K., 1997 and Root F.R., 1994). Expansive pattern is when firms seek to expand new market that have least psychic distance. This could result in focusing in some geographic area or as many markets as possible if the firms perceive they have least psychic distance.

Firms with contractible pattern are those who screen most of the markets available such as evaluate general market information. Follow by evaluate market potential, trend, profitability, etc., The analysis will indicate the most suitable market or markets for overseas expansion. To be able to examine which pattern the firm go through after acquiring knowledge and network will benefit to internationalization theories namely Uppsala and born global model in term of gaining better detail of new market expansion. The prominent underlying theories is unclear, however, the concept of other internationalization theories except Uppsala provide critical evaluation on firm in proceeding contractible pattern. For example, Dunning's eclectic paradigm and Resource based model's, the main concept is that resources are difficult to replicate. The evaluation market profitability has to be in accordance with firm's internal resource. Hence, the contractible pattern process emerged.

**Table 14 Pattern of market selection and internationalization theories**

| Pattern | Characteristics | Underlying Theories |
|---|---|---|
| Expansive | expand new market that have least psychic distance | Uppsala, Uppsala revision |
| Pattern | Characteristics | Underlying Theories |
| Contractible | screen most of the markets available such as evaluate general market information. Follow by evaluate market potential, trend, profitability, etc, | Eclectic paradigm, Resource Base, Network |

Source: Create for this study

Different internationalization theory provide alternative emphasizes on market selection. Table 2.8.3 presented the main characteristic of each market selection pattern and the underlying theories that describe the phenomenon. As for Uppsala model, market selection is constraint by two elements: psychic distance and experiential learning (Johanson, 1977, Johanssen and Valhne, 1977). This is the main reason why firms in this approach choose the market that has similar economic, cultural, and

political system. The psychic distance the lack of firm's information regarding overseas markets which create uncertainty of implementing overseas business activities. Hence, firms are in favor of selecting market with similarities in term of economic or cultural aspects. As previously mentioned that this is considered as non-systematic approach.

Born global firms challenge this theory since new technology, and international experience decrease psychic distance, thus, resulting in more choice of market expansion (Sakarya S., et al., 2007, p.211). Therefore, the theory supports the contractible pattern where firm need to knowledge to justify potential markets.

The two important criteria that firm use in selecting market are systematic and nonsystematic approach. Systematic approach will utilize various information of foreign markets from e.g., direct visiting experiences, evaluated international news and press, assess past relevant statistical issues, etc. before choosing particular target market (Brothers L and Nakos G., 2005, p. 364). The nonsystematic approach is based on perception toward foreign market of entrepreneur. Manager/ owner may have other personal motive in choosing markets rather than the logical data attained. In this case, cultural perspective is one of the main drive that persuade entrepreneur in choosing markets (Andersen O. and Buvik A., 2002; Dow D., 2000; Ellis P.D., 2007, as cited in He X., 2016, p. 917-918).

The concept of Ownership-specific advantage from Dunning eclectic paradigm implied that firm will seek foreign markets that best match to their competitiveness. Therefore, firm with contractible pattern will search for the market that they expect to have best return. The firm will entry to markets with assessment based on cost and expected return of such markets (Dunning, 1988). He X., (2016) employed the concept of transaction cost in evaluation firm's decision on market selection. The transaction cost include cost incurred when firm search for potential market. The result is the selection of a particular market on the location basis. The mentioned research incorporated systematic approach with the unsystematic ones namely cultural distance. The similarity between the mentioned study and this thesis is that both research works allow unsystematic elements such as psychic distance and cultural aspect into consideration. This is regard to the above explanation that SMEs are different from MNEs in decision making. The study about SMEs need to consider the challenging of firm's resources, owner's objective, etc. The results show that firm with highly cost of replacing competitive advantage resources will likely to expand to cultural close countries. For example, exporter have to adjust its products and services to target customers' need. This investment for special assets creates competitive advantage for firms. Furthermore, firm have incentive to expand to culturally close markets due to its highly transaction costs.

Network approach emphasis on business relationship that makes facilitate firms entering foreign markets in different internationalization environment. Therefore, the interaction between firms and foreign counterparts shape the decision of firm in penetrating to foreign market that they have connection with. Lindquist M. (1998) and

Bell J. (1995) cited that customers relationships and interfirm relationships such as supplier, etc. influence pace and pattern of international market growth. The early stage implied less business network and resulted in limited scope of foreign market development. The higher complexity of network in the last stage inferred that firm utilize its capacity in expanding to more markets.

### 2.8.4 Stage of market selection

The selection of which market to entry is one of the most important decisions in international market entry strategy (Gorecka D., Szalucka M., 2013, p.33). According to Koch A. (2001, p.66-69), firms to enter three stage when making decision on market selection: pre-screening, in-depth screening, and final selection. The literature on market selection stages is limited. Pre-screening, in-depth screening and final selection stage are unclearly defined. Researchers use the term to identify three stages differently as shown in table 15. Terminology for screening process is also different. Cavusgil (1985) employed the term screening, identification and selection, while Jahanson (1997) used the term country identification for first stage and preliminary screening for second stage. Kumar et al. (1994) as cited in Koch A. (2001, p.67), mentioned that macro-level is the key indicator to screen countries that doesn't meet criteria. In addition, Gaston-Breton C. and Martin O. (2011) proposed only two distinct stages: screening and identification. The first stage, macro segmentation, is similar to other research works. The authors proposed micro-segmentation that emphasis on consumer level such as personal values and social values as the second criteria for countries selection process. It is noted that the model of Gaston-Breton C. and Martin O. was developed for only twenty seven countries of European Union.

**Table 15 Stage of international market selection**

| Source | 1st stage | 2nd stage | 3rd stage | 4th stage |
|---|---|---|---|---|
| Cavusgil, 1985, Kumar et al. (1994)., Root, 1994 | <u>Prescreening</u><br><br>Eliminate countries that do not meet macro-level criteria | <u>In-depth screening</u><br><br>Acquired industry specific information such as market factors, competition assessment, resource constraint, market size and growth | <u>Final selection</u><br><br>Firm specific information such as profitability, product compatibility, considering company objectives, strategies and resources. | |
| Johanssen (1997) | <u>Country identification</u><br><br>Market size, growth rate, | <u>Preliminary screening</u><br><br>Political stability, | <u>In-depth screening</u><br><br>Market specific data, market | <u>Final selection</u><br><br>Match with company objectives, |

| | customer preference, existing product, competitor, | geographical distance, evaluated costs of entering market | potential estimated, growth rate forecasted, Assess competition environment, entry barrier, company resources | Revenue and cost forecast |
|---|---|---|---|---|
| Source | 1st stage | 2nd stage | 3rd stage | 4th stage |
| Brewer P. (2001) | Establishment of country market set | Identifying their high versus low priority target countries. | Evaluate the country by using two measures: Attractiveness and Competitiveness. | the countries that has high possibility to make profit and further development |
| Gaston-Breton C. and Martin O. (2011) | Screening (Macro-segmentation) Market size, Market Development | Identification (Micro-Segmentation) Personal value, Social values | | |

Source: Adapted from Koch A. (2001); Brewer P. (2001), and Gaston-Breton C. and Martin O. (2011) for this study

Gorecka D. and Szalucka M. (2013) mentioned that market screening should begin with total set of available countries. In order to expand business overseas, firm need to go through process of five decision making. First clearly identified reason for involving in international business. Second, define products it wants to sell. Third, identified target market or markets which is known as international market selection. Forth, choose entry mode. Finally, firms must determine the timing of entry. Koch A. (2001) cited further that second stages involved in analysis of specific industry, level of competition, and entry barrier. Final selection focus on firm specific information, such as profitability

and their products. The emphasis is on firm's prospect on business direction such as company goals and strategies rather than country.

Brewer P. (2001) employed interviewing qualitative method in examining international market selection process of six Australian companies. The conclusion is similar to process proposed by Koch A. with greater and more practical details. Firstly, The model start with the establishment of country market set. Responses from firm were all interested in any countries that has potential highly positive return. The second step is identify a country. This step is actually in the first stage for the case of process proposed by Koch A. Different firm has alternative method in identifying their high versus low priority target countries. The higher priority countries will be move to next step, which is evaluate the country. The firm will continue evaluated in third step by using two measures: *Attractiveness and Competitiveness.* Various of indicators were used at this stage such as size of market, market potential, competitive level, etc. Then, the countries that has high possibility to make profit and further development will be selected in final step.

The mentioned research presented precisely that firms are exhausted for valuable inputs to complement decision for each stage of market selection. The final model indicated that sources of informants were used to identified at second and third steps. The research proposed various sources that firms use to made judgement on markets such as: allies, enquiries, exhibitions, experiences, government program, network, previous customers, primary research, seminars, visiting the markets, etc. This is consistent with the earlier literature regards to knowledge and network. The different is only that this research focus on knowledge and network obtained solely from international trade show. It is not surprise that exhibitions or trade show was mentioned as one of the inputs. The mentioned research clarified further that exhibitions act as the platform to attained information and promotion. The newly identified countries required further assessment. In addition, many of key inputs that firms use to justified markets can be classified into those that provide knowledge such as seminars, visiting to markets, and experiences. Furthermore, allies, networks, previous customers can be included into network category. Therefore, it is not irrational to infer that knowledge and network are sources that firm use in the evaluation process of market selection.

The international market selection process is significant because it can determine export success. Moreover, SMEs from developing countries have unique characteristic such as dominant decision maker or inclusive of family authority influence, etc. Brouthers L. and Nakos G (2005) explained that SMEs use various technique in justifying export target market. By using Greek firms, the study find that systematic international market selection can determine expert performance. The systematic market selection process are, e.g., international market research activities, visiting of foreign markets, monitoring international press of related products, and using statistical sources in foreign markets. This implied that SMEs utilized various sources of information in selecting markets. Many of the mention factors are experiential knowledge that need to be acquired from overseas experiences such as visiting foreign markets. This is consistent with Huang H. and Hsieh M., 2013 explained about tacit knowledge that

created from experience and business practice in different countries. In addition, knowledge conversion occurred during socialization, meeting, or face to face interaction (Bakestrin A., Vargas L., Fayard P., 2008). Therefore, SMEs will acquired knowledge that not easily acquired without personnel experiences from overseas countries. Part of the research concluded the two main conclusions that related to this thesis. First, some SMEs choose to export to less multiple foreign markets due to their limited resources. Second, SMEs that adapt their products before entering foreign markets tend to perform better comparing to those that do not. The final result is that SMEs with systematic process of market selection significantly increased international performance. Therefore, finding how the factors influence on decision making on international market selection will be beneficial existing research regarding market selection.

Based on the above literature review regarding to stage of market selection, Internationalization theories can be integrated for broader perspective. One of the elements in the Uppsala model emphasis on *commitment decision*, where firms commit to foreign business activities. This implied the follow stage after firm has screen out the uninterested countries. Furthermore, the market knowledge is mentioned as the key input that affect market commitment. The knowledge such mentioned in the theory, says, market system, characteristic of individual customer firms, can be considered as tacit or experiential knowledge that must be obtained from foreign countries. The revised model of Uppsala that emphasis on network also implied the important of network on stage of market selection. The model stated that business relationship assist firm in identifying the specified market that firm decide to enter. The firms' decision to expand to which foreign market depends on the influence of business network. Therefore, it implied that network is able to influence on any stage of market selection.

The theory of born global emphasis on the process firm that access to foreign markets rapidly and multiple markets at once. The model also stated the competitive advantage which arise from their resources such as material, people, time, etc. as a driven source for market expansion. This implied that firms need to compare their capabilities in multiply markets before selecting any markets. The similar explanation is for the Dunning's eclectic paradigm and Resource based theory where the organization unique knowledge contribute to firm's competitive advantage is the key for firms' competitive advantage. The rational to choose a particular market is built on the logic of cost information analysis (Sarkaya S., 2006). Therefore, transaction cost mentioned in earlier part impact firm's stage of market selection process. In addition, Sashi. C.M. and Kudpi V. (2001) explained that transaction cost analysis facilitate market choice decision. Unlike consumer markets where market selection involve only target market segment, business market contain various factors and transaction cost approachs is one of the way to determine firm's strategic decision.

## 2.9 SMEs' characteristic and internationalization

SMEs' entrepreneur is normally responsible for every key decision making. Therefore, the competencies such as knowledge, connection, and experiences of owner/ manager of small firm directly impact decision in international activities and influence internal changes. The internationalization is view as center around firm's main authorizer. SMEs' owner/ manager characteristics can be either demographic influence such as age, education, experience, etc. or psychological issues such as attitude and personal need, etc. (Shook C.L., 2003, as cited in Thai M., 2008, p.76). Mejri K. and Umemoto K. (2010) explained that there are 3 reasons that SMEs distinct to MNEs. First, SMEs have relatively less resources, which makes knowledge very vital for growth. Second, the models view internationalization as a result from knowledge. Finally, knowledge is central for understanding SME internationalization.

## a. Management orientation

Another aspect that SMEs is special and draw attraction from researchers is that their vision and direction of firm is usually respect to individual. Manolava T., et al, (2002) cited the importance of personal factor. Owners managers with international experiences or overseas relationship would have propensity to master international business set of skills. Managers tend to understand overseas market better when they have spent a certain amount of time in foreign countries (Roth K., 1995, as cited in Thai M., 2008, p.77). In addition, those with positive attitude toward international environment will likely to undertake international marketing activities. Some owners/ managers of SMEs are classified as proactive type who make aggressive international market expansion (Persinger E., 2007). Antonio L. et al (2010) summarized entrepreneur level variables that affect to firm's internationalization path. Six elements discussed in the mentioned research work are international orientation, international experiences, overseas education, tolerance to risk, specific know-how, and personal network. The higher level of the mentioned variables, the higher propensity that firm will undertake BG path. Alpha A. and Vincent S. (2015) insisted that risk aversions characteristic of firm is positively related on firm's strategy toward international market expansion. The higher capability of firm to take risk, the propensity that firm engage in international markets.

## b. Family own business issue

Many SMEs are characterized by family own business. Lack of financial resources and capability in term of management expertise had negative effect on internationalization (Pukall T. and Calabro A., 2014). Kontinen T., and Ojala A., 2010 concluded that family business usually get influence from domestic viewpoint which impact on risk tolerance level. The positive attitude toward internationalization normally received from outside shareholder. The authors added that risk avoidance character lead family business to enter on their own favorite countries that culturally close and will select low commitment expansion strategy. However, Wach K. (2014) conduct research on Polish family firms and argued that many family businesses are recognized as born global type, which the internationalization path is relatively faster than the traditional one.

Interestingly, one of the key influences is characteristics of entrepreneur who is also principle manager.

## c. Resources constraint

Limited resource is one of the keys that SMEs, especially in the developing economies encountered with. Barmen N., Hericourt J., (2008, as cited in Sist F. 2014, p. 171) stated that firm's export choice available can be affected by financial accessible. In order to undertake marketing activities such as participation in trade show in foreign countries, SMEs needs to plan long term sufficient budgets. Bonama (1983, as cited in Aleman J., and Maya S., 1999, p. 18.) mentioned that firms have to spend approximately 10-12 percent of their marketing budget on participating as exhibitor in trade show. For developed country case, Herbig P. et al. (1998, as cited in Tafesse W. and Korneliussen, 2009, p. 38) mentioned reported that the cost of participating in trade show for U.S. firms is accounted for approximately 22 percent of overall promotional budget. It can be implied that international trade show would incurred an extra cost. Firms need to allocated budget such as training booth staff, business stand or booth preparation, promotional material, and sample distribution during trade show events, etc. (Karabulut A., 2014). Nontheless, Karabulut A., (2014) argued that average cost of face to face contacts at trade show is still lower than cost of visit each customer (Bellizzi and Lips, 1984; Bello, 1992; Bello and Ritu, 1993, as cited in Karabulut A., 2014). Due to the constraint of resources, SMEs are forced to use their resource in most efficient means (Hessels J and Parker S., 2012, p. 137).

## 2.10 Trade Show, Knowledge, Network, Market Selection and Entry mode

The literatures present two chains of evidences that connect each other. First, there is an significant evidence in literature that trade show is the great source of knowledge and network. The environment of trade show is a good environment for incumbent of knowledge creation. Similarly, trade show enable contact among people. Trade shows are much more than only a product display for sale, but platform for knowledge creation and network building.

The second chain is knowledge and network. Both are good enablers of successful internationalization especially for SMEs. The two aspects in the internationalization process are market selection and entry mode. The Nordic school seems to perceive that market selection is constrained by psychic distance and experiential learning while the born global is opposite direction. However, linkage between these two studies have not been made. In other word, the process of knowledge and network from tradeshow which link to market selection and entry mode is unidentified. This is because previous studies ignore the investigation of types of knowledge and network acquired from trade show. The two elements from trade shows seems to be interpreted or clarified different from knowledge and network in the internationalization theory. The result of research will

make contribution to advancement of international business theory since it can connect the origin of knowledge and network to the whole process of internationalization rather than view them only as a necessary source for internationalization process.

Furthermore, this study would also investigate the cross relationship between knowledge and network as both can be compliment. Network can be a good source of different foreign market knowledge. Networking is relevant to sharing and exchange of information among each other. Therefore, networking plays a key role in determining knowledge about foreign competitors, customers, and distributors, legal, cultural, etc. (Musteen et al., 2014).

## 2.11 Conceptual Framework

This research aim is to answer research questions: Type of knowledge and network acquired from trade show and their correlation to market selection and entry mode. Figure 2 below provide the conceptual framework for this research. The knowledge and network of trade show can impact two internationalization process aspects: market selection and entry mode with knowledge and network dimensions. This study asserts that both market selection and entry mode are liable to knowledge and network impact. The analysis focus on how and magnitude that each element of knowledge and network influence on firm's decision toward market selection together with which entry mode.

**Figure 2 Trade show and internationalization process conceptual framework**
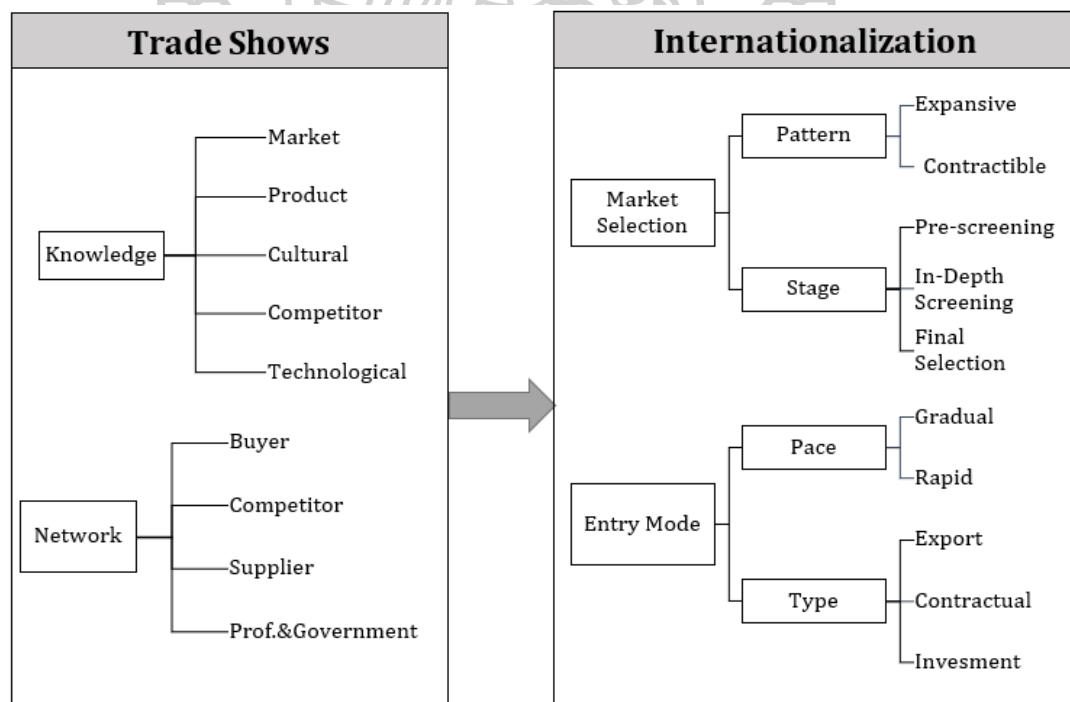
The model consists of two main concepts: (1) Trade shows and (2) The internationalization process. According to the international trade show concept, SMEs gain knowledge and networks from participating in the international trade show. Five elements of knowledge gained from international trade shows are market knowledge, product knowledge, cultural knowledge, competitor knowledge, and technological knowledge. For network, there are four elements: buyer network, competitor network, supplier network, and professional and government network. This study also endeavors to explore two aspects in the internationalization process: market selection and entry mode. Two aspects of market selection to be justified are pattern and stage. For entry mode, knowledge and network are set to determine pace and type of international mode of entry. Based on the literature review, the paper suggests that knowledge and network acquired from participation in international trade shows should affect the international market selection and international entry mode. The framework reflects a set of knowledge and network gained from international trade shows for making decisions on international market selection and entry modes. According to the conceptual model and research questions presented, it is aims to both finding relationship between factors and seek to obtain detailed description and gain better understanding of interested phenomenon of the elements through critical analysis. Therefore, both quantitative and qualitative are appropriate. However, a particular approach may be chosen if there is limitation in developing economy. To be more specific, a quantitative method will have to be further evaluated for possibility in conducting this study. A qualitative method may be used if it can provide answer for research questions.

## 2.12 Conclusion

The chapter presented the related literature starting from the concept and the importance of international trade show for SMEs. Knowledge that influences on SMEs' international expansion is fragmented. Despite the suggestions from many internationalization theories that the knowledge and network play vital role in international growth, the meaning and role of them remains inconclusive. Six major internationalization theories are reviewed with discussion on debatable aspects. The review highlights five types of knowledge and four types of network as the source of SMEs' inputs. Two aspects of international market selection: pattern and stage are found interconnection with knowledge and network. In addition, small firm's strategic entry mode including pace and type are clarified. The chapter ends with the formation of conceptual framework that will be use as the roadmap to be investigated in the following chapter. Therefore, it is adequate to verify the existing of knowledge and network first, follow by examination of their affects according to the model constructed.

# 3. Research Methodology

## 3.1 Introduction

This chapter provides an inclusive elaboration of the research methodology adopted to investigate the impacts of knowledge and network on two aspects of internationalization: international market selection and entry mode choices. Research questions, in alignment with research objectives, are presented. It is necessary to present the research methodology outline including philosophy underlying, research design, data collection, and analysis approach. All of these elements are essential to form a comprehensive research methodology.

## 3.2 Research questions

Defining precise research purposes is one of the most important keys to selected research methodology and data analysis that suitable for objectives of study. The main purpose of this research is to examine elements of knowledge and network acquired from international trade show associated with market selection and entry mode choices for Thai SMEs. Research objective and relevant literature reviews lead to the formulation of research questions. The answers aim at fulfilling the problematic gap of this study. Research questions, as presented in the first chapter, are developed in accordance with research objectives. The meaning of knowledge and network acquired from trade show is the priority to be determine. Followed by their creation process and their impact on international selection and entry mode.

## 3.3 Research philosophy and approach

### 3.3.1 Derivation of methodology

It is essential to discuss the origin of the chosen research methodology that stem from the underlying paradigm. The belief system is the root that researchers conduct particular research approach. There are various paradigms in determine the new knowledge. Bryman A. (2008) clearly elaborated the prominent paradigms that determine the how researcher agree to establish the new knowledge. These views are, such as, (1) epistemological orientation (2) ontological (3) Principal orientation to the role of theory in relation to research.

## 3.3.2 Epistemology of research

Epistemological orientation refers to the concern of what is regarded as acceptable knowledge in this discipline. The two distinguish position are positivism and interpretivism. Some of the key aspect of positivism are, e.g. the testable theories and that knowledge that arrived through gathering of facts. Positivism yield to the quantitative approach where hypothesis is generated, and testing is being conducted to verified new knowledge. Contrast to interpretivism, where the fundamental of belief in accepted knowledge is difference; thus, result in dissimilar logic of research procedure.

This thesis' epistemological orientation is incline to positivism where the conceptual framework is built on the basis of existing theories and the previous research works. However, to choose a particular research methodology depends on the availability of research data whether it is extensive enough to reach new concluded knowledge. The two distinct research approaches are quantitative and qualitative methodology. Quantitative approach is the result from the view of positivism, whereas, qualitative approach is the consequence of the alternative belief of interpretivism.

## 3.3.3 Ontology

Ontological orientation has greatly influenced to the choices of research methodology. Bryman and Bell (2007), explained that there are two alternatives of ontology: objectivism and constructionism. Objectivism refers to ontological position that social phenomena is independent of social actors, whereas, constructivism asserts that social phenomena are being accomplished by social actors. Objectivist accept the fact when there is new data produced such as there is mathematically verified. However, Constructivist believes that fact is created by human and depends on interpretation. Therefore, new knowledge can be discovered and cultivated through the view of researcher. Regardless of research approaches, the chosen methodology of this research should be based on the objectivism view where researcher is independent from phenomenon. Regardless of quantitative or qualitative selected, the researcher avoids involving or interact with the situation. Therefore, this research will regard the possible finding of scientific confirmation as well as the new knowledge discovered by researcher's observation.

## 3.3.4 Quantitative versus Qualitative Approach

The comprehension of the previous thought enables the choices of research procedures. The two distinct research methodologies stemmed from the epistemology and ontology

are qualitative and quantitative approach. Both quantitative and qualitative methods share similar common objectives: what people do, and what they think. However, the two approaches investigate areas in different ways (Bryman, 2008, p 594). The main different are how to interpret data and how to analyze. To select which method is suitable to research depends on various context, such as, episomological orientation of researcher, role of theory in relation to research, availability of data, purpose of study, etc.

The core focus of quantitative approach is using statistical models to analyze data and understanding numbers obtained from results. The research objectives need to be clear on measuring relationship in order to develop questionnaire to collect quantitative and measurable data. This approach involves developing hypothesis that can be tested. Quantitative approach must measure numbers and assessed, therefore, it will use statistical method to extract valuable information.

The quantitative may outpace qualitative approach in term of measuring scale of relationship in numbers. However, to understand relationship of various dimensions, it can also be conducted by qualitative method. The description from qualitative has an extra benefit of the explainable phenomenon, and other reason that quantitative method may not be able to offer. The qualitative approach emphasis on interpretation of the issue that needs to be explored in detail. Since the epistemological of this approach is positivism, therefore the research questions are set on the premise that there are facts to be discovered. There is a need to understand the relationship between of the subjects in research questions. However, qualitative approach has the advantage over quantitative method since it could obtain detailed description and gain better understanding of interested phenomenon of the elements through critical analysis based on fact obtained from scientific observations such as interviewing, documents, recorded media, etc. Therefore, it is appropriate to employ qualitative method for deep understanding of reasons underlined the inspected process.

**3.4 Qualitative Approach**

The difficulty in internationalization process depends on the complexity of elements determine firm's overseas expansion. The underlying reasons explaining MNEs' process of market selection and entry mode seems to be unclear for SMEs especially in developing economy. SMEs has limitation in term of resources such as financial availability, time, etc. (Gilmore, et al., 2001). Moreover, the area of knowledge and network and their role in internationalization of SMEs seems to be limited. This is very common for research question in the field of international business. Various international business research concern with examining processes, identifying, relationships of transnational business activities (Yeung H., 1995). Quantitative approach is appropriate to find generalize phenomenon through numerical results but lack of process elaboration and detail meaning. Therefore, to answer research questions, qualitative approach is chosen due to various reasons.

Firstly, the research question pertains to exploring the context definition and elements of knowledge and networks since the various researches have limited explanations nor

direct observant. Qualitative approach is more suitable in finding out "meaning" of the phenomena rather than explaining "behavior". The rich and deep data must be acquired from participant point of views rather than perspective of researcher. (Bryman A. and Bell E., 2015). Various research studies use qualitative approach to determine meaning for this area. Bryman (1988, as cited in Yeung H., 1995, p.318) explained that qualitative method is suitable to interpret the meaning of interested informants. Qualitative data characteristics are well defined and deep in term of elaboration. For example, Gilmore et. al (2001) use qualitative method in finding out how SMEs use networking for marketing. This result in rich information for customers and competitors' network type. Balestrin (2008) clarify type and identify evidence of knowledge creation for thirty five Brazilian SMEs. The results are well elaborated the process of firm in acquisition of experiential knowledge. Therefore, in term of seeking explanation evidence, qualitative is more appropriate tool.

Secondly, the study focusses on process of firm in expanding international business. It is rather observing at the process of how the firm utilize input elements (knowledge and networks) through selecting market and channel of entry. The process needs to be unfolded by observed participants since their actions determine consequences. This study will focus on the mentioned actions of participants. Most of quantitative method research work does not clarify process but rather measure magnitude of relationships. Previous studies have demonstrated that qualitative method provide explanation for the process development. Autio et. al., (2000) employed quantitative approach measure relationships between knowledge and international growth. The authors use international sale growth to measure international growth. Therefore, pace and pattern of internationalization are not unfolded. In addition, the independent, knowledge intensity, was determined by rating scale, regardless of types as using in this thesis. In contrast, Coviello N., Munro H. (1997) observes the pattern of four software firms expand to foreign countries by using qualitative method. Fuerst S., Zetting P. (2015) interview four international new venture (INV) firms to conclude the internationalization path for software firms. Huang H., Hsieh M. (2013) conduct thirteen interviews from single firm to identify role of knowledge in accelerated internationalization of born global firms. Quantitative approach may not appropriate to identify different pattern of phenomenon. The qualitative study is exploratory in nature and it provide accurate empirical foundation prior numerical data collection (Eisenhardt K. M., 1989).

Thirdly, the only concept that may be able to use either qualitative or quantitative approach is measuring relationships between knowledge and network factors and its contribution to market selection and entry mode categories. In other word, to see whether knowledge and network is the key driven internationalization of either in Uppsala or born global categories. The two main theories that address the role of knowledge and network in internationalization process are Uppsala (or stage) and born global model. Testing relationships by employing SMEs in the developing economy would benefit to the development of existing mentioned theories. However, since there is a need to perceive the perspective of owners/ managers of how each element in knowledge and network contribute to international activities. An example of quantitative research pertains to different type of knowledge obtain from trade mission

are conducted by Spence M., Crick D. (2004). Nevertheless, the each of knowledge categories are not clarified in deep details. Therefore, qualitative approach is preferred through its flexibility of research method.

Finally, the internationalization theories existed are inadequate particularly with the concentration on the elements and type of the interested factors (knowledge, network, market selection, and entry mode). The existed theories are insufficient in capture complexity of the research questions. Particularly the developing economy, the existing research are even limited. Some qualitative research has been conducted such as interviewing, focus group, and documentation, etc. The study aims to collect extensive facts and trying to gain access and acquire additional comprehend knowledge through insider point of views.

3.5 Research Strategy: Qualitative individual semi-structure **Interviewing**

The goals of this thesis are to identify types of knowledge and network which affect to international market selection and market entry mode. Fontana A. and Frey J.H. (2003, as cited in Cui A., et al. p.58) explained that interviews in appropriated method in finding complex issues and uncategorized set of data. Although this study has initial conceptual model that specified categories of dimensions, but the complex issue remains existing and the conceptual model is open for further elements. Thus, interviewing is chosen as a qualitative method in obtaining data. There are various types of interviewing such as structured interview, semi-structured interview, unstructured interview, etc. Each type has its own pros and cons and suitability.

The appropriate number of interviewing case is controversial. This thesis chose multiple interviewing cases over single interviewing as they can provide more evidences with various perspective to research questions. Other qualitative method such as case study strategy review the advantage of using more cases in conducting research. For example, multiple cases allow researchers to observe the replicated pattern across cases and analyze pattern matching (Yin 2003, as cited in Soberg P., 2012, p. 256). Single cases may suitable for investigating the extreme or unconventional case. Elg U., Jonsson A. (2006) conducted only single case to examine how knowledge and knowledge sharing contribute to IKEA's international market entry. In addition, a single interviewing case will be overly limiting to find types of knowledge and network that may not be mentioned in existing research. Therefore, multiple interviews from various respondents will provide broader explanation of internationalization process and the contribution of knowledge and network in the process.

Different types of qualitative approach of interviewing are structured, unstructured, semi-structured and group interview. Based on the literature review and theories, the conceptual framework has been developed which lead to develop interview questions. Since the definition and element of knowledge and network obtained from tradeshow can be complex, the type of interview questions must be well prepared questions whereas they should provide some extent for interviewees to add their perspective or undiscovered elements that might not be mentioned in the literature. Furthermore, they should be the questions that interviewers can track on interesting information which

may lead to new discovery that benefit to further data analysis. Therefore, semi-structured interview is selected as qualitative approach for this thesis. For example, Evers N. and Knight J. (2008) applied multiple case study in examining the role of trade show in internationalization of firm in seafood industry. The authors use both documents, website, and "conversation-like dialogue" personal interview to conduct qualitative research.

Researcher has a set of questions on the specific categories to be covered in semi-structured interview questions. Researcher will follow the questions as they were outline before. However, questions that are not previously intend to ask may arise depending on the replies from respondents. Semi-structured interview method allows flexibility since its objective is to understand the circumstances. Structured interview questions alone may not be able to fulfill this objective if interviewees do not provide adequate responses. Therefore, semi-structured interviews are best fit for this thesis' collection of data.

### 3.5.1 Interviewing firm selection criteria

**a. Sample size**

Sekaran U., (1992, p.226) explained that sampling is the method involve selecting appropriate number of samples from population. The firm are selected based on the specific features of the preferred sample group which match to the theme of research. In term of size, some distinguish researchers such as Yin (2009) suggest that 6 to 10 case studies would be appropriate for qualitative study. Eisenhardt, 1989, as cited in Measson N., Campbell-Hunt C. 2015, p.104 suggest that four to ten cased range is appropriate for theory development. However, Kvale and Brinkmann (2009) argue that the case interview should be conduct until there is no new knowledge that contributes to the new discovery of research.

Researches in similar area employed different number of cases to be conducted depend on resources available and different limitation. Coviello N., Munro H. (1997) collect qualitative data from four firms to study the network relationships on internationalization process of software firms. Gilmore et. al (2001) use forty five SMEs' interview case to study how small firm use network in marketing activities. In some circumstance, less cases were observed due to constraint of time and other resources. Zain M., Ng S. (2006) selected only three firms to study network and internationalization process of software business. This thesis will continued conducting interview until there is no new discovery contribute to research questions.

**b. Qualifications of sample**

As for collecting data, the criteria for sample of SMEs selection for interviewing are as follow:

- Sample SMEs must fit into the definition of SMEs by Thai SMEs classification (OSMEP, 2007). As for this thesis, it is appropriate to

use definition given by Office of Small and Medium Enterprise of Thailand (OSMEP) since SMEs from sample are Thai enterprises. Basically, the main key of identification is number of employees since every SMEs contact concealed their financial status. In addition, SMEs must undertake legal registration in Thailand.

- Sample SMEs must have experiences in participating international trade show.
- Sample SMEs must be internationalized SMEs. This means that they must have track record of the completion process of international expansion e.g. demonstrated evidence of exporting activities that accounted as part of firm's revenue, be able to identify destination countries of exporting, etc.

### 3.5.2 Initial contact and response rate

The first step in qualitative interviewing is selecting the interview firms. The firm must be categorized as small and medium enterprise or SMEs. The definition of SMEs was presented in Chapter 2. Generally, SMEs set the limit at 200 employees.

An inquiry was sent to many government officers in the Department of International Trade Promotion, Thailand Ministry of Commerce. The small- and medium-sized firms were recommended shortly afterward. Most of them are member of Department of International Trade Promotion exporter list or have good track record of cooperation with the Ministry. The criteria sent to the Ministry are SMEs with sound track record of international trade show participation. Twenty six companies were refer from the Department of International Trade Promotion officers.

After that, the twenty six recommended firms were preliminary screening again via telephone conversation to confirm validity of criteria. Three of them were unable to participate in interviewing due to available of time restriction. Another firm is not qualified since the candidate firm could not provide the evidence of officially displaying in international trade show with fully occupied of exhibiting commercial booth. To qualified for interviewing informant, candidate must own exhibiting booth in international trade show. Partly participation such as visiting, displayed sample product without commercial purpose, or could not provide officially document as exhibitors, will be excluded from sample. Since the objectives of this research is to examine the international market selection and entry mode, the precise evidence of exporting must be declared in order for firm to meet condition. Two firm does not meet these criteria as they have no evidence of any official exporting yet. Twenty two selected firms were then asked the example name of international trade show that they had direct experience in for further validity investigation.

### 3.5.3 International Trade show profile

The international trade shows cited for SMEs prior undertaking in-depth interview are presented in table 16. Candidate companies were requested to provide basic information such as country of that international trade show. The secondary data was collected for the case of international trade show. This study gathered initial information from website such as official trade show websites or other source of reliable information websites. The detail of international trade show were assessed for the validity of international trade show criteria as explained in chapter 2.

**Table 16 International trade show profile of SMEs**

| Name of International Trade Show | Industry | Country of Exhibiting | International profile |
|---|---|---|---|
| SIAL | Food and beverage | France, Indonesia | Exhibitors from105 countries Visitors from 194 countries |
| ANUGA | Food and beverage | Germany | Exhibitors from 107 Visitors from 198 |
| Thaifex | Food and beverage | Thailand | Visitors from 150 countries |
| Guangzhou Food Fair | Food and beverage | China | Expert approved |
| Foodex | Food and beverage | Japan | Exhibitor from 83 countries in 2018 |
| Hotelex | Hotel supplies | China | More than 5000 oversea buyers |
| Bangkok International Gift and Houseware | Gift, houseware, decorative items | Thailand | Expert approved. Organized by Thai government agency. |
| Ambiente | Gift, houseware, decorative items | Germany | Exhibitors 96 countries, Buyers 142 countries. (2017) |
| Cosmoprof | Beauty products, skincare, cosmetic | Hongkong | Exbibitors from more than 70 countries. Visitors from 135 countires (2017) |
| Health and Beauty Show | Beauty products, skincare, cosmetic | Thailand | Deliver your message to 15,000 visitors from around the world (2010) |
| China Beauty Expo | Beauty products, skincare, cosmetic | China | Exbibitors from more than 26 countries including wel-known |

| | | | MNEs such as L'Oréal, Shiseido, etc.(2016) |
|---|---|---|---|
| Beauty world | Beauty products, skincare, cosmetic | Japan | over 7,200 of them are distributors and importers. More than 3,000 overseas buyers mainly from China, Korea, Taiwan, etc. |
| Beauty World | Beauty products, skincare, cosmetic | UAE | 1,700 exhibitors from 62 countries and 25 international pavilion (2018) |
| Korea Pet | Pet supplies | Korea | Expert approved |
| Interpets Asia Pacific | Pet supplies | Japan | 502 exhibitors from 25 countries. More than 40,000 visitors from 28 countries. |
| Interzoo | Pet supplies | Germany | 38,600 trade visitors from 126 countries, 1,989 exhibitors from 66 countries (2018) |
| Sydney International Jewelry Fair | Jewelry, Jewelry service | Australia | Expert approved |
| MYANBUILD Expo | Construction material | Myanmar | Exhibitor from 22 countries with more than 7000 visitors.(2017) |
| WORLDBEX | Construction material | The Philippines | WORLDBEX holds a good number of global ties with countries such as Austria, Australia, Belgium, Brunei, China, Finland, Hongkong and Germany to name a few of the 25 participating countries, |
| Thailand International Furniture Fair | Furniture | Thailand | Expert approved. Organized by Thai government agency |
| Hong Kong Houseware Fair | Furniture and houseware | China | 2,300 exhibitors from 25 countries, Over 29,500 buyers from 112 countries |
| Natural Product Expo West | Various products and services related to health and organic | USA | Expert approved |
| MIDO | Eyewear | Italy | Over 1200 exhibitors, and an attendance of 52,000 qualified visitors from all over the world |
| Rail Asia Expo | Traffic solution | Thailand | Expert approved |
| Biofach | Various products and services | Germany | 2,962 exhibitors, 50,200 trade visitors from 134 countries |

| | related to health and organic | | |
|---|---|---|---|
| ASEAN China Import and Export Commodities | Non specific | Thailand | Expert approved |
| Top Thai Brand | Non specific | Various countries, e.g., Myanmar, Indonesia, China, India, etc | Expert approved |

To qualify as sample for interviewing, candidate has to provide name of international trade shows participation. The name of international trade shows were cross checked at their official website. The best criteria to verified if trade show is international trade show is number of countries participated as exhibitors (e.g. seller) and visitors (e.g. buyer). Such information validated the particular trade show objective is to provide platform for international business activities. However, a number of international trade show do not provide such information, therefore, relevant evidence must be evaluated. For example, China Food Fair organized in China stated its aim at attracting and promoting business to import and exporter, consequently, such trade show is qualified for international trade show criteria. If the online source of information cannot provide evidence indication of international business purpose, then, a consultation from third expert must be undertaken. For example, Korea pet trade show (Korea) is necessity to have third party expert commented and validated. The experts are, such as, government officials since the data available on website and online information could not provide such indicative information. During screening interview, it was found that a few trade shows' names stated from potential interviewees do not meet international trade show standard. For example, a candidate respondent mentioned about a trade show about coffee products. However, it was found that such trade show opened only for public purpose with no intention to attract international buyers or sellers. In this case, candidate must demonstrate another trade show event participation and the interview must only be based on the qualified ones.

### 3.5.4 Interviewees Selection

Semi-structured interview is suitable for discovering a particular interested group. The sample of interviewees should be able to share some critical response similarity that related to the research objectives and questions. Since the unit of analysis of this study is individual firm, selecting semi-structured interview participants is based on the suitability of that particular person such as position in the organization. Respondents should be able to have knowledge and familiar with the organization management in the related interested issues (Chelliah et al., 2010, p. 31). The informants should be able to provide maximize the depth and richness of the data to address the research question. The semi-structured interview is meant to be a personal and in which open and verbal

questions are used to produce detailed descriptions. (Dicicco B. and Crabtree B., 2006). Consequently, the interviewees is important and must be carefully selected.

The selected criteria of interviewees are as follow:

- The interviewees must act as executor in managing position especially position that directly involve with international business activities.
- Respondent must have direct experience in undertaking executor task in international trade show event, for example preparing and/ or acting during the exhibiting hour.
- Interviewees must be able to provide general background of the company.

Details of each interviewee positions is presented in table 3.5.4 (as presented in Appendix 1) all of respondents meet the above selection criteria. Personal interviews, as presented in table 17, lasted between approximately 35 minutes to 50 minutes depending on answer of each respondents. An interview questions listed all the questions to be covered. Some questions required specific answer, however, most of the interviews included open-ended questions to enable interviewees to elaborate answer in as much detail as possible. In addition, each interview was digitally voice recorded for the transcribe purpose.

**Table 17 Length of time for interviewing**

| Number | Companies | Length of interviewing (minutes) |
|--------|-----------|----------------------------------|
| 1. | C01-Jsnack | 45.38 |
| 2. | C02-Sfruit | 38.27 |
| 3. | C03-Pfood | 36.04 |
| 4. | C04Sfood | 35.12 |
| 5. | C05-Orice | 36.04 |
| 6. | C06-Pmulberry | 41.56 |
| 7. | C07-Ssrup | 30.33 |
| 8. | C08-Rspa | 50.56 |
| 9. | C09-Bspa | 40.06 |
| 10. | C10-Aspa | 40.06 |
| 11. | C11-Dspa | 50.09 |
| 12. | C12-Npet | 35.15 |
| 13. | C13-Cpet | 46.47 |
| 14. | C14-Wdoorlock | 31.21 |
| 15. | C15-Rjewelry | 41.48 |
| 16. | C16-Tfurniture | 31.42 |
| 17. | C17-Tplastic | 30.44 |
| 18. | C18-Sbox | 44.19 |
| 19. | C19-Ncoconutoil | 31.11 |
| 20. | C20-Morganic | 35.43 |

| 21. | C21-Sglassess | 35.27 |
| 22. | C22-Ntraffic | 36.09 |

According to research objective that aims to clarified type of knowledge, network, and their influence, a specific industry is irreverent of this determination process. In addition, the theory of internationalizations can be applicable to any industry. Therefore, there is no specific industry for this study since it is aims to find general conclusion for firms in developing economy. Some of existing research work focus on particular industry, however, this research emphasis more on firm from developing economy. It is found that various research studies in this field collect data regardless of industry. For example, Brewer P. (2001) using six firms from six industries to conclude market selection process and descriptive detail of source of decision making. Salojarvi S., Furu P., Sveiby K. (2005), interview ten companies based on their involvement in planning and/or implementing knowledge management process. The research did not mention about industry. Therefore, to specific industry or not depends on research objective which has been clarified in previous section.

As a final point, twenty two SMEs that meet specified conditions are selected for further interview investigation. The interviews were conducted face to face. All interviewing locations were quiet and able to undertake digital voice record such as office of respondents or remoted coworking spaces. The respondents were all willingness and readiness to answer every question with minimal environment interruption.

### 3.5.5 Main characteristic of firm and interviewees

The main characteristics of all selected SMEs are presented in table 3.5.4. The sample consists of wide range of company' age, from the oldest establishment in 1977 until recently settling up in 2015. This wide range provide benefit for this research in term of examination of internationalization since some internationalization theory, namely Uppsala, need to be explored with a range of time.  The table further summarizes specific characteristics, such as proportion of export sales to total sale and number of employees.  The lowest proportion of international sale is less than 5 percent , while the highest share is 95 percent. Only 8 companies have export sale less than 50 percent of total sale. The informants indicated the first international sale activities range from year 1974 to 2016. This indicated that respondents have fairly active international business activities. In addition, every companies have international trade show participating experiences. Majority of SMEs participate approximately 2-3 times yearly. The lowest number is once a year, while the highest is as high as 6-8 times year round. The foreign markets that SMEs expanded to are vary. Every respondent report more than one foreign market. The highest range number of international operations is, as indicated by respondent, approximately 20 countries worldwide.

Some SMEs from different product line can enter the same international trade show. For example, C18-Sbox, which manufactured plastic box for multipurpose, exhibited in the Bangkok International Gift and Houseware trade show, as well as, C08-Rspa and C09-Bspa, which offered spa products. However, they are in different sections in the same trade show. In addition, some of the sample SMEs such as C19-Ncoconutoil and

C20-Morganic cannot be categorized in the traditional category. C19- Ncoconutoil offered coconut oil that can be use in various industries including food and cosmetic. Similarly to C20-Morganic that offered various type of organic products including detergent, baby cloth, soap, facial products, etc. The company can either enter to a number of related trade show industry such as gift and houseware, organic and natural products, or beauty supplies.

This research is conducted regardless of industry. In addition, there were similar research types that conducted by using sample from different industry. For example, Musso F. and Francioni B. (2014) found the criteria for foreign market entry modes and market selection for the case of Italian SMEs. Graves C. and Thomas J. (2008) employed eight small family business from five business sectors including printing, petroleum, food and beverage, textiles and other manufacturing. Meason and Capbell-Hunt (2015) collected qualitative interview of six small New Zealand firms in entering global markets by using trade show as one of the tools. The category of industries are engineering, Clothing, food, and other two disguised industries. Furthermore, Sarmento (2013) collected data from interviewing exhibitors, visitors, trade show organizers, and experts who related to five trade shows to determine various network issues involves with trade shows. Therefore, the data regarding to category and business sector should be collected in accordance with the objectives of the study.

## 3.6 The interview questions outline

The guideline of interview question designed for this study is developed from conceptual model which was presented in the previous section. The conceptual framework indicated the type of knowledge, network, and covered the interested aspects of market selection and entry mode that need to be examined. The questions derived from themes of the interested elements. Each theme produces different set of questions which aims at answering research questions. Each question pertains to type of knowledge and network as well as categories of market selection and entry mode derived from existing literature. Some questions have been previously using in research with some modification, whereas, some questions are newly developed based on the related concept existing in the literature review. Some questions are open-ended or depends on previous answer of interviewees as they may have additional information to add on. Follow up questions are guided in order to ensure understanding of interviewees of the significant concept that need to be explored. For example, the market knowledge factor might be too broad definition. A set of question contains important elements that help interviewees understand questions better. All of the questions guideline has been reviewed and evaluated with comments by qualified experts. The translation was accomplished with the aim to preserve original meaning in order to avoid any bias. The set of semi-structured questions can be found in APPENDIX 1.

It is obviously presented that there are two themes of question guidelines. One is to discover the elements of exogenous factors, knowledge and network. Another question

set is to find relationships and process of the mention factors to market selection and entry mode. The sample interview questions, which are taken from APPENDIX 1, are as follow:

**Table 18 Example of interview questions**

| Dimensions | Items | Interview questions | Sources | References |
|---|---|---|---|---|
| Knowledge | Market Knowledge (general) | What is the knowledge that you obtain from international trade show? | What benefit do you think you got from trade fairs? Expectations: selling, promotion, networking, information. | Measson N. and Campbell-Hunt, (2015) |
| Knowledge | Market Knowledge 1 | Do you get knowledge about industry's market size of target market)s( from participating international trade show? )Yes/No, please explain( | -Market knowledge includes, for instance market size, competitors, regulation, etc.( | -Mejri K., Umemoto K. )2010( |
| Knowledge | Product Knowledge | Based on the product knowledge got from participating international tradeshow, do you select new markets that have least psychic distance? (Yes/No, please explain) | Expansive Methods - similarities between the national market structures of a political, social, economic or cultural nature, so that the export marketer expands from one market to the next, introducing a | -Albaum G., Duerr E. (2008) - Root F.R. (1994) |

| | | | minimum of further adaptation to the product as well as other export marketing parameters. (Root, Albuam) | |
|---|---|---|---|---|
| Entry Mode Pace | Entry mode | How long has your company been actively involves in exporting or doing overseas business? | How long has your company been actively involves in exporting? (Chelliah) | Chelliah S. et al (2010) |

The sample questions presented two types of questions that aims at answering research questions. The first question adapted from interview question of Measson N. and Campbell-Hunt, (2015). It aims at providing opportunity for respondent to answer openly about any knowledge they receive from international trade show. Second question seek to measure if respondents received market knowledge from any international trade show when they exhibit their business booth display. Market knowledge is broad terminology, therefore, specific elements term such as market size, which was taken from citation of Mejri K., Umemoto K. (2010), would then be selected to ask the respondents. However, the knowledge related questions were also asked in order to provide opportunity for respondent to answer freely from their understanding. It is noted that the actual interviews were conducted in Thai language which has been translated with comments from language expert in order to deliver with least misrepresentation. Another question is example of examining the influence of product knowledge on pattern of market selection. Since there was no similar question conducted from other research, therefore, this question was developed from the concept of expansive pattern of market selection cited by Albaum G., Duerr E. (2008) and Root F.R. (1994). Respondents are allowed to explain their idea and provide supporting evidence and argument. However, type of question that need specific or range of numerical data is obligatory. For example, to measure the pace of entry mode, firms need to identify amount of time prior entering international business activities. From sample questions appeared in APPENDIX 1, as presented above, the similar question was adopted and adjusted from Chelliah S. et al (2010) in measuring entry mode pace when firm immerse itself in the internationalization process.

## 3.7 Data analysis procedure

The data obtained from interviews outcomes must be custom to understandable form (Berg, 1995). The interviews will be transcribed and validity evaluation. However, the analysis process can be emerged during interviewing since the understanding occurred subsequently from the answer. The collection of data were collected until no new information received and answers were repeated in a similar themes. This concluded that the data collection is finalize. Other materials such as product sample, photographs, brochures and catalogues are gathered and/ or visual record from respondent's citation in order to achieve construct validity. Therefore, interviewing with manager-owner

together with brochure documents, sample product, and websites can bring well-rounded analysis. Research questions and objectives determine research themes creation. Therefore, transcribed data will be reviewed multiple times in order to justified appropriated themes.

The relevant parts to research questions will be on separated noted. Since the research framework is well define, then, the data from interviews must be drawn in order to find the connectivity of the constructs and their elements together with the elaboration of process emerged between them. This research used thematic analysis approach in evaluating result obtaining from interviews. Thematic analysis is the approach to identify and analyze the theme which emerged from data (Braun and Clarke, 2006). The theme obtained from detailed examination of data will be presented. In this respect, coding procedure will be conducted during analysis. The theme will be assessed in accordance with the dimensions presented in conceptual model (such as market knowledge, network, expansive market selection, etc.) In this regards, the pattern matching technique is used to compare the result pattern with the conceptual framework and theories (Thai and Chong, 2008, p. 82). The conclusion will be extracted and writen with the aim to identify the themes that match the theories and proposed research framework. In addition, the examination of analysis will be evaluated if knowledge and network bring any new aspects to prior researches.

## 3.8 Conclusion

This chapter has discussed the alternative approach using to investigate phenomenon according to research questions. It is concluded that qualitative method has advantage over quantitative method for this study. This research objective is to investigate type of knowledge and network from trade show and their process of contribution, therefore, semi-structured interview is appropriate to be the tool to effectively identify and understand such circumstance. It is aims to conduct interview until no new information is attained. SMEs and interviewees that meet certain criteria are selected for further investigation. The outline questions are developed for researcher to undertake but not limited to only questions prepare. In addition, the interview guide was translated and assessed by language expert. The actual interviewing is combination between art and science. Researcher is encouraged to ask additional questions if the corresponded answer form respondents is need for further investigation or useful information can be further extracted.

## Chapter 4 Findings and discussion

### 4.1 Introduction

This section will present the findings from interviews according to research question and conceptual model. Overview and background of companies on the issue related to their international business are given in order to gain better understanding of empirical results. First, the general information about companies is reviewed. After that, details of each element on knowledge and network are explored in accordance with the literature reviews. The evidence of market selection and entry mode that were observed with precise evidences will be presented in order to confirm the existing of the phenomenon for the case of emerging markets. The second research question on the influence of knowledge and network on market selection and entry mode is presented and deliberated accordingly. Various internationalization theories and related previous researches are embedded in the discussion. Finally, the connection between knowledge, network, market selection, and entry mode are addressed.

### 4.2 General facts of companies

The background information of interview companies aims at providing general fact about companies' history, current business, industry sector, international business expansion and trade show activities. These backgrounds provide better understanding when in depth analysis is conducted in the later parts. The interviewed companies are distributed across various industry sectors as stated earlier that this research does not focus on any particular industry but broader range of business sectors. The result from interview will finally be translate into meaningful conceptual categories, therefore, specific knowledge from particular industry does not interfere results.

Twenty two Thai companies who have track record of international business activities and experiences in exhibiting trade shows were interviewed for the study. They are classified as SMEs with various range of employees from fewer than 5 to 200 employees. The range of international sale is from less than 5 per cent to 95 per cent. Some of them are in the beginning phrase of international market expansion, whereas,

most of them has extensive international sale for decades especially export to number of countries all over the world. The persons interviewed have decision making authorities and involve with international operation such as managing director/ owner or marketing manager. Almost all of them, whose title is not owner, are related to owner's family, such as being the son of owner or close relatives. All of interviews were conducted face to face and lasted approximately thirty to forty five minutes depending on how the respondents react to the questions.

## 4.3 Companies profile

### C-01-Jsnack

The company C01-Jsnack produce banana snack targeting end consumers who have similar taste as potato chip and popcorn. The owner does not have any consumer food or related business experience background. The business idea initiation solely developed from owner's passionate of banana snack eating habit. The company was found in 2012 and start to export in 2013. Currently, the company export revenue is 80 percent of total sale with overseas market covering every continent in the world including USA, Middle East, Europe, Asia, and Africa. Trade show is the main marketing activities for this SMEs. The company has one subsidiary in USA with an aim to increase sale in the mainstream market.

### C02-Sfruit

The interviewee's position is marketing manager who is the second generation of his parents' family business. The original business was selling fruit at Talad Thai, the biggest and well known vegetable and fruit wholesale of Thailand. The company was first officially formation in 2001 due to the necessity in first exporting fruit to China. After indirect exporting for three years, the company start to participate international trade show in 2004 with an aim to increase markets. The company switch its main product from fresh fruits to process low sugar fruit snack. Currently, the company undertake trade show exhibiting at least three times yearly mainly in China, e.g. SIAL China, Shenzen Food Fair, Guangzhou Food Fair, etc. The international market cover mainly in China, Middle East and Europe. The company recently has a plan to develop joint venture business cooperation with counterparts in China and England.

### C03-Pfood

The interviewee is managing director/ partner who established company established since 1983. The original aim was to export ready to eat type of food such as chili sauce, instant noodle, process noodle, etc. to Southeast Asian immigrant to USA. Therefore, initially the business devoted all capacity to export sale. Currently, the domestic sale still insignificant with less than 5 percent of total sale. The company started to undertake

international marketing activities in order to increase variety of customers via trade show in the year 2000. Currently, the company exhibits in international trade show such as Thaifex World of food Asia, Top Thai Brand, etc. approximately 5 times yearly. The rapid social and economic development in India attracts company to set it as the next strategic target market. However, the main export markets are concentrated in Japan and USA.

### C04-Sfood

The company C04-Sfood offer ready to eat Thai food in a convenience package lunchbox size. The owner does not have any prior experience in food business, but his partner has passionate in cooking famous Thai dish such as Tom Yum Kung and the similar menus. The company is small size with only five employees and owner responsible for all managing task. The company was found in the year 2015 with an aim to provide ready to eat food for consumer who love eating Thai food but cannot cook by themselves or difficult to access to Thai restaurants. The company found some success in penetrating to Chinese market a year after participating in some international trade show in Thailand such as China Import and Export Commodities. However, it still struggles in developing more sale internationally since international sale is currently account for approximately 5 percent of total sale. The owner international marketing depend on international trade show as a medium to gain access to foreign markets.

### C05-Orice

This company is currently well established and offer rice and rice product such as vermicelli exporting all over the world. The company presently has approximately 50 employees with well-organized division teams such as domestic sale, international sale, production, etc. The owner is not solo on decision making related to international sale and product development but depends on employee in that division who has direct experience in overseas marketing. The company was found in 1993 and seek to export in 2004 by entering all the major food industry international trade shows such as Foodex (Japan), SAIL (France), ANUGA (Germany). Currently the company is able to export to USA, the Middle East, Europe, and South Africa with 60 percent of total sale is from exporting.

### C06-Pmulberry

The company was found in 1998 by switching from unrelated to agricultural business to organic farming one. The original business idea started from the family own a piece of land and would like to turn it into business together with personal goal with some family issue that made owner intend to develop family business. The product that company offer is various kind of organic tea such as mulberry, roselle, etc. The first international sale occurred in 2006 when one of long established customer import his product to Canada. The company started to exhibit in international trade show in 2011 with target on the country that appreciated organics products especially developed countries or neighboring countries with high purchasing power such as Singapore or

Malaysia. The international sale is currently account for 90 percent of total sale from Canada, Germany, USA, Slovakia, Austria, Japan, Singapore, and Malaysia. The main competitive advantage is organic product itself rather than advance technologies.

**C07-Ssrup**

The company offer syrup for using as ingredient in various drink. This kind of syrup can be used in household and food service business such as restaurant and food catering company. The owner has a strong background in food service experience his family business is related to food and drink industry. Indeed, the product lines are manufacturing from the same factory as product from his family business. In addition, the owner has prior experiences in domestic drinking business with other domestic counterparts. His family business support business in term of financially and connection. The company started to export to neighboring countries in the year 2015 with the family connection business. Nonetheless, the owner started to undertake international marketing activities such as exhibiting in international trade show in the year 2016. The focused markets are concentrated in neighboring such as Indonesia, Cambodia, etc. However, recently, the Chinese market is in the interest of the owner. Even if the company has achieved a certain degree of success in international marketing development, however, the majority of sale volume remains in Thailand, where the C07-Ssyrup can take the benefit of family business' distribution channel.

**C08-Rspa**

The owner is the young generation whose family run business about property development and hotel is very successful. C08-Rspa created a luxury spa business settle in her family business hotel and later expand its horizontal venture through the creation of various spa product lines targeting on upper to high end consumers. Two years after settling product line, the company entering in international business and found its first success in penetrating to Japanese and Chinese (Hong Kong) markets. With strong financially support, C08-Rspa is able to develop various kind of spa products mostly high quality skincare and able to exhibit in various international trade show such as Cosmoprof (Hong Kong). The company is relatively small with only four employees and owner is head for overall duties management. The products are manufacturing from contract factories. The international sale is presently account for 90 percent of total sale.

**C09-Bspa**

This interview was taken in the office of managing director of the company. C09-Bspa is a well established company since 2001 with extensive of spa product line. The interviewing is managing director, as well as owner of a family own business with 15 employees in the company. During the interview, the owner insists repletely about wide range of company's products that able to service all type of spa business operator. The owner is also actively involved in spa industry as he was served as the main committee of one of the well-known spa business association in Thailand, which the mission is to uplift overall Thai spa industry to meet international standard. In addition, the owner took part in organizing one of the spa industry related international trade show in

Thailand. The company developed its first international sale in the year 2002, only a year from inception. The international sale is divided approximately equally to domestic sale with business customers from all over the world including, Europe, Asia, Africa, and USA. The main international trade show that C09-Bspa actively participate every year are Bangkok International Gift and House Ware (Thailand) and Cosmoprof (Hong Kong).

## C10-Aspa

C10-Aspa offer both product and service business. The original business for C10-Aspa is Spa service, established in the year 2001, which currently still operating in Bangkok. The company expanded its business to spa consulting service that offer spa management service and operation for foreign business customer who want to settle and operate spa business in their countries. Scope of consulting services are wide range depending on the contract with counterparts such as crating spa layout, creating of treatment menu, establish daily operating system, staff training, etc. Business customers are private retail spa and hotel chain. The company is as well successful in establishing its spa business in Hangzhou, China without any Chinese counterpart. The company also offer its own brand spa products line such as skin lotion, facial products, etc. which introduced in international trade show in the year 2001 and be able to penetrate international markets in China and ASEAN countries. C10-Aspa is relatively small company with only 15 full-time employees stationed in Bangkok. However, the revenue from overseas business operation is only 15 percent of total sale.

## C11-Dspa

C11-Dspa is currently considered to be medium size firm with approximately 200 employees. The company was started from scratch in 2001 in which the four owners are close friends who passionate about spa business. C11-Dspa has both spa products and treatment services, however, only spa products are currently export. The main market is still domestic country mainly in Bangkok metropolitan area. However, majority of end customers are foreigners and high-income people. The company started to expand its overseas business since first day of operation. The first participation in international trade show brought them first customer from major shopping mall in Japan. Although the export sale currently account for only 10 percent of total sale, however, during the interview, the owners are actively seeking to expand its business to overseas countries. The company has extensively undertaken various medium of marketing strategy such as co organized event with Tourism Authority of Thailand, and other marketing event organized with large companies. International trade show is one of the strategies in expanding business overseas. The main international trade show that C11-Dspa actively participated are Cosmoprof (Hong Kong), and Beauty World (Japan). The main focus international business customers is still in Asia markets.

## C12-Npet

The owner established pet supplies company solely in 2014. Only a few years later, the company was able to generate international sale in many Asian countries such as

Taiwan, Korea, and Japan. The interview was set up in owner's office building which considered to be an office for other few unrelated to pet supplies businesses. International trade show with government support is currently only marketing strategy to expand business overseas. The average participation of international trade show is nearly 3-4 times year-round. The example of international trade show are Bangkok International Gift and Houseware fair, Koreapet fair (Korea), etc. The export value is about 30 percent total sale.

## C13-Cpet

The owner of C13-Cpet was product architecture and designer prior setting up company in 2008. The company offer pet supplies with distinct design originated from owner's idea such as pet's house and toy. The differentiate style of product enable owner to perceive that his company has no competitor. The company is relatively small with only 5 employees in the home office. Therefore, the owner does not focus on mainstream market where huge volume of production is necessity to supply large distributor. Majority of product manufacturing is outsourced to few close and reliable suppliers. Prior settling company in 2008, the owner was invited to present his pet related design work in international trade show with government incentive in which the business initiation idea was begun from that point. With distinguish design of owner's product, the products are welcome to exhibit in various major international trade show such as Interzoo (Germany). However, the main foreign markets are concentrated in Asia such as China and ASEAN countries with accounted for 30 percent of total sale.

## C14-Wdoorlock

The company is medium size with approximately 200 employees including workers in manufacturing place. The interviewee is managing director who is the second generation of his own family business. The company was established in the year1978 with an aim to produce door lock to domestic market. With the expansion of Thailand economy, the market was later expanded to business customers such as resident condominium, hotel, and business office building. The changing in technology enable C14-Wdoorlock to expand product line to technology related product such as digital door lock and smartphone linked security door lock system. The company begin to expand business overseas in the year 1988 to neighboring countries where economic development is progressing such as Myanmar, Cambodia, and the Philippines. The interviewee who is currently serve as managing director is currently responsible for international business development of the company in which he himself present over at every international trade show. The major international trade show that the firm participated in is still concentrate in ASEAN region such as Myanmar Build (Myanmar), CAM Build (Cambodia), WORLDBEX (the Philippines), etc. Average participation of international trade show is around 5-6 times yearly. The current export is approximately 40 percent of total sale.

## C15-Rjewelry

This company was originally a small shop in jewelry district in Bangkok. In the year 2005, the Thai and Australia business counterparts bought this shop and settling official company. C15-Rjewelry offer jewelry service such as cutting gemstones. Therefore, the company relied heavily on quality handmade skill. The interviewee is marketing manager who responsible for all international business activities such as participating trade show and international sale events. The company prior participating trade show already had international customers from word of mouth referring. However, C15-Rjewelry began to undertake proactive marketing in the year 2011 where exposing itself to international trade show. Currently, the firm, with 16 employees, provides service mainly to Australia and USA markets with account as high as 90 percent of total sale generated from overseas customers.

## C16-Tfurniture

The owner was originally manufacture household furniture such as table, chair, bed, etc. for domestically usage. However, exhibiting in international trade show in Thailand allowed the company to expose to international market only two years after formation of company. The interviewee is presently the Managing Director/ owner of his own company where he also serves as export manager. The company has extensive international trade show experience such as Thailand International Furniture Fair, Hong Kong Furniture Fair, etc. The foreign markets for C16-Tfurniture is wide range, e.g., UK, Japan, Cambodia, Lebanon, etc.

## C17-Tplastic

The interviewee is marketing manager who is not related to family of company's owner. The company offers plastic package, e.g. fruit plastic temporary package boxes, which are used mostly by supermarket. The company have subsidiary in USA where it provides customer service in USA, Canada, and Mexico. The company had established strong network prior entering in North American markets. However, it remains participate in some major international trade show such as Natural Product Expo West (USA), and some other local overseas trade show in order to attract new business customers.

## C18-Sbox

The company offers plastic box packaging that use in every household. C18-Sbox has long been establishing since 1977. At present, it is under operating management of the two brothers, the interviewees, who are the sons of owner. Originally, Thailand is only market that C18-Sbox undertake in. Until the year 2014, the two brothers started to undertake proactive international marketing by participating various international trade shows. The interviewees are now served as business development managers who responsible for all international business and marketing activities. The main target markets during 2014-2015 was only Asian countries, however, as they accumulated more experiences, further markets such as Europe and Africa were accomplished later. However, the overall export sale is still 20 percent of total sale as the firm key market is in Thailand.

**C19-Ncoconutoil**

This is another typically family owned business. The interviewee serves as marketing manager whose father is the owner of company. In addition, he has to lead the international marketing team in participating every trade show. Prior 2013, the original business was selling coconut oil locally. With the development of design packaging and quality adjustment, the company was then officially settled in 2013. Coconut oil is mainly use directly in household and as ingredient for various industries such as food, cosmetic, etc. Therefore, it is difficult to classified industry of coconut oil. The company has 120 employees including manufacturing workers. The company went to many international trade shows such as Beauty World (UAE), and Cosmoprof (Hong Kong), which is the trade show for skin care and beauty supplies. Its main foreign markets are China, Cambodia, and UAE in which account for 80 per cent of total sale.

**C20-Morganic**

The company began exporting activities in 2012, only one year since inception, and is currently exporting at approximately 30 percent of its total sales volume to Asian markets such as China and Malaysia. The products are wide range of household items including detergents, cosmetic, soap, etc. in which ingredients are made of organic subjects. The internationalization process of this company began in the second year of the company's life. The interviewee is the managing director and also solely owner of the company. The export opportunity arises since the owner participating various international trade show before settle its strategic in focusing to only Asian markets. The firm is categorized as BGs since the owner seek to develop multiple international markets since inception. The company rely on various international trade show as the tool to expand aboard such as Biofach (Germany), Natural Product Expo West (USA), Natural Expo (Hong Kong).

**C21-Seyeglassess**

The firm was established since 1962 for domestic market but is currently exporting up to 95 percent of its total sales worldwide. The main products are lens and eyeglasses. The exporting began in the twelfth year of operation, therefore, this firm has been categorized as Uppsala model type of firm. The firm originally visit international trade show as a visitor and later began to conduct proactive international marketing by officially exhibited a trading booth in 1995. The foreign markets are now covering every region in the world. The interviewee is the head of business planning division who is the second generation of his family business. The firm exhibited in only one main international trade show which is MIDA (Italy), the biggest international markets for lens and eyewear trading that attract exhibitors and visitors from every nation.

**C22-Ntraffic**

With a relatively small proportion of its total sale (10 percent) being recently exported mostly to neighboring countries, however, international expansion is in focus of this

company. The last firm started exporting in 2016 since its first exhibiting in international trade show in 2015. The company offer service and software development for traffic solution. Although the company is considered to be technology involved but the characteristic of internationalization is inclining towards Uppsala model pattern. One of the reasons is because the company was originally intending to provide service for Thailand and limited resources made the situation difficult to expand overseas without qualified service team. The exporting requires complex technology requirements with hardware and software combined solution. In addition, the company has been importing strategic software from inception. According to the interviewee, who is serve as the company's managing director, the main foreign target market are Myanmar, Malaysia, and Singapore. The international trade show that firm participated in since 2015 are Rail Expo and ITS trade show.

According to the objective research, the meaning and details of knowledge and network were found through the flow of interviews. Respondents freely described with their own words regarding how they obtain knowledge and network from trade shows' attending.

## 4.4 Knowledge acquired from international trade show

The results are clearly indicated that trade show is the place where companies obtained various kind of knowledges. Exhibitors gain knowledges from interacting with visitors, attending seminars, reading brochure, etc. In addition, exhibitors also evaluated economics potential from atmosphere of trade show and interpret them as a good source of knowledge.

### 4.4.1 Market Knowledge

It was observed that market knowledge is the most explicit knowledge that all interviewed companies are able to provide with rich evidences. The answers from all interviews reveal details of market knowledge respondent received in regard to their product industry. Only one company, C07-Ssyrup stated clearly in the beginning that he did not received any market knowledge from trade show. However, as the interviews went on, it was precisely that respondent actually somewhat engage in market knowledge such as Muslim's beverage market. Base on respondents' description, every industry has certain market knowledge that important to their business and such knowledge can be achieved through involving in the trade show environment.

> *"I will talk to distributor, and people who are interested in products that we have to sell it. Whom will they target to? And How big is the market size in that country" (C01-Jsnack)*

> *"Yes, we got it. The size of the target market, for example. We have seen what the customer needs. While we know the need, We know the amount of customer demand in the country where we do business every day. For the Chinese market, we see a lot of demand. Sometimes we are a limited market, such as Maldives, we see a very limited demand but there are various needs." (C09-Bspa)*

*"I will know the major players of that country. Who they are. Who are big importer of our products? Normally, the big importer are top 3, top 5." (C05-Orice)*

*"Each country will have their own import rules. What is prohibited stuff? Sometime, the decorative items that made of wood is not allow to be imported. Each countries will have their own rules that we need to know before export." (C08-Rspa)*

*"Market knowledge about the fair? I know about the trend of the world market, for example, I went to Cosmoprof, I will be looking at the trend of cosmetics this year. What is the extract? What is the trend of the extract of this year? We have to adjust our brand to keep up with the world market." (C19-Ncoconutoil)*

*"The first time I went, it was like the amount of MOQ (Minimum Order Quantity) we sell in the country...we thought it's big so we have prepared this price. I have to say that the Chinese MOQ is different story. I prepared 10,000 MOQs, or 5,000 pieces. The Chinese was like 20,000." (C08-Rspa)*

*"Yes, that's when we went to the trade fair in China. We know that the Chinese people are quite favor Thai products ... like I do not like made in China. Thai brand is reliable. We will know that this will be something of valuable in his view." (C10-Aspa)*

As can be seen from the above expression examples, respondents acquire various type of market knowledge from trade show. The dimensions of market knowledge inferred from literature review in chapter 2 were observed. For example, C01-Jsnack  C09-Bspa and cited about market size of target markets obtained from trade show. C05-Orice mentioned about major importers in target markets. C08-Rspa learned from trade show that a specific material such as wood is not allowed to be imported and firms need to understand each country's specific rules and regulations pertained to importing. C19-Ncoconutoil understand about future market trend. In addition, C08-Rspa and C10-Aspa cited about their perception towards general social issues such as market taste and purchasing power based on volume of importing. Therefore, the four dimensions: market size of target markets, regulation, specific legal issues, future trend of market, and general social/ economics issues were discovered from trade show.

Based on the excerpt, the knowledge that respondents clarified is obviously tacit knowledge (Nonaka, 1994). It emerged due to respondent engage to process of attain knowledge which cannot be explained or pass through without direct experience. For example, C09-Bspa compare the demand of its products between the two countries: China and Maldives. The expression that Maldives has smaller demand comparing to China market was based solely on personnel's estimation. The respondent engaged in international trade show and the direct experience such as socialization, meeting, face

to face interaction, feeling, allows him to judge the two markets in such direction (Bakestrin A., Vargas L., Fayard P., 2008). Other terminologies such as market trend, opportunity, market size, brand reliable, etc. are difficult to be measured and transmit this kind of knowledge to others. However, Explicit knowledge was mentioned by C08-Rspa such as import regulations and minimum order. This knowledge can be quantified and transferred to another person with entirely understanding.

In conclusion, based on the sample of Thai SMEs, market knowledge from international trade show can be referred to the knowledge about market size of target markets, regulation, specific legal issues, future trend of market, and general social/ economics issues. All of the mentioned knowledge can be either explainable or perception based.

### 4.4.2 Product knowledge

The respondents were asked in various aspect pertaining to how they received knowledge about products. All respondents confirmed that they received product knowledge from trade show. Many interviewees explained in great details. Product knowledges can be arisen from seeing, making comparison, learning from events or media distributed in trade shows. The examples of expression from respondent can be presented as follow:

> *"Of course, about size, taste, what should we develop next? What size should we do? Size of package is different for each market. Sometime they want to change the package design again. Oh! too much. " (C01-Jsnack)*

> *"...When we go to trade show, beside working in our booth, we walked around and...if we see similar line of production...we will then observe what are the differences. So we can understand what current market need. We know trend from nearby competitors' booth that where the flow of trend is headed to." (C17-Tplastic)*

> *"Innovation. Innovation of competitors...including technical issues and packaging."(C20-Morganic)*

> *"We looked at the similar products displayed. Similar line of products will have similar price. When we went to Hong Kong, there is...(name of competitor's brand)... that is near...similar products." (C08-Rspa)*

> *"The feature should be most natural, then, size, should be about same standard as Thailand. For example, the height of table will be 75 But if we have to do design for Japanese market, we have to lower the height to 68 or 70." (C16-Tfurniture)*

> *"We will see new products out there. There is a zone that the new product were display, right? We will see new trends which is very up to date."*
> *(C01-Jsnack)*

*"This seminar provided overall scope of knowledge which is semi academic. There was also commercial aspect for those who want to update trend. There was panel forum, sometimes…umm…this product, or this trend, for example, the so called blue light was discovered! Umm… it caused muscular degeneration which is cornea degeneration. It's like trend that we acknowledged what kind of research they were discussing about." (C21-Seyeglassess)*

*"In the event, other entrepreneurs who also exhibited, there will be something such as advertising or as an article in the invitation letter that came with trade show. So we will know. Maybe as an ad, perhaps an Article or something. It will be a trend that year." (C21-Seyeglassess)*

*"We took the new design of the new product to show. Then we ask our customers how they like so that we will improve."(C15-Rjewelry)*

Trade show can be a good source of most update trend of products. Exhibitor are not only focusing on current products in the market but also future trend as well as how they can develop their future products and launching it in the future. For example, C01-Jsanck cited about packaging suitable for different markets. This is consistent with the dimension of making comparison on important aspects such as packaging, quality, price of competitors' similar products line proposed by Tafesse W., Korneliussen T.(2011). In addition, it was found that other aspects including, product modifications, new product idea generation, trend , feedback on new product testing can be acquired from interaction and observant during trade show event. C16-Tfurniture adjusted their furniture dimension design for their Japanese market. Moreover, participants also seek formation from related activities in trade show such as seminar or discussion that associated with industry such as C21-Seyeglasses mentioned about semi academic seminar attended that provided scope of knowledge which is important to update industry trend. It can also be a place where exhibitors test their products and receive feedback in the markets before launching them in the future such as C15-Rjewelry that asked customers directly from the trade show about feedback of new design jewelry launch in target market. Therefore, all dimensions of product knowledge: make comparison on important aspects, product modifications needed to match customers' need, new product idea generation and information, new product testing and feedback were obtained (Tafesse W., Korneliussen T.,2011; Reychav, 2009; Gebarowski M., Joanna W.,2014; Kerin R., Crom W.,1987).

Explicit type of knowledge was found from respondent. For example, size of package or products. Tacit knowledge was as well observed. Physically presenting in trade show enable Interviewees to observe other product knowledge that cannot be easily understand such as product trend, idea initiation, or feedback perception. These knowledge involve requires engagement of participants and interaction with counterparts.

### 4.4.3 Cultural knowledge

International trade shows attract visitors and exhibitors from all over the world, thus, exchange of cultural aspects happened frequency. Respondents mostly learn culture from their potential buyers. Some cultural aspects are highly associated with business operation while others are indirectly affect foreign business practice. Respondents interpret the meaning of culture differently including, language, religion, business manner, etc. Sixteen out of Twenty two firms can provide clear evidence of cultural knowledge.

*"Like…when I went to Europe for business deal. They will sometimes have coffee, drinks, or snack served in a booth, which we (Thai exhibitors) usually do not have. But they were…like…serving us, coming to the booth and asked for coffee. It's kind of way of business practice for people over there." (C13-Cpet)*

*"Customers will see that you understand their culture well. Or we will speak a little of their language so that they will be impressed. For example, greeting word... so they thought that we understand them and they will be impressed and remember us more. It help strengthening relationships."(C19-Ncoconutoil)*

*"I felt that there is in the Asia region…We feel that they have similar culture. They understand us easily. They know Thailand very well and they know what herb is."*
*(C20-Morganic)*

*"For example, Dubai… You see the difference between Islam and the spa business. For Malaysia, there is a limit to the religious restriction that are different from Thailand ... like Thailand. We allow to have women as massage therapist. In Dubai, India, massage therapist, even in Malaysia, massage therapist have to be men. This result in different in uniform…men's uniform…women's uniform,  methods of healing, treatments are different." (C09-Bspa)*

*"In Sweden, Urrr…Online business, like eyeglasses, they, because people in the country is highly honesty. This mean, when they buy from online seller, consumer will pay in 30 days. But in Sweden, it's not like that. We already received products and use it but pay in the next 30 days, by credit card. No country has ever do online business like this." (C21-Seyeglassess)*

*"Umm…Thailand never use, it was like this before. Thai people do not eat bread regularly like breakfast. Yea! Their food is…like…set…so they have set of kitchenware for breakfast." (C16-Tfurniture)*

*"Knowledge of culture is, says, color. Some countries do not like this kind of color because this color represent the not so good meaning. Why Chinese people like red while Japanese people do not like red. Why red is felicitous for*

*Chinese people. Whatsoever is red means felicitous. Japanese people consider red as dangerous. Indian people like gold or dark tone color. Why African people like kinda hot and reddish tone. It's knowledge of culture of their daily life."*
*(C18-Sbox)"*

*"As far as I can tell, China and India like to force the price down. The Chinese are good at it. Indian force the price down and always tricky. Like, you sell at this price, ok?... lower price, ok?... can we pay after press order?...can we do not open letter of credit for order?"*
*(C06-Pmulberry)*

*"Purchasing…like buying Behavior or Eating habits of each person is difference. For example, in China, ah …Buying behavior of Chinese people…If they like, they will buy. they will interested in. But if they tried and they do not like…they will split it right there. This is the culture that difference." (C02-Sfruit)*

The respondents acquired cultural aspects from noticing visitors. Many evidences can be physically observed. However, some respondents express their cultural knowledge in term of perceptions such as how they think about their clients or how they think their customer feel about their products. C13-Cpet observe different business manner conduct, C19-Ncoconutoil learned how to impress importers. In addition, C09-Bspa considered that cultural aspect is important part since its products must be compatible with foreign culture. Language, values, manners, specific behavior and belief were observed during interviewing. For example, C18-Sbox, explained the importance of color meaning. Cultural distance is another element that respondent observed. C20-Morganic illustrate the perception of owner toward customer cultural orientations and how respondent may react to such perception. How to deal with foreign partners. Therefore, three aspects of cultural knowledge: cultural difference, way of thinking of people from different culture, language, values, manners, behavior and belief (Mejri K., Umemoto K., 2010; Cancino C., Coronado F., 2014; Seringhaus F.H. & Rosson P.,2004; Belussi F. et al.)

Based on this research data, cultural knowledge is the knowledge about the business dealing manner, cultural differences, the way of thinking of people from different culture. It also included Language, values, manners, collection code of behavior and belief. Thai SMEs from the study understand cultural knowledge solely in term of tacit knowledge. Respondents expressed the citation about knowledge that involves the similar terminologies such as, way of thinking, feeling, like or dislike, habits, etc. All of these elements is not explicit knowledge. It is in need of interpretation through individual viewpoint.

### 4.4.4 Competitor knowledge

Base on literature review, competitor knowledge comprises of not only the ability to observe and compare their products in term of price and quality but extend to competitors 'marketing strategies and manufacturing processes. Twenty out of twenty two firms confirmed evidence indicated that they acquired knowledge about competitor whether directly or indirectly. In trade show, exhibitors also compare booth location, staff, and how competitor react to clients. All of these elements are attained from dialogue of respondents as follows:

> *"Trade fair? First, we know competitors in the global market. We are in Thailand, we just know that who are competitors in Thailand. But in the world market, we know now that the product is in the same category with us, how far ahead they are going?" (C19-Ncoconutoil)*

> *"We see competitors' products, then, we will know consumers 'products, competitors' products and big international players. (C05-Orice)*

> *"Sometimes, we have to consider the booth position. We have to learn before we go. "…"Like…it's about creditability…picture in the booth…all affect creditability. It does not look good if we have …like…small table comparing to other booth which is big. (C13-Cpet)*

> *Sometimes, during trade fair, we talk and talk about prices, then we know about prices. (C05-Orice)*

> *"we get knowledge, that is, when we have exhibitor booth, we also walk around. We will see who are exhibitors, what they are doing, and how much? Normally, our price is high, highly expensive, but customers are quite happy." (C15-Rjewelry)*

> *"We checked. I didn't get it from asking them but noticed them (competitors). What marketing promotion do they have? How do they attract customers? What kind of thing they did and it was good for them…and what wasn't good. We noticed from there. (C10-Aspa)*

> *"Yes. For the nearby booths, we can see how they talk with customer, ability to talk to their customers. We can then evaluate." (C01-Jsnack)*

Generally, respondents acquired knowledge about competitors when they expose themselves in overseas markets. C19-Ncoconutoil explained that direct interaction with

competitor created experiential knowledge that domestic country cannot provide. It allowed them to acquired knowledge about competitors such as be able to identify number key competitor and direction. Staying only in domestic country would not be able to gain such important information. Identifying competitors does not mean only knowing the name and number of competitors but quality aspect pertains to them. C13-Cpet interpret another aspect of competitor in term of their competitiveness in booth exhibiting. Respondents express their observation on the appearance of booth location, design and decoration. The company compare their booth position and display with their competitors, then the estimation of competitors' competence was emerged. Hence, exchanging information with competitor, understanding competitors' marketing strategies, and observing competitors' ability to develop customer relationship are evidence found form interviewing with Thai SMEs. (Belussi F., 2008; Tafesse W., Korneliussen T., 2011; Rinalldo D., Golfetto F., 2011; Ling-yee L., 2008).

Interacting with competitors also lead to product knowledge as presented earlier. Trade show participants compared various aspects of their products to competitors' products exhibits in trade show including size, packaging, design, etc. They compare not only similar products line but new products offer by competitors. In addition, they also make comparison about the engagement of visitors. Another competency is ability of competitor to develop relationship with their customer which C01-Jsnack inspected on the way their competitor handle with customers.

Competitor knowledge can be acquired directly from source of information as an explicit knowledge such as number or competitors, names, and measurable qualification information. Tacit knowledge such as perception after confrontation, or strategies from indirect observation required direct engagement in the situation. In sum, for this thesis, competitors knowledge acquired from international trade show comprise with the experiential knowledge from confrontation with competitors, exchange information with competitors, understand Competitors' marketing strategies, and competitors' ability to develop customer relationship.

**4.4.5 Technology knowledge**

Many evidences of acquiring technology knowledge are observed from respondents, however, it is different in term of extensive level among respondents. Some interviewees clarified that they did not pay attention to technology since their business associated very little to technology. Many respondents could explain clearly about new knowledge for production and manufacturing that can be seen from trade show. However, the extent to which this kind of knowledge contribute to internationalization will be discuss in later part of thesis. It is observed that only one respondent can identify sophisticated level of technology obtained from trade show. Others emphasis on technology that related to international sale such as online payment technology or online marketing in the overseas target markets.

*"There is online application e-commerce…Mostly about online world. Each country will have similar (online e-commerce) such as Alibaba or Lazada for the beauty business." (C08-Rspa)*

*"The Chinese, technology in China and Hong Kong is new technology. They have unexpected things every time we go to trade show…like…Oh! We never seen that before." (C15-Rjewelry)*

*"For example, we never know that they use Zhe Fu Pao or WECHAT application to scan for payment. So, we have to adjust ourselves. We hire translator who is thai students in China. They have Wechat application. We were like..ok…we let customers pay by using our translators'WECHAT application, then, students will repay us back for customers'convenience. They don't use cash over there. This is the knowledge that we get." (C19-Ncoconutoil)*

*"Trade shows have more start up type of business in the industry. Some companies is like "star" of industry…like…they change the way to produce lens. Casting from Monomer to liquid, then to solid and prescription…this was the traditional way. Now they do 3D printing. We saw it and we were like…Oh! that's work! But it may have its limitations. Something like material is not diverse Umm…cost is too high. But in the future, we need to evaluate our strategy … The lens is the equipment involved in cutting glasses in the retail store, which is a Distributor who sells equipment. These guys are people who are technologically advanced in the manufacture of lenses…are also exhibiting." (C21-Seyeglasses)*

*"Oh! From trade show? We didn't see it directly. But if we see products of competitor, we will see that…oh! They have new kind of fitting, usage methods, how does it fold or adjust. We didn't get it directly but notice." (C16-Tfurniture)*

Various newest technology debuts their feature in trade show and impact business at different magnitude. C21-Seyeglasses revealed specific industrial technology that could affect to the entire industry. The company is in necessary to follow the latest trend technology since the technology may disrupt business. C15-Rjewelry expressed that the new unexpected technology was launch by Chinese companies in international trade show every time they participated. Not only product related technology, C08-Rspa realize the importance of online application e-commerce from trade show. However, for beauty business, the importance is less comparing to skill manpower. As respondent cited that:

*"Technology is not very different from first to the years after because spa is mainly about people, technology comes secondary." (C09-Bspa)*

Similarly to C05-Orice, informant agree that other knowledge is more important to their business. Respondent expressed that:

*"There is technology about scanning QR code. But, comparing to knowledge about product, the technology knowledge is less." (C05-Orice)*

Level of technology is another aspect of technology knowledge that vary depending on type of business. It does not need to involve only with electronic or digital equipment. A new way of producing same product with lower cost or higher quality can be perceived by respondents as new technology, as well as, producing similar product with different feature such as the above example of furniture industry that C16-Tfurniture belong to. Therefore, this research concluded that the technology knowledge that SMEs attained from international trade show complied with latest industry technology and the product technology that benefit to firms (Rice G., Almossawi M. 2002, Cancino C., Coronado F., 2014). Other two dimensions, as cited in chapter two: Information technology and Sophisticated programs and applications (Hashim F. 2012) were not found from interviewing. Therefore, two dimensions of technology: learning about latest technology and the technology level of the product were found from respondents. This interview quotes demonstrated various explicit knowledge. The knowledge about technology are easily to understand and transfer to other without individual engagement in experiences. For example, name of online payment technology platform (C08-Rspa, C19-Ncoconutoil) technology equipment(C21-Seyeglasses), etc. Others are tacit knowledge such as new jewelry and gemstones related technology (C15-Rjewelry).

### 4.4.6 Shipping knowledge

In response to the question asking additional type of knowledge that firm acquire beyond five types of knowledge (market, product, competitor, cultural, and technology knowledge), five interviewees (C08-Rspa, C13-Cpet, C16-Tfurniture, C20-Morganic, and C18-Sbox) cited about shipping and freight forwarder knowledge. For example, C13-Cpet explained that:

*"I think it will be shipping knowledge. If we talk about exporting, everybody will think about shipping process. My Taiwanese customer recommended shipping company to us. At that time, I thought that Oh! Deliver product my mail is cheaper. Then my customer ask…really?... Then I send the comparison indicated that it would be 30 percent cheaper if sending by mail."*

Similarly, C18-Sbox expressed that:

> *"There are various sizes for our product. How can we put all in the same shipping container? Every buyers like full loaded of shipping container with minimal space because they have to pay for the whole container. Sometimes our customers order trash can, but there is still some space left. So, we offer another product because they like full loaded. They have to pay 50,000 anyway. Comparing between having more product and having unused space…customers certainly like more products. So, we have to calculate things about this. Like in America, we want to ship our products but we can't. From Los Angeles to New York, there is so much add on cost. Our product cannot be sale. There is also tax issue between state."*

The above excerpt indicated arrangement of shipping. The knowledge occurred from discussing with customers about shipping issues. C13-Cpet explained that its clients would like to recommendation on shipping, however, the company figured out an alternative cost effective one. C18-Sbox expressed the importance of shipping and its impacts on sale decision. The company need to solve shipping case by case.

The main issues regarding shipping is cost. The two examples incorporate cost of shipping into consideration. This is consistent with the other three companies: C08-Rspa, C16-Tfurtniture, and C20-Morganic, where the cost of shipping is key issue affect exporting. C08-Rspa cited that different shipping company offer different shipping cost structure. C16-Tfurniture needs to incorporate shipping cost by added to total cost. C20-Morganic cited that the company realize the shipping knowledge all from their customer during trade show event.

Shipping can be classified into both tacit and explicit knowledge. The cost of shipping is certainly explicit knowledge. However, the access of this type of knowledge is tacit one. C13-Cpet need to engage in shipping process and discussing with clients before attaining such knowledge. The same explanation for C18-Sbox, the interaction with customers brought additional knowledge to the firm. Based on the interview for this study, the shipping knowledge comprise with two elements: medium of shipping (e.g. air or sea cargo), cost pertains to shipping, and loading strategy (e.g. highest volume of goods at lowest cost).

In conclusion, respondents' explanation confirmed that trade shows are decent sources of various knowledge. It is a good place for exhibitors to observe and engage so that they can acquire knowledge that benefit for their business operation. For SMEs, the five categories of knowledge, namely, market, product, competitor, cultural, and technological knowledge are established with precise clarifications. In addition, this research has found another important knowledge: shipping. Depending on sort of business industry, each type of knowledge is interpreted and perceived differently

through the view of each respondent. However, it is able to conclude and arranged in appropriate categories.

## 4.5 Network acquired from international trade show

All of respondents interviewed revealed that establishment of networks was a main reason in participating trade show. Exhibitors presented their product and service and made contact with visitors through informal conversations and presentation, and exchange business contacts, and probably arranged after trade show event follow up meeting. As mentioned earlier in the literature review part that four type of network including buyer, competitor, supplier, and professional and government network are found from existing literature, this part of thesis will illustrate the findings.

Base on the interviews, it is found that every respondent can establish more than one type of network. With qualitative method of research, interviewees can generate detail of motives, perception of each network, and extent to which each network contribute business operation. It is also observed that small firms will have their own technique of managing trade show participation. Some mentioned about the difficulty in exhibiting alone in their booth which may affect to network acquisition. Many respondents reveal a good preparation before attending trade show while others may not.

## 4.5 Buyer Network

Small firm focus mainly on prospect and established clients. Some respondents call their business partner as distributor instead of buyers as they functioned as products distributor in foreign target market. All respondents accept that meeting with buyers is one of the main reasons in participating trade show. Some even reveal that its first reason for exhibiting in trade show is to developing network with buyers. The example of buyer network from interviewing are as follow:

> *"One of our main objectives in booth exhibiting is that we want to see a lot of customers at once so that we do not have to commute many times and are able to meet 30…40… or 50 customers in trade show. It is quite efficiency in communication. (C21-Seyeglassess)*

> *"Our past experiences, for example, we got Japanese customers. They did not have high purchasing power. They were looking for …firstly, we can manufacture in large amount. Secondly, we are able to do made to order." (C16-Tfurniture)*

*"I think trade fair is the first meeting point for make me and them (customers). It's the meeting platform that make us meet each other and have face to have interaction. It's more interaction than just email." (C03-Pfood)*

*"We get network from customers to knowing customers…make new connection. We categorized by countries, for example, we got partners and supplier from Hong Kong. We got many suppliers from China. If we go to Australia, we will get customers directly. In Europe, we will meet customers who are designers. Or independent designer who wants to make jewelry. The sale order wasn't much but they did order from us." (C15-Rjewelry)*

*"We meet customers at the trade show and we will meet new customers there. Most of the people in the jewelry industry are repeatedly. We may not be very close in the first year that we just met, but our relationship are strengthening in later years because we kept connecting each other." (C15-Rjewelry)*

*"It depends on the countries. Some countries need to convert customer status to friend. For example, it take years to win the Japanese customers' trust." (C18-Sbox)*

The primary interpretation of networking is seeking potential new customers (Menon S., Edward M., 2013). For example, C21-Seyeglassess' main objectives is meeting many customers at once in trade show. C03-Pfood mentioned that face to face interaction in trade show is different from other medium of communication such as email as it can provide more efficiency in communication. C15-Rjewelry categorize customer base on geographically oriented. In addition to the finding customers, sample SMEs are observed to enhance existing relationship with existing clients (Cobanoglu E., Turaeva V., 2014, Gilmore A. et al. 2001). Small firms always keep relationship with not only new buyers but prospect buyers which may not impose purchasing order previously. For example, C15-Rjewelry conserve relationship even with every size of business customer since the stakeholders of jewelry industry are repeatedly. The non-buyers at first met can possibly be future customers. Another reason is to gain trust from their potential counterparts. Three dimensions including finding potential new customers, maintaining and enhance existing relationship with existing clients, as well as gaining more trust from key decision makers were discovered from interviewing (Menon S., Edward M., 2013; Cobanoglu E., Turaeva V., 2014; Gilmore A. et al., 2001; Tafesse W., Korneliussen T. 2009; Seringhaus F.H., Rosson P., 2004; Sarmento et al., 2015).

Buyers may not be interpreted as only customer who aims at purchasing physical products but also intangible asset such as brand. Respondents rarely mentioned a particular product' s generic name during interviewing but cited its own brand. Respondent brought the importance of communicating intangible asset and would like

to develop relationships for business partner who are willing to carrying brand as a total export package rather than pressing physical products line that the respondents manufacture.

> *"The reason that we go to trade show is we want partner who…firstly, they have mutual benefit…they take our brand name and make it grow." (C11-Dspa)*

As such, trade show create platform for exhibitors and visitors to interact and develop relationships. Many actions occurred during event hours aims at attracting new buyers as well as enhance relationship with long established business partner and creating trust from their business counterparts.

### 4.5.2 Competitor network

SMEs that try to internationalize do not need to be aggressive competitors but support each other in various ways. It is found that many Thai SMEs' perspective on competitor is in accordance with the mentioned concept. Respondents specified in many situations that they view competitor as alliance. Some interviewees intended to convert the term "competitor" to "alliance" since they are not directly competed with each others even if they are in the same product categories. The example of competitor network found from interviewing are as follow:

> *"We thought that entrepreneurs are our alliance. In the old days, people may perceive them as rivals. But for me, it is considered as partner. It has changed from the wall to the bridge ... Sometimes we don't have this product… We have this size but not that size…so we corporate …, shared experiences. They may have gone to many fairs which we never go. So, we may ask their experience directly… Was the trade show too quiet? is this booth ok? If we are getting more closely, they may share information on customers such as if this customer has good financial reliability." (C18-Sbox)*

> *"Do I meet competitor? Yes…Like what are that booth… that country doing? But because of the design, we try to differentiate from others. There is actually none of product that can be the same…Like…exactly the same… I still never see it." (C13-cpet)*

> *"It's like a semi-rival but also alliance. We see them more like alliance…During 2002, 2003, 2004,…that time…we got quite a lot of order. We did not have to compete for customers. Sometimes we ship…and they were our suppliers. Sometimes we were their suppliers." (C16-Tfurniture)*

*"We sometimes buy products that we do not sell. I usually buy coconut to sell customers because we do not produce it. Some customers buy dried durian with us. Our competitors do not produce it but they sell. So, they bought from us for resell. It won't be like…oh! we are so kind so we give you our customers. It's a little complicated that…like…you can buy from us and then mark up the price. They also do not want to lose customers. So, it's like buy, and mark up the price, then resell again. (C02-Sfruit)"*

*"Direct competitor? Not really. It's like indirect competitor. Like similar products but not exactly the same. It's kind of competitor whom we can help each other. For example, my product line is pet collar. Another is other type of pet products. We exchange information such as…hey, I have a customer that you should go to talk to." (C12-Npet)*

Based on the interviews, sample SMEs often perceived their competitor as alliances who contribute positive benefit with each other. Respondents indicated that international trade show allow them to confront face to face to their rivals or alliances. C18-Sbox reveal that confrontation lead them to develop relationship and share information about international trade related issues such as potential future international trade show, customers, etc. This aspect made competitor network different from competitor knowledge. Relationship network lead to other sources of information, while competitor knowledge is the knowledge about company's rivals.

In addition, it is found that SMEs occasionally share international sales order when it is too large with their alliance. This concept is in line with the concept of working together on large project (Tafesse W., Korneliussen T., 2011, Gilmore A. et al., 2001). For example, C02-Sfruit seldom sell their products to their competitors when they are requested from their competitors, and vice versa. Another aspect is that they support each other. Not only in term of sale order, C12-Npet indicated the evidence that the company direct their alliances to meet their own customers. C12-Npet did not received too large sale order or in need of support. However, the company still refer its own customers to their alliance whenever it realized that a potential mutual benefit might be occurred. It can be concluded that confronting with competitors, working together on the big project, communicating and supporting with each other are the dimensions that SMEs obtained from participating in trade show (Belussi F., 2008; Tafesse W., Korneliussen T., 2011; Gilmore A. et al, 2001; Tafesse W., Korneliussen T., 2011; Gilmore A. et al, 2001).

Only three out of twenty two interviewed companies view competitor as only non-alliance competitor that it is difficult to pursue business cooperation. The example quotation is as follow:

*"It's a bitter sweet situation. They visit our booth, I also visit their booths. Eventually, we know that it's business. So, it's kind of superficial network. We must defend and protect ourselves. We tried not to let them take too much*

*information from us. In the first year, we had LCD monitor to show our manufacturing machine. Our competitors saw it and videotaped it. So, we decided not to show it in the following year. This industry is narrow. There is no benefit to show technology to public."* (C17-Tplastic)

The above excerpt indicated that respondent perceived its competitor as rival whom the mutual cooperation could be hardly emerged. Unlike the earlier cases, C17-Tplastic tried to protect information from their competitors to protect their business secret. This can be another aspect of confrontation with competitor (Belussi F., 2008). However, no reciprocal benefit is arisen from such confrontation. Nonetheless, it can be concluded from the interviews that Thai SMEs acquired the three aspects of competitor network from international trade show including confrontation, communication, working or delegating work, and supporting with each other.

### 4.5.3 Supplier network

Unlike buyers and competitors network, all respondent did not consider supplier network as main objective in developing relationship during trade show event. The explanation of supplier network is somewhat in short detail comparing to buyer and competitor network. SMEs tend to have a good preparation on their supplier and mostly prefer to get them locally. The development of such network is not proactive but rather attained if opportunity exist.

*"Yes. We mostly find supplier…like…packet, packaging, supplier with machine, or machine cleanser. For machine cleanser, they gave brochure to every countries. They were…like…Hey! You are in food industry…This is my machine…They will come to talk to us…randomly. They meet with their potential customers. We also have our standard to see whether it is usable or not."* (C02-Sfruit)

*"Sometimes…Umm.. supplier come to us, offer us. Or while we were walking in trade show, we meet suppliers such as packaging…manufacturing."* (C08-Rspa)

*"Yes…for example, seasoning, there is seasoning pack."* (C01-Jsnack)

*"Yes. Food box. We decorated our products just like we give our products nice dress to wear…something like bag, warming bag, cool keeping bag…We decorate them so that they looks more nice. During new year, customers like to buy premium products. We get suppliers from BIG (Bangkok International Gift*

*and Houseware Trade Fair) trade show, and trade show in Hong Kong." (C18-Sbox)*

*"Yes, we thought…or sometimes there are exhibitors who sell oil…oil…coconut oil, horseradish. We like to bring them to sell…to be ingredient of our products…Ahh…this is part of supplier." (C20-Morganic)*

*"We got materials. Or…like..packaging." (C13-cpet)*

*"Yes, we get…but very little…like only 10 per cent. For example, packaging, sack maker, packet maker." (C05-Orice)*

Despite limitation of elaborate evidence, three characteristics of supplier network were discovered from interviews. C02-Sfruit mentioned about machine related suppliers that the company found from exhibiting in international trade show. Normally trade show is the platform for related product in the industry, for this case, food and beverage machines were as well exhibited in the same venue. The machine and equipment exhibitors were suppliers of food exhibitor such as C02-Sfruit. The discussion regard to business between these two exhibitors were occasionally emerged during trading hour (Gottlieb Udo et al., 2011). C18-Sbox originate the idea of product decoration with the purpose to add more value from walking in trade show venue. C20-Morganic learn about new suppliers that can possibly be ingredient of their main export products. However, all of the answer implied that supplier network is not the main network that trade show participant searching for. C05-Orice expressed that product from suppliers accounted for minimal amount. Nonetheless, it can be concluded that three aspects of supplier network: meeting with machinery suppliers, learning about new suppliers, and able to conducting discussion with them are elements in explaining supplier network for the case of Thai SMEs in this study (Belussi F., 2008; Gottlieb Udo et al., 2011; Menon and Edward, 2013).

It can be concluded that suppliers from trade show can be divided into suppliers for manufacturing machinery e.g. machine cleanser and product inputs e.g. packaging, ingredient, packet, etc. Thai SMEs unintentionally searching for, but benefit from, exhibitors of machinery suppliers, opportunities to discuss for business potential, new suppliers and service providers.

### 4.5.4 Professional and government network

Respondents view professional and government as indirect international sale supportive units. Respondents were able to identify and willing to develop and strengthen relationship with them in order to open more business opportunity. The professional

agents are media such as foreign and local television, magazines, and trade association. The local government are representative from Thailand ministry of commerce, Thailand ministry of industry, National Food Institute, Tourism Authority of Thailand, and foreign government units are such as JETRO,

> *"Mainly is ministry of commerce. But the ministry has various division such as department of internal trade and department of export promotion…DGP or DIP…DIT…sorry…DIT. Association also play the part because they have their own trade fair that target to Malaysia, Singapore." (C20-Morganic)*

> *"When we exhibit trade show, we met rice association, sometime department of rice…Department of rice of Thailand. They go to promote. They are like an individual organization. They were going to promote. Sometimes, they were in the same booth as DITP (Department of International Trade Promotion)." (C05-Orice)*

> *"JETRO (Japan External Trade Organization….) We met JETRO in trade show. They have booth. It's like…Japan pavilion and JETRO is in the middle. After talking with JETRO, they invite me to Foodex and brought me to talk to…this guy…then link to another. They also continue follow up." (C07-Ssyrup)*

> *"We went (to trade show) many times with TAT (Tourism Authority of Thailand). (C11-dspa)*

> *"Yes we get…local magazine." (C08-Rspa)*

> *"…I went to trade fair in Shenzhen or Guangzhou, not really sure. Channel 7 was taken out on TV about a few years ago. They went to work…to collect information…like...on food in the foreign country. So, Channel 7 interviewed us for it..."(C02-Sfruit)*

*In addition, C02-Sfruit also added about meeting with trading association that:*

> *I don't really join association…like…joining social group but rather join official activities. We're still talking to each other even if we already back form trade fair. Ah, we met at trade fair and we still keep in touch." (C02-Sfruit)*

> *"They had food institution during trade show. Things like that. And they come to see our products and…interested in…Would you interested in funding for your products. We offer, says, this amount." (C04-Sfood)*

*"When we exhibit trade show, we met rice association…"(C05-Orice)*

The excerpt from above interviews illustrates how exhibitors made connections to associations and governments during trade show. The connections were established at trade show booth since government and association representatives made visiting or even set up a booth in the nearby area. Respondents developed relationships with agents that could benefit with their business such as linkage to others potential buyers that the agents know who may be presented at the same event.

The examples of government network are presented in the quotation of C20-Morganic C05-Orice C07-Ssyrup and C11-dspa explained the similarity. Respondents shared the similar data of government network and their roles such as assist in promoting products overseas. SMEs from developing countries usually received assistance from their local government. The government agency is not limited to only domestic organization but foreign ones such as JETRO, Japan External Trade Organization. Press and media is another network that trade show exhibitors have opportunity to interact with. In addition, C02-Sfruit expressed that trade associations is another network that the company acquired from trade show. Similarly, C04-Sfood developed relationship with the food institutes during trade show. It is surprised that none of respondents cited about trade show organizer and industry leader (Sarmento M. et al, 2015, Menon S., Edward M., 2013). Thai SMEs from sample rarely see such network at significant level and fail to provide substantial evidence, therefore, the two elements were abandoned.

In conclusion, trade shows brought different industry players to mingle and make connection with each other. The four dimensions: government, trade show organizers, Press and media, Trade associations, and professional associations were found in accordance with literature review (Karabulut A., 2014; Sarmento M. et al, 2015; Menon S., Edward M., 2013; Gilmore A., et al., 2001). It can be implied that trade shows are not only venue for generate sale, but it is where face to face interaction is taking place and business relationship is created. Evidences suggest that the extent to which respondents perceived during trade show event is different. Buyers, competitors, and professional and government network are the ones that respondents delivered more precise detail comparing to supplier network.

Previous sections were mainly contributed to data collected regarding two main dimensions: knowledge and network. After understanding each different knowledge and network with qualitative data, the next question is focused on the pattern of internationalization of firms. Literature review reveal that the two variables caused small firms internationalized in different directions. Next section will present results obtained from interviewing with reference to the proposed conceptual framework. The two aspects of internationalization process: market selection and entry mode, will be presented in order to confirm the presented conceptual framework. After that, how knowledge and network contribute to the variables will be analyzed.

**4.6 Market selection**

The investigation was continued further for the resulted of knowledge and network affects. According to second research question, the influence of knowledge and network are investigated in this part. Two different aspect of market selection: pattern and stage, were chosen to be observed. The results will be contributed to internationalization theories in term of justification of concept underlying theories, for instance, psychic difference. Through series of questions, the two patterns of market selection: expansive and contractible, as well as three stages: prescreening, in-depth screening and final selection, were clearly observed.

**4.6.1 Expansive pattern of market selection**

Six out of twenty two investigated companies answered with clearly evidence of expansive pattern, which the companies prefer overseas market that have lease psychic distance from domestic market (Gorecka D. and Szalucka M., 2013). Firm with this pattern explained their expansive pattern starting from geographically nearby markets. Once experience was accumulated, firms tend to go beyond current boundary to markets with greater geographical distance. Three firms were selected to present example of expansive pattern as their elaboration were precise. The interview scripts are as follow:

> *"First we sell 90% in domestic ... Start out with Top Thai Brand (Top Thai Brand Trade show) in Myanmar as I have told you…then I got sale order."* *(C18-sbox)*

C18-Sbox further added that:

> *"Yes, we have started to expand our market from ASEAN before, it's near, language, experience, communicating technique. It's easier, like the price, than meeting with the European or Arab. We developed for two years with ASEAN markets until we have experiences. Then we expanded…begin with Singapore, then Japan, Asia first. After Singapore and Japan, then we expand to Europe and Arab. We, at that time, had strong references and sound track record."* *(C18-Sbox)*

Another example is explained by C07-Ssyrup as follow:

> *"We gradually expanded domestically. After it is well established in our country, then we expanded to the neighborhood. We expanded to every countries in the AEC. If there is connecting border, most of us have a*

*representative, because it is easy to ship. Err… then we gradually expand to China. Like… China, we mark this target long time ago. Because it is a big country. There is the need to build the base. It's not finish in the first time. Mostly expanding just like fried egg theory, which is expanded from yolk then expanding round. if I fly to sell it in Africa, maybe I get it but…We won't focus on the market that we do not have marketing strategy." (C07-Ssyrup)*

C11-Dspa expressed the way that company expand markets from nearby countries as follow:

*"The nearby market is easier. Like…we have Hong Kong customer. They come to use C11-Dspa facilities and products. So, when we sell over there, it's get repeat sell from those who live there. So, we do marketing in the nearby countries such as Hong Kong, Japan…. Firstly, distance wise is easier. Secondly, original customer is determined in the aspect of lifestyles behavior, buying decision making…Do you get what I mean?" (C11-Dspa)*

The statement presented above confirm the phenomenon of expansive pattern of market selection caused by trade show. Building on this notion, the study attempted to answer the second research question: How do knowledge and network acquiring from trade show impact on this pattern of market selection? What makes these companies decided to expand to countries with less physically distance? The explanations are in fact can be extract from the data received from the respondents. For example, the quote from C20-Morganic indicated precisely that market demand and network with importers is mentioned from participated in international trade show and was used to be factors in international market selection decision making. This company has been exhibiting in both Asian, Europe, and America before but intend to emphasis on Asian markets. Data indicate that not every knowledge and network types influence market selection pattern. Base on this research three type of knowledges: market, product, and cultural, and two types of networks: buyer and professional and government, were observed of contribution toward expansive pattern of market selection with the same results (Table 19).

**Table 19 Knowledge and network acquiring from international trade show and their contribution toward expansive pattern of market selection**

|  | Type | Expansive pattern of market selection |
|---|---|---|
|  | Market | C20-Morganic |
|  |  | C03-Pfood |
|  |  | C02-Sfruit |

| | | |
|---|---|---|
| Knowledge | Product | C02-Sfruit |
| | | C20-Morganic |
| | Cultural | C20-Morganic |
| | | C02-Sfruit |
| | | C07-Ssyrup |
| | | C18-Sbox |
| | | C11-Dspa |
| Network | Buyer | C07-Ssyrup |
| | | C011-Dspa |
| | | C03-Pfood |
| | | C02-Sfruit |
| | Professional and government | C20-Morganic |
| | | C07-Ssyrup |

**a. Market knowledge and expansive pattern**

Based on the literature review in chapter 2, Mejri and Umemoto, (2010) explained component of market knowledge, which can be observed from respondents is, for example, export opportunity (C20-Morganic, C02-Sfruit) and regulation (C03-Pfood). Focusing on these, C20-Morganic and C02-Sfruit, for example, mentioned that:

*"We knew that we have to target on Asian market. To make our standards higher. The Asian market is likely to demand more of our products than Europe. Because they also have their own product. Therefore, it is difficult to penetrate those market segments. You must be really strong ... We go to trade fair many times and we know that we should turn to Asia. It is easier to access to consumers…Easier access to importer." (C20-Morganic)*

*In addition, C02-Sfruit explained the perception of trade show in two big cities in China: Guangzhou and Shanghai as follow:*

*"Guangzhou is commercial country. It is big but people do not focus on only food. But SIAL trade show in Shanghai started from morning until evening and everyday for 3-4 days. There were a lot of people interested in product. It's interesting." (C02-Sfruit)*

Base on statement above, C20-Morganic consider an easier access of Asia markets as main reason to penetrate China market. It implied that the company comprehend market knowledge and concluded that Asian market has more potential. C02-Sfruit focus on the Chinese market. Even though the excerpt cited about two difference cities, says, Guangzhou and Shanghai, but the perception is mainly on the Chinese market, emphasis on the city that seems to have larger demand. In addition, rules and regulation that impact on expansive pattern is expressed by C03-Pfood.

> *"Somebody don't want to go to this (Japanese) market anymore. First, complicated, lots of rules and procedures. But we see this as challenging. During 2002-2008, we always went to FOODEX (trade show). We never stop. If you ask me, how many customers I got from 2002-2018, sixteen years? The answer is only one. But today, that account customer is around 20 per cent…no…15-20 per cent of our total export." (C03-Pfood)*

Although C03-Pfood export to USA as its first international market. However, according to interviewing, its target market was Asian immigrants from South East Asia after Vietnam war. Therefore, it is appropriate to conclude that the company focus on less psychic distance markets when it is in the beginning state of internationalization. Rules and regulations knowledge from trade show contribute to the success in entering to another Asian market such as Japan.

**b. Product knowledge and expansive pattern**

Product knowledge regard to gaining knowledge about customers' requirement (Reychav, 2009) and cultural aspect including values, manners, beliefs are in line with C02-Sfruit. The company mentioned about product modification needed and the cultural aspect such as life style that make firm decide to target on nearby countries.

> *"I went to Gulf Food trade show in Dubai in the Middle East. Then I knew that they eat fatty food. Food contains fat that make you gain weight. They do not really care the healthy food. So I have to find some high-end market." (C02-Sfruit)*

Respondent also added:

> *"It's more about product knowledge…I mean…I believed that I can make product that suitable to market and affordable price. I think I can do that." (C02-Sfruit).*

C02-Sfruit gradually expand from Chinese market to another distance market such as Middle East but focus on the segment that match to company's product quality. The

company expressed on the knowledge about quality of product in different markets that essential for developing in such foreign markets. The product knowledge impact directly to target market price strategy. From interviewee perspective, C02-Sfruit finally focus less on Middle East's mass market and emphasis more on other familiar markets. It is observed that C02-Sfruit try to find market that suitable for its product, which can possibly mean its establishing current markets, or newly market that match with the product quality. Product knowledge play an important role in determining which market C02-Sfruit choose to emphasis on.

### c. Cultural knowledge and expansive pattern

Apart from product knowledge, Cultural awareness is also another factor affect choice of target market. C07-Ssyrup cited the similarity in eating habit is the motivation to penetrate neighboring countries. They perceived overseas markets in Asia is easier access comparing to Europe or other regions.

> *"The reason that I select this market is that the way they eat, the habit, behavior is just like us. So I have knowledge to penetrate to that markets." (C07-Ssyrup)*

Mejri K., Umemoto K. (2010) states that culture referred to the values, manners, and the ways of thinking of people. The above statement cited about *eating habit* which can be considered as manners. This is important knowledge that the firm use to justified market. Rice G. (2002) emphasized that culture can impacts managers' decision making.

The cultural knowledge aspect plays important role on firm's decision making perception. Eating behavior (C07-Ssyrup), habit and lifestyle of Vietnamese people (C02-Sfruit), etc. Jonsson A. and Elg U., (2006) mentioned that this type of knowledge can only be learnt through personal experience, and the firm will utilize their competence for market expansion. All mentioned tacit knowledge influence firm to choose market with less psychic distance over the more difference ones and that also explained the expansive pattern.

Language and communication technique are another cultural aspect that C18-Sbox revealed. In addition to cultural aspect, the example of the quote is cited by C18-Sbox as follow:

> *"...we have started to expand our market from ASEAN before, it's near, language, experience, communicating technique. It's easier than meeting with the European or Arab."*

The similar explanation is for the case of C18-Sbox. The company cited about experience and communicating technique of particular group of customers. This implied that different group of customers require alternative way of communication. The company learn how to deal with customers from participating tradeshow and this learning process influence company in selecting a specific region to export. Therefore, it is appropriate to conclude that cultural knowledge does impact firm's decision making on target countries. The perception toward overseas market of those with shorter distance and longer distance such as European and American market is totally different. The similarity among those who emphasis on closer markets are that Asian markets is easier to penetrate. Communication can be delivered with less trouble as well as products are less problematic to be adjusted. After attending many trade shows in different regions. This was greatly influence firms' decision making.

In addition to internationalization theory. Tacit knowledge provides another perspective of explanation on market selection pattern. Knowledge obtained from trade show can be both tacit and explicit. However, tacit knowledge, which referred to as know-how, experiential, and procedural knowledge (Nonaka, 1994), plays an important role because of its influential. This type of knowledge is not easily interpreted as well as sharing unless engage with the experiences.

In term of market knowledge, for example, the estimation of market demand from visiting trade show need participation engagement. The sensitivity of purchasing power cannot be easily explain or transfer to another person with no experience. The same concept applied to product knowledge such as overall favorite food taste (C02-Sfruit), or potential to develop product that meet market's need (C20-Morganic). This is what Kippenberger T. (1997) cited as subjective insights which is difficult to share. This type of knowledge is seen as equitable to economics resources such as capital or labor. Therefore, the firm is obligated to assess their resources for higher potential market such as Asian countries.

**d. Buyer network and expansive pattern**

As for the network, trust of counterpart's abilities leads to business involvement (Hansen, 1999, cited in Sarmento M., et al., 2015, p. 590). C07-Ssyrup, C011-Dspa, cited about customers from nearby countries is easier to access whereas C03-Pfood and C02-Sfruit mentioned that intimacy with customers is another key reason in doing business with them. Example of expression from C07-Ssyrup and C11-Dspa is respectively presented as follows:

> *"...We expanded to every country in the AEC. If there is connecting border, most of us have a representative, because it is easy to ship..." (C07-Ssyrup)*

*"...original customer is determined in the aspect of lifestyles behavior, buying decision making…" (C11-Dspa)*

C07-Ssyrup choose to expand to neighboring countries. C11-Dspa have similarity strategy by expanding to neighboring countries or Asian cities or countries with less physical distance such as Hong Kong. The justification of company by using lifestyles or behavior implied that the company tend to export to nearby countries. Network observed from interviewing present another aspect of influential that different from three types of knowledge mentioned. While knowledge influence substantially on perception especially convenience in business operation, buyer network, provide firm enter business activity with high degree of willingness (C02-Sfruit). Trust is also another important issue related to market selection. C03-Pfood mentioned about its long relationship with only one but major Japanese business partner. Rowden R. (2001) explained that trust and relationships is highly important for the Japanese business people. Moreover, government network also facilitates firm's market selection of their choice. The stage or Uppsala model was revised in 2009 by Jan Johanson and Jan-Erik Vahlne add network dimensions to the model. Business relationship plays essential for geographical market that the firm decides to enter. The revised version is highly weight on the relationships factor. The market expansion depends on a firm's relationships and network. Therefore, the internationalization theory of Johanson J. and Vahlne in 1975 and its the revising theory in 2009 of is in line with the data in the way that knowledge and network helped SMEs in making a comparison in term of psychological barriers. The countries with less psychic difference will be given priority in operating business with.

**e. Professional and government network and expansive pattern**

Government network was discovered from interviewing on their impact toward firms' market selection. Hashim F. (2012, p.110) mentioned MATRADE, a Malaysian government agency that helps SMEs' exporting activities. This is the similar to what C20-Morganic and C07-Ssyrup explained how government agency bring them to made connection with potential customers from Asian countries. C07-Ssyrup highlighted that:

*"JETRO (Japan External Trade Organization) invited me to FOODEX trade show in Japan. And they brought me to talk with this guy…that guy and link me to another person. Then they follow up too. I met JETRO in Indonesia too. And the person from JETRO who responsible for Asian zone also came. They brought us to meet with Japanese supplier and customer. Because they want to help us, help us selling product."*

C20-Morganic mentioned about domestic government agencies and association that assist the company in finding the appropriate international trade show. Respondent stated that:

> *"Let's say…for example… DITP (Department of International Trade Promotion, Thailand) organized their own trade fair. And they help us finding trade show in China that we like. Association also organized trade show and recommend us to Malaysia and Singapore."*

DITP and JETRO, the Thailand and Japanese government agencies in supporting international trade for business units obviously facilitate companies connected with foreign partners. Respondents reveal only target market within Asia, says, China, Malaysia, and Singapore, which implied the psychically close markets. The government agencies were not only brought buyers and firms to meet up but rather facilitating with an objective to make international business activities emerged.

In general, the phenomenon of expansion pattern is consistent with Johanson and Vahlne's stage (Uppsala) theory. As it was discussed in the literature review, Johanson and Vahlne emphasis that knowledge can alleviate obstacle to firms' internationalization. The firm usually emphasis on market that psychically close to home country in the beginning stage of internationalization followed by longer distance country (Johanson and Wiedersheim-Paul, 1975). In addition, the revise theory in 2009 has incorporated network in the model which indicated that business relationship impact on particular market a firm chooses to enter. Our findings shows strong emergence of the influence of knowledge and network toward firm's perception. Although only three types of knowledge: market, product, and cultural are observed, their contribution can impact decision maker of firms. The same influential concept also applied to two types of network found: buyer and government. Johanson J. and Vahlne (2003) found that existing relationships influenced the choice of international market expansion.

### 4.6.2 Contractible pattern of market selection

Majority of interviewing companies for this study explained their market selection pattern as contractible type. Sixteen out of twenty two interviewing firms are clearly in contractible pattern (table 4.6.2).

Contractible is difference from expansive pattern in the dimension that firms screen most of foreign markets available, then, firm will look at trend and profitability potential regardless of perception of psychic connectivity. Respondents with contractible pattern could identify precisely they selected market irrespective of geographic or psychic distance. C01-Jsnack could provide an evidence of exhibiting at

trade show and were interested in developing international markets boundaryless, then, selected set of potential customers regardless of region or perception of similarity.

> *"When we went to trade show, we got…like…400-500 business cards. We then have to categorized in to countries. We have to screen each country we recieved. This country has 30 importers, which one we will choose. So, we have to go to study that particular company." (C01-Jsnack)*

C01-Jsnack mentioned further that a buyer from Estonia visit his booth which respondent had very limited knowledge about the country. But later, this client become significant importer in term of sale volume.

> *"Err…where is it? Estonia! What is Estonia?!?  Oh! It's rich in top rank. What?!? Poland? Poland is our top export last year. It's our number one in term of sale. We didn't know it before, so we had to investigate further. Because we didn't know everything. We have to see that even if they country do not have much population, but people have money." (C01-Jsnack)*

C08-Rspa also stated that:

> *"We open to every customers that we met in trade show…which is..Err…no matter they are from the country that we interested in or not very interested in. There is potential that business can happened. Therefore, if customers interested in our products, we are open to them. We do not cut anyone off." (C08-Rspa)*

Base on the above, interviewees did not have any statement indicate that they select market on the basis of closer connectivity whether in term of geographic nearer or less psychic distance between domestic and overseas target markets. They did not have any region, country, or reference from others, settle in their mind before exhibiting trade show. Country selection is based solely on potential business benefit evaluated after meeting has been occurred. In addition to contractible pattern that was found from empirical data, three types of knowledge: market, product, and competitor and two types of network:  buyer as well as professional and government, were discovered as the basis for firms to select their markets in such mentioned means.  Table 20 summarize type of knowledge and network contribute to firms' contractible pattern of market selection.

**Table 20 Type of knowledge and network acquiring form international trade show and their contribution toward contractible pattern of market selection.**

| | Dimensions | Contractible pattern of market selection |
|---|---|---|
| Knowledge | Market | C01-Jsnack C05-Orice C06-Pmulberry C12-Npet C16-Tfurniture C21-Seyeglasses C22-Ntraffic |
| | Product | C06-Pmulberry C21-eyeglassess C12-Npet C09-Bspa C19-Ncoconutoil |
| Knowledge | Competitor | C06-Pmulberry C05-Orice C15-Rjewelry |
| Network | Buyer | C01-Jsnack C12-Npet C09-Bspa C14-Wdoorlock C15-Rjewelry |
| | Professional and Government | C06-Pmulberry C16-Tfurniture C13-Cpet |

As it was pointed out by Koch A. (2001), firm with contractible pattern initially screen most of available markets follow by evaluate market potential. Trade show does serve essential function for determining business feasibility such as estimation of profitability, trend or sales potential. Based on the notion that international trade show is the platform for attaining knowledge and network. The data indicated that twelves firms (C01-Jsnack, C05-Orice, C06-Pmulberry, C09-Bspa, C13-Cpet, C14-Wdoorlock, C15-Rjewelly, C21-Sglassess, and C22-Ntraffic) were found that either knowledge or network or both can influence firm market selection pattern.

**a. Market knowledge and contractible pattern**

Three types of knowledge: market, product, and competitor were found as important sources for strategic shaping that lead to market expansion in contractible form. Companies utilize these three types of knowledge in evaluating market potential and profitability. For example, C06-Pmulberry and C16-Tfurniture deviated away from going to neighboring countries to more advance economy such as Europe as the firms see higher potential profit. After visiting various international trade shows in many regions, C06-Pmulberry expressed the view that:

> *"Yes, our neighboring countries all have herbal tea, except going to Malaysia or Singapore. From what I have noticed, if the products is not compulsory for living…I mean…not food, clothes, medicine, then people will tend to safe their money"*

Similarly, C16-Tfurniture stated that:

> *"Initially, we did not focus on the neighboring countries. When we talked about export, we focus on the faraway markets that have high purchasing power. Because the nearby market has less opportunity to sell."*

As for the interviews cases, Resource base view approach can explain such phenomenon. C06-Pmulberry aims at European or high income markets because their products have competitive advantage in price and quality in such markets. The quality of health related product does not fit less developing countries. Participating in international trade show allow firms to acquired such knowledge that impact firm's decision in selecting markets.

Resource based model explained that valuable and rare allow firm to enjoy competitive advantage, thus, enter international market. Resource base approach implied that growth of firm stem from the inside resources. Entrepreneur should find the new business opportunity that suitable with organization's competitive advantage. The high income target market can be considered to be new set of competition that C06-Pmulberry need to change the fundamental role of operations strategy. The adjustment resulted in product development that match customer's need or changing. Resources can be divided into physical resources such as land, material, etc. and non-physical e.g. knowledge and skills (Gagnon, 1999, Wernerfelt B., 1984). In this case, C06-Pmulberry has unique input resource to create inimitable outputs. Therefore, firm need to find market to match their products.

**b. Product knowledge and contractible pattern**

For product knowledge, C12-Npet, C19-Ncoconutoil, and C21-Sglasses had motive to develop product in accordance with global product trend or target market needs. This type of knowledge influence firms to utilize their competence in developing competitive products. For example, C21-Seyeglasses stated that:

> *"Ski goggle, the Austrian customer want this type. So, we calculate if we can do that.*

Respondent also added:

> *"The lens that water and fat cannot catch. We may hire scientist from MTEC. Hire the people with PhD from that and proposed our customers that we have this product. And it is in world market trend."*

Similarly, C19-Ncoconutoil supported with the expression that:

> *"We received that knowledge about product trend. How was that help to export? We use this knowledge to develop product that match with customer in that countries."*

Respondent added further that:

> *"We went to Beauty World trade show, then, we knew that Arab people like Lavender scent…like wooden scent…like this. So, we have adjusted our products to match their need."*

The above excerpt from C19-Ncoconutoil and C21-Seyegalsses demonstrated both tacit and explicit knowledge. For example, the type of ski goggle is tacit knowledge while the type of specific lens is explicit knowledge.

Interestingly, such knowledge has direct impact on Firms' decision making. SMEs is different from MNEs in the decision making process. The decision maker usually be the owner. Other restrictions, such as resources and internal change limitation, etc. can shape owner's decision (Marchi G. et al, 2014).  Therefore, product knowledge influence owner's decision to make any adjustment to their product directly. The Resource base view approach also explain the phenomenon for C12-Npet, C19-Ncoconutoil, and C21-Sglasses. The company took knowledge attained from trade show and acquired the motivation to develop product in accordance with global trend or target market needs.

The approach that contractible type of firm took product knowledge is contrast with those in expansive pattern. Base on earlier explanation, SMEs in expansive pattern often look for the markets that consume similar products quality or with small adjustment. However, firms in contractible tend to figure out the way to adjust their products to serve different demand. They often involve in further additional research and investment that would allow them to attain larger profit. This implied that SMEs considered such market even if the market is not neighboring countries. This process involved systematic approach in selecting target markets where firm choose one target location over another location on the transaction cost basis (He X. et al, 2016). Brothers indicated that SMEs that use systematic criteria is the ones that adapt their products for foreign markets. For example, C21-Seyeglasses considered developed country markets and began to consider internal resources. The cost of investing in product adjustment is outweigh culturally close perception. The choice of export markets is on the consequences of firm's export performance expectation. If the product knowledge contributes to higher export performance, then the market would be considered as target market portfolio.

Contrast to C09-Bspa, the company offer wide range of products that competitive in global market.

> *"For example, the oil massage, I have, let's say, 10 scents. The market A want scents number 1 to 5. Market B preferred 4 to 8. Market C needs 7 to 10. Market D like all from 1 to 10. We have product that cover all market needs. I don't worry about this I have variety of products for various type of markets."*

This respondent added:

> *"Well, some countries is not interesting. We can tell from the sale volume and customer ability to buy. As well as, how much they do understand our products."*

The expression above implied that physical distance has not impact on choice of market selection. The company have variety of products that fit to difference type of markets. It is all depends on individual customer rather than country set. In addition, C09-Bspa is the manufacturing of spa products, and has been in business for a certain length of time, therefore, the firm has developed international markets extensively and has product ready for different type of markets.

**c. Competitor knowledge and contractible pattern**

C05-Orice, C06-Pmulberry, and C15-Rjewelry use competitor knowledge to evaluate sales possibility. For example, C15-Rjewlery compare products and service quality with its competitors in Australian market. The company identified its competitive advantage and expressed that:

> "For example, there are many gemstones cutting service in Australia. We are one of that type of company. But we have competitive advantage in term of skill. If they can do at 2 dollars for a carat, we can do at 4.9 dollars. But, if customer want high quality, they will come to us. Because our quality is better."

C06-Pmulberry, instead, emphasis on their products that has competitive advantage in term of unsubstituted ingredient and price. Supporting this, the statement from C06-Pmulberry stated that:

> "Yes, we have competitors, but the European zone, they have so much more in term of capital. They have ability to develop nice product packaging that use high technology. So, for packaging, we can't compete with them."

Further, C06-Pmulberry expressed that:

> "We then emphasis on the ingredients. The ingredient that they cannot find, for example, butterfly pea flower or pandanus leaf in stead."

Regarding to price, C06-Mulberry mentioned that:

> "We went to trade fair in USA. They showed us the price comparison…like…Egypt sell them at this price, but our price is like this. So, we told them that…never mind…We won't sell you these. But we have other products. We have butterfly pea flower, mulberry, pandanus leaf, and lemon grass that our price is competitive."

The founder of the three interviewing cases perceived competitor knowledge acquired from international trade shows as a significant part of market selection strategy. For example, knowing competitors allowed C15-Rjewlery to realize their superior quality. C06-Pmulberry adjusted their product to avoid direct competing with its competitors. They considered trade show as a vital source of such information. In this case, SMEs excel this knowledge in systematic way. They analyze level of competition in foreign market environment combination with company's resource limitation, hence, decided which markets will generate the highest return (Rowden R, 2001). Chelliah S. et al (2010) found that there is a positive relationship between motivations to expand business to overseas countries if it can improve firms' return. Competitor knowledge

support Thai firms to selected growth strategy in contractible pattern. This is consistent with Malaysia SMEs that used systematic approaches of market selection (Chilliah S. et al, 2010). Spence M. and Crick D. (2004) explained that international activities created various knowledge, including, competitor knowledge can eliminate the fear of unknown factor in overseas markets. This process makes psychically close irrelevant. Knowing competitors and their qualification allowed firms to conduct internal evaluation and justified set of available target markets.

### d. Buyer network and contractible pattern

Buyer network was certainly found from interviews with precise evidence of indicating contractible pattern. Firm utilize buyer network and use them to undertake systematic approach in selecting markets. C01-Jsnack explained an unexpected situation when the company meet with extraordinary importers.

*"Initially, we did not focus on the Chinese market. We thought some customers are tricky. So we choose customer carefully. At one trade show, there was a group of young people came to us and press order. At first, we did not set any expectation. It turned out to be that kids are young celebrity in China. So, our sale went on very well with them. They really help us promote products."*

Similarly, C12-Npet explained that:

*"At first, we didn't interest in Taiwanese market at all. But after we exhibited in trade show, we change our mind. There were a lot of people interested in our products and similar product type."*

This company further added:

*"When we went to trade show, we will have opportunity to talk. We meet customer, we talked to them, and we knew number of customers and what they want. So, we can prepare some products that customers in that region want. We exhibit that products, or sell."*

C01-Jsnack and C12-Npet export their products globally. They clearly stated that the closer markets such as China and Taiwan were not interested. This indicated that geographically aspect of market is irrelevant. However, the network with customers allows firms to evaluate their potential and/or adjusted their products to satisfied markets' need. C01-Jsnack explained characteristic of international trade show event as informality. Visitors develop informal contact with exhibitors. The company explained that it perceived the Chinese visitors as a group of youngsters that it did not

pay highly attention on. C12-Npet also express its informality atmosphere in discussing with potential customers. However, this informality allowed firms to learn about customers and exchange important, and some occasionally, realize unexpected information. Therefore, international trade show is considered to be a helpful tool that exhibitors and visitors meet informality, exchange vital information, and evaluated unfocused markets. This is consistent with the concept of systematic approach in selecting overseas markets since decision making was based on the acquiring of important information, such as real demand, and critical analysis procedure (Papadopoulos N. and Denis J.E., 1998, as cited in Musso F., Francioni B., 2014).

International trade show provide infrastructure for foreign networking regardless of which countries. Regularly, buyer relationships originated from contacts obtained from international trade show. From the excerpt, it is found that motivation for network building with buyers is both tangible e.g. financial aspect and intangible e.g. knowledge, knowhow, etc. (Evers N. and Knight J., 2008). C01-Jsnack interested in developing relationship for future sales, while, C12-Npet attained knowledge about number of customers in the target markets. This knowledge destroy uncertainty and narrow the psychic distance that separate buyers and sellers' gap. In addition, networking determines location choices (Chen T., 2003). From the data, Thai SMEs utilized network in increasing choices of market selection. They expanded their business overseas regardless of distance.

Network approach can be used to explain how firm utilize network under difference international trading scenarios. Considering sample from interview cases, C01-Jsnack and C12-Npet are considered to be in snack and pet supplies industry. The industry is characterized by abundance of competitors in both domestic and global markets. Therefore, they are in the international among others scenarios, a situation in which firms are internationalize in highly internationalized market with other highly internationalized firms. The network in international environment is high and firms can utilize network to find new opportunities. The network that C01-Jsnack and C12-Npet developed with customers allows firms to evaluate their potential and/or adjusted their products to satisfied markets' need. As they develop relationship with high potential market with sale volume, they tend to interest in closer markets such as China and Taiwan less.

**e. Professional and Government network and contractible pattern**

Professional and government agencies facilitate further meaningful buyer network or better extra opportunity regardless of market region. SMEs are normally lack of abundance resources e.g. financial and knowledge, etc. Small firms always try to overcome such obstacles. One of the methods is by networking with government units since the government of developing countries always assists SMEs from their countries to conduct international business activities. In addition, to domestic government units, this research has found various significant professional and foreign agencies such as

international trade show organizer network that facilitate international sales of SMEs. For example, C13-cocopet noted:

> *"...On the other day, there was the director of Maison and Objet (famous international trade show in France) came to my booth and invite me to the trade show. I look at it and think that the cost to attend is a lot in Paris. You have to be selected before you can attend, the criteria is good design"* (C13-Cpet)

This company emphasized that:

> *"They like our products. They said...you can exhibit in the trade show. Then they gave me their business card."*

This explained that network relationship obtained from international trade show facilitate further business opportunity in European markets. Hitt M. et al. (2006) conducted research pertained to relationship between firms and stakeholders including foreign government. There is positive relationship between human relational capital and internationalization. The main point is the premise hypothesis explained the importance of relationships with foreign government attract new foreign customers. The case of C13-cocopet and its opportunity to meet European customer in the future replicated the situation that foreign agency will bring new customers. The mentioned trade show organizer from the above excerpt act as the referral to high end international trade show that difficult for other SMEs to participated. The scenario has to consider background of the company. The owner of C13-cocopet, who responsible for foreign market activities, have experience in product design background. It is common for small firms that product designer and entrepreneur are the same person. The Trade show organizer of "The Maison and Object", a trade show that focus on design and lifestyle products, interested in the company's pet supplies design products. This indicated that exhibiting in trade show lead to another bigger trade opportunity in the future. In addition, the situation inspired the owner of the firm to consider markets regardless of distinct and cultural differences. Such meeting with trade show organizer allowed small firm to systematic considering its financial limitation with international sale exposure. The firms finally attend the mentioned trade show and export its products to European markets.

Therefore, professional and Government is another type of network that SMEs utilized in highly internationalization environment. They help elevate SMEs to access further meaningful buyers regardless of market region. Due to limited resources, small firms, both from developed and developing countries, often looking for support from government units (Rowden R., 2001). SMEs tend to build non-expensive networks for the benefit of attaining further meaningful relationships. This type of network allow firm to exchange and sharing ideas and knowledge. The more they accumulated networking contacts, the more decision making become more rigorous (Gilmore A. et al, 2001).

In conclusion, Thai SMEs with contractible pattern are different from expansive ones in term of approach in incorporating knowledge and network from trade show. Durendez A. and Wach K. (2014) mentioned that SMEs usually prefer to expand business to neighboring countries at early state of internationalization. However, the findings on this study show that none of firms with contractible pattern of market selection chose to expand their business in such direction. Psychically close was not cited during the interview. The knowledge and network mentioned influenced them to search for business potential and developing their product to meet customer's need. The phenomenon implied that they seek to enter any markets that they have competitive advantage or try to adjust their product or resources to facilitate emergence of business.

Furthermore, the comparative analysis of firm with expansive and contractible pattern can be further investigated. The similarity between the two pattern is that not every type of knowledge and network contribute decision on selecting market. Technological knowledge, as well as supplier and competitor network were revealed of discovering during trade show, however, make no impact on market selection pattern.

### 4.6.3 Process of knowledge and network

Regarding impact of knowledge and network, as for firms with expansive pattern, knowledge and network tend to influence on firm's perception of international markets, hence, influence market selection strategy. However, firms with contractible pattern tend to utilize knowledge and network for adaptation (Table 21). They tend to assess their capability and mobilize toward any market that profitability potential exists. Therefore, the issue of SMEs' authority plays significant role in determining direction of firm. Unlike larger cooperation, SMEs tend to have single or small amount of authorities dominate decision making.

**Table 21 Knowledge and network and their process on pattern of market selection**

| Pattern | Knowledge found | Network found | Process | Theory |
|---------|-----------------|---------------|---------|--------|
| Expansive | Market<br>Product<br>Cultural | Buyer<br>Professional and<br>Government | Knowledge and network influence Firm's perception on foreign environment. | Uppsala or Stage<br><br>Uppsala or Stage (revised with network) |

| Contractible | Market Product Competitor | Buyer Professional and Government | Knowledge and network influence on internal firm evaluation and adaptation. | RBV, Network |
|---|---|---|---|---|

The type of knowledge found as the difference elements are cultural and competitor knowledge. Cultural knowledge was found in firms with expansive pattern while competitor knowledge was found in firm with contractible pattern. As this research is based on qualitative approach, it is not appropriate to assume that it is the main distinction between the two patterns. However, expansive pattern type of firm revealed the connectivity with cultural issue while it does not relevant for the case of contractible pattern type. In addition, many firms with expansive pattern perceive the psychically close market as *easier access*. This concept obviously deteriorates the significant of competitor knowledge which exist in firm with contractible pattern. Firms with contractible pattern tend to value the importance of competitor's relevant knowledge as they need to adjust their resources in order to remain competitive. For network, both firm with expansive and contractible pattern share the same influences. Buyer and professional and government network are the key impacts. The other two networks, competitor and supplier were not found significant evidence in the pattern process. The two theories that being used to analyze impact of knowledge and network and their contribution are Stage (or Uppsala) model, in which Uppsala model with network revision is incorporate, and Resource base model.

### 4.6.4 Stage of market selection

Previous section explained two different type of market selection that SMEs pursue. Small firms involve screening process regardless of pattern that they are proceeding to. Unquestionably, firms with expansive pattern will screen out unfamiliar market at earliest stage while the contractible type of firm screen market on different basis. However, this section will determine the screening stages regardless of pattern. The analysis will emphasis on how do knowledge and network affect to stage of selection rather than regardless of market selection pattern.

Based on the literature reviews, most of researchers tend to category stage of market selection into stages. According to Koch A. (2001, p.66-69) used the term prescreening, in-depth screening, and final selection to categorized how the firm make decision toward market expansion. Interviewing results indicated that trade shows is the tool for small firms to make decision on market selection. During trade show event,

small firms often going through different stages of market selection. The examples are as follow:

*"From meeting with visitors. There are talking, exchange of business cards…there are also asking what customers need. So, we can estimate what customer want? Do they really want to use our products? If not, it's the market that we gain experience…then we can expect…expect that that particular customers really understand spa in the right direction or not. Do they really want our spa product? Some customers want to ask, while some want to buy."* (C09-Bspa)

C08-Rspa stated precisely that trade show provide opportunity for prescreening. Afterward, respondent added that acquiring in-depth information was conducted furthered on high potential prospect visitors. C01-Jsnack and C09-Bspa explained a set of potential customers by number of business contacts, then, screening approach were handled subsequently.

Instead of prescreening, C02-Sfruit employed trade show as the venue to conducted in-depth investigation and final selection of potential markets. Respondents mentioned the discussion about companies' product positioning and seek if potential customers share common interests.

*"When we go (to trade show), there will be customer who have same expectation…from 10…there will be like 3, who has same interest. Then we will talk in depth that…Ok! you help find the right market. You want our product to place on shelf like this or this. Market direction is like…this. Our product is healthy snack…not high fat, or high sugar. Our target market is sweet snack with less price but less sugar, therefore, the price is a little higher than market price. So, are you looking for something like this?"* (C02-Sfruit)

*The firm further explained the process that:*

*"Like what I have said, when we go to trade fair, we will find the two hidden potential customers that we can close the deal and able to send out sample products on that day. We have to find at least two customers who are…like…highest potential customer. Close the deal! Two is worth going to that trade fair. The rest 5, 6., 7 customers… we will talk to them afterward when we already come back. We screen them later, after we come back to Thailand."* (C02-Sfruit)

The above statement indicated that firm had business dealing process and decision in evaluating potential markets. The number of customers chosen implied that there was an elimination on potential clients whom had been selected before. The next given examples are the situation in which in-depth screening and final selection were occurred during trade shows. C12-Npet and C01-Jsnack explained the situation that they made final decision on customers' selection as follow:

> *"Most of the time we can finalize our deal. Once we landed, we talk…we finish in no more than three day. For example, we go to trade show three days, once the trade fair finished, we will get back. We are able to choose them." (C12-Npet)*

C01-Jsnack expressed the feeling of part of the screening process as follow:

> *"What we are looking at is distributor who distribute and sell our products to that countries. We choose distributors harder than choosing boyfriend or girlfriend. We have to pick the best…means…looking at their potential in selling our products…looking at their portfolio." (C01-Jsnack)*

A respondent indicated a selected target market: India, after trade show participation even if export was not yet conducted after three visiting but target market still remained unchanged.

> *"For example, India, we went with DITP. I don't remember what trade show they organized. I don't really remember. I went there once and my company went there again…totally three times. If you asked, have I begun yet? No. I haven't begin. But I don't cut India off. Because we see the complicated of it, says, import procedures."*

**Table 22 Knowledge and network contribute to stage of market selection**

| Knowledge/ Network | Dimensions | Stages of Market Selection | | |
|---|---|---|---|---|
| | | Prescreening | In-depth Screening | Final selection |
| | Market | C01-Jsnack | C12-Npet | |
| | | C09-Rspa | C10-Aspa | |
| | | C14-Wdoorlock | C14-Wdoorlock | |
| | | C15-Rjewelry | | |
| | | C19-NCoconutoil | | |
| | | C16-Tfurniture | | |
| | | C20-Morganic | | |
| Knowledge | | C03-Pfood | | |

| | | | | |
|---|---|---|---|---|
| | | C10-Aspa<br>C18-Sbox<br>C11-Dspa | | |
| | Product | C01-Jsnack | C16-Tfurniture<br>C05-Orice | |
| | Cultural | C06-Pmulberry | | |
| | Technology | | C15-Rjewelry | |
| | shipping | C-04-Sfood<br>C18-Sbox | | |
| Network | Buyer | C08-Rspa<br>C16-Tfurniture<br><br>C20-Morganic<br>C21-Seyeglasses | | C09-Bspa<br>C02-Sfruit<br>C01-Jsnack<br>C12-Npet<br>C13-Cpet<br>C14-Wdoorlock<br>C05-Orice<br>C22-Ntraffic<br>C18-Sbox<br>C16-Tfurniture |
| | Competitor | | C22-Ntraffic | C05-Orice |
| | Government | C05-Orice<br>C21-Seyeglasses | | C12-Npet |

Table 22 illustrated the influence of different types of knowledge and network on stage of market selection. Each firm has its own characteristic in market selection process. Not every knowledge and network form trade show contribute to screening process. The first stage of market selection process is prescreening, which describe in chapter two that firms usually take macro-level indicators to eliminate countries that do not meet criteria. As for knowledge, it is observed that market, cultural, technology, and shipping knowledge contribute to prescreening process.

**a. Market Knowledge and prescreening stage**

Base on the interviews, informants can provide rich evidence for the contribution of market knowledge. C01-Jsnack, C03-Pfood, C08-Rspa, C09-Aspa, C14-Wdoorlock, C15-Rjewelry, C16-Tfurniture, C18-Sbox, C19-Ncoconutoil, and C20-Morganic indicated the situation that they utilize general macroeconomics knowledge in screening market. For example, C19-Ncoconutoil support this condition by expressed that:

> *"Knowledge make us understand that this country match with our products lines. Or this country is not yet match."*

Respondent also added that:

> *"We look at the feedback of customers from trade show. For example, we looked at customers who asked us questions. If they said that our products are good, then we thought that it is possible to sell. We will consider that markets. We then predict that our product should have opportunity in that market."*

Another example is C08-Rspa. The informant explained that:

> *"Pre-screening, yes, because…Ummm…Actually, when we go to trade show, we will have interested customers come and visit our booth. After our talk was getting deeper, they continued asking for in-depth information. When we had Japanese customers, we started to do our homework on what Japanese want? What about import tariff? How do we do the price to match with their need?"* *(C08-Rspa)*

Prescreening is important since it is the first stage in market selection phase. It is critical since it lower the risk of misallocated resources in investing to poor prospect countries and emphasis more on high prospect ones. The above excerpt indicated that the prescreening process involve knowledge creation, integration and their influence on decision making. From the excerpt, knowledge was created as a resulted from collaboration between exhibitors and visitors or customers. The interview revealed that C19-Ncoconutoil use the estimation of market demand from customer reaction in evaluating market potential. In this case, the knowledge of macro-level regarding consumer demand was revealed from the interaction.

Once the knowledge has been created, it is integrated to the firm. From the interviews, it defined precisely that knowledge created was occurred at individual level. This type of knowledge was then transferred to firm level before decision making is executed. However, since the respondents are all SMEs which the decision are governed by solely by owner or single person, therefore, the market rejection can be executed immediately. The markets that pass prescreen stage will be examine further for the next stage.

It is noted that this study focused on only knowledge obtained from international trade show that firms exhibited in. Therefore, the mentioned macroeconomics knowledge must be acquired only from trade show. From the above interview part, C08-Rspa estimated Japanese market demand both quantity and sale price aspects, and imported tariff rules. This knowledge reflected the quality to macro-level of market knowledge. SMEs from observant integrated these knowledge into consideration and decide the next step.

Another example is C01-Jsnack:

> *Like...the country that…Urrr…people have no purchasing power, not good economy…Err…We ship our product…Errr…They didn't really buy much…So we cut them off first. Because we don't want to waste our time (C01-Jsnack)*

C01-Jsnack estimate overall purchasing power from international trade show with past business experience to screen markets. The company also further mentioned screening process that:

> *"When we went to trade show, we got…like…400-500 business cards. We, then, categorized in to countries"*

The criteria to use in prescreening process is different among scholars. Koch A. (2001), employed macro-level indicators. Gorecka D. and Szalucka M. (2013) identified detail into comparing country characteristic. C01-Jsnack received widely contact when attending international trade show. The company has to make comparison and categorized countries and set priority. The indicators are macroeconomics level such as purchasing power and economic soundness of the countries. Meanwhile C08-Rspa and C19-Ncoconutoil justified each individual country without cross comparison. The pre-screeening process in obviously involve knowledge conversion and integration. The above companies interact with buyers through conversation that occurred during trade show event hour. Market knowledge was then integrated and process at either concurrently or after trade show finished. The decision will then depend on the owner.

## b. Product knowledge and prescreening stage

Prescreening stage, according to Koch A. (2001) involved exploring existing product line. Therefore, accessing to product knowledge in international market help in market justification process. C01-Jsnack indicated further on market consumption behavior from similar products existed in the market. Therefore, a product knowledge that influence firm's screening process is as follow:

> *"Yes, we screen and cut off the markets. Whichever market that already consume similar product as ours, then we have expectation that our product would be able to sell in that market. The market that do not consume potato chips, we cut it off. Because, if they do not eat even potato chip, then how they can eat banana chips."*

This expression of product knowledge is in line with Johansson, 1997(as cited in Koch A., 2001 p. 67) who stated that customer preferences and the existing product line is used to justified in the first stage of screening. Trade show is a decent platform for exhibitors to gain realistic and practical macrolevel information. C01-Jsnack explained the knowledge about qualification that can be infer to prediction of target market demand. This indicated that the macro-level of product knowledge is tacit one. Unlike other macro-level type of knowledge such as national income, number of population and demographic disperse, etc., product knowledge required engagement of individual in knowledge creation process.

The above evidence does not mention about people interaction. However, the firm was in the situation where direct experiences allow firm to acquired product knowledge that become essential for screening process. Trade show is the place for temporary clusters that provide learning platform without central actor since it brought together various stakeholders (Rinallo D. and Golfetto F., 2011). Therefore, the knowledge and learning can be occurred with or without direct contact with customers. C01-Jsnack understand that consumption level of potato chip is essential indicator to measure snack market from confronting the situation in trade show event. This knowledge creation is valuable for decision making. Attaining product knowledge from international trade show can lower transaction cost for SMEs. Such knowledge was absorbed inside firm and further assessment was then emerged. Due to limited financial resources of SMEs, acquiring tacit knowledge of product from different countries would incur enormous cost to firms. In this case, trade show is an efficient platform to provide product knowledge that allow firms to screen low potential markets. The incurring of product knowledge absorbed allowed firms to select the market that they have competitive advantage in. SMEs does not need to put resources in the market that they have insufficient demand, and emphasis more on the ones that has more possibility. C01-Jsnack identified a selective environment in which skills and capabilities for manufacturing product are used in most efficient way. The company choose only the market that already consume similar snack such as potato chip and eliminated the ones that does not consume that mentioned product type.

**c. Cultural knowledge and prescreening stage**

Cultural knowledge can impact preference of firm's selection process. Incompatible business practice culture influence on C06-Pmulberry prescreening process. As the firm stated that:

> *"…For me, we cut off some market…like…China and India. As far as we had talked with them. They were likely to lower the offered price. For example, Can you sell at this price? Can you give an extra discount? Can you give more? Can we order but make payment later? Can we do not do the letter of credit? Something like this. So, we thought that if it is very complicated, then we will sell to other customer before. We will consider selling to them later.*

This creation of new cultural knowledge based on the interaction between individuals and group of customers. Cultural issues involve values, manners, collection code of behavior, belief, and the way of thinking of people from different culture (Mejri K., Umemoto K., 2010 Belussi F. et al. Cancino C., Coronado F., 2014, Seringhaus F.H. & Rosson P., 2004). The sources of cultural knowledge for C06-Pmulberry is from series of participating international trade show and engaging in face to face business discussion with various foreign customers. The company screen out two countries as a result from cultural knowledge. This kind of knowledge involve feeling, and mental images of customers' nationality. Knowledge emerged at individual level as it is applied to only C06-Pmulberry, other firms may not engage in such knowledge. It is difficult for Different individuals to share the same level of belief, observations, and viewpoints (Nonaka et al., 2009). The acquisition of cultural knowledge is tacit one. The firm start to receive this type of knowledge once it begins the international business activities such as participating international trade show. Small firms gradually understand different style of business dealing. Avoiding difficulty in business practice is one of the reasons why some firms intend to enter less distant countries. However, what have been found from interviews is dissimilar. C06-Pmulberry avoid the two main Asian markets: China and India but favored longer distant market such as European markets.

Newly cultural knowledge created must be absorb into firm. The owner realized the problem may arises to company if accepting such problematic customers. In this case, the revenue is the issue concerning the company. Firm intend to focus on the market that they have other type of competitive advantage rather than price competition. Maintaining efficient and appropriate pricing level allow firm to achieved long-term competitive advantage. Furthermore, C06-Pmulberry is producer of various organic products which allow firm to target on premium customers. Price competition is unnecessary for firm. On aggregated level, the company decided to eliminated such country due to macro-level of cultural incompetence between countries. Cultural knowledge, from the above interview quotation, is tacit knowledge. It is difficult to codified or transfer to another individual. However, the owner of company is solely decision maker toward international strategic activities. The internal process of knowledge integration as the source for decision output is less complicated. Therefore, the benefit of tacit cultural knowledge acquired from overseas trade show offer assistance to exporters in undertaking screening target markets. C06-Pmulberry was finally eliminated China and India without investigate further into their local industry.

**d. Shipping knowledge and prescreening stage**

Finally, the newly discovered knowledge from this research: shipping knowledge, likewise, contribute to prescreening process. As C04-Sfood highlighted that:

> *"The reason that we focused on Chinese market is because we can export to. It works. There are also other reasons too. Another reason is it is near…So I can*

*ship my products to the market. It may not be totally legally but, at least, I can test the market." (C04-Sfood)*

*Another example is C18-Sbox. The respondent explained that:*

*"Comparing between having more product and having unused space…customers certainly like more products. So, we have to calculate things about this. Like in America, we want to ship our products but we can't. From Los Angeles to New York, there is so much add on cost. Our product cannot be sale. There is also tax issue between state." (C18-Sbox)*

International trade show enables SMEs to discuss about export products shipping issue with shipping company. The shipping knowledge acquired for C04-Sfood and C18-Sbox is explicit ones. C04-Sfood explained about legal issue in shipping sample product to Chinese market. Such knowledge certainly can be achieved from shipping company. C18-Sbox presented the calculation of shipping cost structure to USA before making decision. The shipping knowledge was acquired during trade show event. the knowledge sources are customer and shipping company, while, knowledge creation was occurred between firm, customer, and shipping company.

The creation of shipping knowledge is different from market, product, and cultural since it was discovered only explicit type of knowledge. For example, unlike cultural knowledge, shipping knowledge does not deviate among individuals. Shipping knowledge can be comparing to imported rules and regulation which is less complicated to be acquired.

The two examples illustrated that firms need to incorporate prior knowledge with the new ones. The issue of acquiring knowledge and its prior knowledge depends on the ability of firm to absorb such knowledge. When these two types of knowledge are compatible, the decision will come to conclusion (Casillas J. et al., 2009). From the above excerpt, C04-Sfood and Sbox incorporate the shipping knowledge into internal organization knowledge. Either illegal shipping to China for the case of C04-Sfood and shipping cost calculation enable firms to calculate the possibility to export to such target markets. Based on the above interviews, C04-Sfood decided to export to China, whereas, C18-Sbox decided avoid United states market due to the cost ineffectiveness. The actions were executed as a consequence from integrating former knowledge with the new ones. The two examples also implied that shipping issue is itself affect the exporting to a particular country. Therefore, it can be considered as the macro-level issue affecting firm's decision making.

**e. Market knowledge and in-depth screening stage**

Comparing to in-depth screening process, where firm seeks for more industry-specific information such as level of competition, market size and growth, entry barrier, etc. from short list countries screening from previous selection stage. Market, product and technology knowledge are observed to make input for such selection. The key informant, C12-Npet stated that:

> "The knowledge that I obtained and then cut off the market is…for example, I went to trade show in Cambodia… The Top Thai Brand (name of international trade show). And I eliminated Cambodian market.

In addition, the informant added that:

> *"It's like I talked many people in trade show who has knowledge about pet business. For example, they said…there is only one pet hospital in the city. So, it does not support industry. They thought that market does not grow yet. The hospital only gives pain killer for pets. This was the information that I tried to ask from people there."*

C12-Npet entered to an international trade show in Cambodia which target on South East Asia market. Therefore, Cambodia is on company's shortlist of potential market. However, the company eliminate Cambodia market on the basis of knowledge that the pet industry is relatively small. This phenomenon is adequate to identification or second stage of market selection as refer to the evaluation of market size and growth stated by Koch A., 2001 and market potential estimated (Johansson ,1997as cited in Koch A., 2001 p. 67).

Another example of market knowledge and its contribution to in-depth screening of market selection is provided by Wdoorlock. As the respondent expressed that:

> *"Actually, American market is one of the markets that we eliminated. Because their product and market structure does not fit ours. If we have to develop product for USA, it will be a lot of investment. So, if the customer did not want to do initial investment like mold, or new structure, then, we do not have to talk further. It's waste of time."* (C14-Wdoorlock)

Another aspect of in-depth selection is assessment of resource constraint and determine market size and growth. C14-Wdoorlock evaluate American market and considered its resource constraint with opportunity (Cavusgil, 1985, Kumar et al., 1994., Root, 1994, Johanssen 1997). The elimination action was undertaken after such evaluation. Therefore, market knowledge about industry contribute to SMEs' decision making toward screening process.

C12-Npet acquired knowledge from unspecified people in trade show. This implied that the interaction between people was the origin of knowledge. The knowledge considered to be tacit one since it was incorporate personal view toward market knowledge. In addition, this situation represented knowledge conversion from tacit to tacit (Kippenberger T., 1997). The people that C12-Npet asked from explained from their perception on Cambodian' s pet industry. This tacit knowledge was converted to owner of the company since they were in the same physical location. C14-Wdoolock attained tacit knowledge about door lock industry in USA. The explanation that United State market structure is different from Thailand indicated knowledge is tacit. Such knowledge needs to be discussed in order to understand the different between countries.

Resource base view and transaction cost approach can be used to explain this phenomenon. C12-Npet realized that Cambodia market is too small for arrange resources for. The competitiveness of firm cannot be applicable to the case where industry size is limited. In addition, small firm also consider transaction cost in switching to new market. The uncertainly in market environment resulted in higher transaction cost (He X. et al, 2016). Small firm need to considerate when entering new market.  C14-Wdoolock expressed precisely about high investment cost of manufacturing if entering to market with different structure. The respondent feel that the new market is characterized by high uncertainty and required customers to absorb risk by undertaking financial contribution. C14-Wdoorlock was finally eliminated United State door lock equipment market since it could not manage the risk association. Therefore, in this case, the firm initially consider American market, but finally abandoned it after carefully investigate foreign industry. The similar explanation is for C12-Npet, the firm originally consider Cambodian markets and participating in international trade show. However, the results of in-depth industry analysis in enable firm to emphasis its resource for other higher potential markets.

**d. Product knowledge and in-depth screening stage**

Once C16-Tfurniture acquire product knowledge from trade show, the firm cited the evaluation of firm's resources in connection with market screening. The company highlighted that:

> *"Sometime, customers already had sample products. And it's like… we can really do it. It matched our specialization. This is our potential. We like this kind of market and fight more. We will propose the price that match them."*

The respondent continued illustrated some characteristic of Thai furniture manufacturing as follow:

*"If you want the European markets, then you need to have design products that match their want. Did you notice that some manufacturer only accepted Japanese order. Because they are good at it. They have expert in design. The detail of customers are difference depends on region and country. They are not the same."*

In addition, the interviewee added that:

*For example, we get Japanese customers. For us, they did not have high purchasing power. They are looking for product that, firstly, we can produce a lot in term of quantity. Secondly, we can do the make to order type. Sometimes, they already have design that they want. Thirdly, customers emphasis on quality. In the case of Thailand, Japanese customers looks at quality. They want our product to have higher quality than competitors, says, Vietnam or China. Thai products usually have higher price but they can ask or request for more from us."*

C16-Tfurniture is in the home furniture business. This industry emphasis highly on its competitive advantage such as design and product quality. The constraint of firm resources influence firm to reject European and/or other markets for Japanese since they specialize in product manufacturing for the Japanese. It also implied that some factories have limited resources which allow them to serve only particular markets. The assessment was made irrelevant to macroeconomics of target market but specific compatibility in firm level to industry.

Product knowledge, especially the one that impact market screening process, acquired from international trade show is tacit. There is the need to intact with justification of overall foreign market industry with domestic capacity. SMEs have to incorporated knowledge and evaluated if such knowledge contribute to growth of firm (Autio E., 2000). The industry knowledge that C16-Tfurniture cited is based on a certain length of time in involving itself in the furniture industry. The ability to justified which market is suitable for which manufacturing require knowledge from experience. In this case, knowledge is essential factor driving international behavior of firm (Casillas J., 2008). Firms need to understand which market that they underpin the ability to gain a sustainable competitive advantage. A clearer understanding how firm attained knowledge help explained why some firm follow a sequential process.

C16-Tfurniture continued explaining about product knowledge and how it reacts to such knowledge.

*"For example, The Middle East customers, They have high purchasing power, but they also look at the price. If we are not mass production type…like 200 or*

*300 workers that can manufacture that order, then our cost will be higher. We cannot accept their order. American market too. They order more than ten thousand pieces. If our capacity is not enough, we won't accept it. We won't take this group of customers. We will accept UK , Japan, or whatever that order 200 to 300 pieces."*

The evidence that C16-Tfurniture cited clearly presented has demonstrated knowledge absorption process. The initial order from Middle East is a good opportunity. However, after carefully consideration knowledge attached to such opportunity, the firm realize the industry structure of Middle East market as well as United State. The firm then calculate resources to be manufactured and decided to select only United Kingdom and Japanese importer which order less amount. Eventually, this evidence is considered as in-depth screening process since it involved industry evaluation. The firm may consider accept the order from Middle East and United State market if it find importers that suitable for firm's capacity.

**e. Technology knowledge and in-depth screening stage**

Knowledge about technology has challenge traditional market selection process which focus on only macroeconomics and political factors. Firms from emerging market, especially SMEs consider factors more than those (Sakarya S., 2006). C15-Rjewelry specified level of <u>technology</u> and its impact on screening process.

*"We visit many trade shows and choose the market that has highest potential…the market that we interested the most. Because our company is very small. Our capacity is small. We cannot go everywhere we want to. We are not big company. I mean…even if we have order, we cannot do it."*

The respondent added that:

*"The Chinese and Hong Kong markets. They have brand new technology. They have something difference every time we go to trade fair. Like…we have never seen something like this before. So, we removed the Chinese market because we are not capable to compete in term of technology."*

Analogously, C15-Rjewelry evaluated market strength and weaknesses and consequently predicted the unfavorable market prospect. Instead of eliminating market since prescreening stage, the firm incorporate technology knowledge into consideration during market selection process. C15-Rjewelry emphasis on providing handmade jewelry both products and services. After the company conduct industry competition assessment (Cavusgil, 1985, Kumar et al. 1994., Root, 1994), then, it concluded that Chinese market is not suitable for their company.

It can be implied that the Chinese market was initially on the list of exporting potential market since C15-Rjewlery decided to participated international trade show that organized in Hong Kong. The company explained that it had opportunity to explore new jewelry service related technology exhibiting by Chinese firms. The respondent expressed with feeling of surprise after seeing new technologies dominated by Chinese companies. The evaluation of competitor occurred at this stage (Kock A., 2001) and impact on firm's decision on market selection. The following is the viewpoint on technological production from C15-Rjewelry:

> *"If we see that this kind of technology require large amount of investment, then, we won't invest. Because investing in technology will be go on and on. It won't finish. We prefer to be this style, the handmade style. I think it's more unique."*

High cost of technology is challenging to C15-Rjewelry. This evidence demonstrate that technology is one of the several factors behind company's international market development. This knowledge has been integrated into firm's orientation and attitude. Perception and belief of manager has shaped by foreign market experiences (Rundh B., 2001). In this case, the respondent chose to remain its competitive advantage in term of handmade intensive production. The decision was then shift to market that match company's value and belief.

The discussion on stage of market selection in the literature review can be further discussed as additional empirical data was emerged. The criteria of number of stages is not concluded, therefore, three stages of market selection were found in particular research while four stages were alternative way of division. In addition, the elements to justified in each stage is subject to interpretation of researcher. For example, Koch A. (2001) define market size and growth in the identification stage or second stage after prescreening stage. However, Johansson, 1997as cited in KOCH A., 2001 p. 67 proposed market size, and growth rate in the prescreening stage.

The empirical data define the new scope of market selection stage. This study incline to follow the latest justification of market selection process proposed by Koch A. (2001) except market size and growth that Koch propose such element in identification stage (or in-depth screening stage in the sense of Johansson, 1997). Based on the empirical evidence, market size and growth are presumed to be in prescreening stage as, for example, C01-Jsnack and C14-doorlock estimated market size to justify sale potential and consequently eliminated unfavorable markets.

In addition, this research added the more explicit elements such as cultural aspect into macro-level indicator as C06-Pmulberry removed undesirable markets on the basis of different in business practice disregard any further analysis of industry prospect in such country.

In conclusion for knowledge part, four types of knowledge: market, product, cultural and shipping, were found for their contribution toward prescreening stage. The summarize of Knowledge and decision making influencer is shown in table 23 Market, product, and cultural knowledge impact on firm's e.g. perception and owner's belief, whether to eliminate such market or not. Shipping knowledge allow SMEs to conduct revenue and cost analysis. The result will be valuable sources of information inputs. In addition, market, product, and technology knowledge also facilitate SMEs in conducting in-depth screening process through internal competency evaluation. If the overseas industry environment seems to be incompatible with firm internal resources, then, such markets will be eliminated.

**Table 23 The impact of knowledge on decision making**

| Stage | Knowledge found | Decision making influencers |
|---|---|---|
| Prescreening | Market Product Cultural | Firm's perception, manager's belief, management attitude |
| | Shipping | Revenue-cost appraisal |
| In-depth screening | Market Product Technology | Firm's internal competency evaluation, Strategic decision |

Although there is no evidence indicate the contribution of particular knowledge to final selection stage of market selection, it is inappropriate to conclude that there is no such connection since this study based on qualitative approach. The final selection stage, as discussed in literature review, involves firm specific analysis such as revenue and cost prospect, therefore, various information is necessity in assessing profit prospect in such market. Every type of knowledge from both international trade show and other sources was comprehended at final stage of selection. As C11-Dspa explained that:

> *"We come back to company and meeting and simply analyzed. We use SWOT analysis to analyze factors…strength and weakness of them (competitors). Secondly, we do segmentation, thirdly, marketing. Fourthly, Market chaining. Next is strategy…four P and seven P."*

The firm highlight further on selection process that:

*"First of all, once we see some gaps, then we create the channel, umm, create new products and services that our competitors will also have. We're not going to be the followers; we want to be leaders. Therefore, what we saw from the competitors, we must be forcing the trend to happen in the future, and see if it will fit the market and, also which market in other countries that we could see match."*

C11-Dspa comprehend all knowledge from attending trade show and exchange internally within firm. According to Karabulut A., (2014, p. 54), firms need to conduct SWOT analysis in order to maintain their competitive advantage in both domestic or international markets. Nanoka and Krogh (2009, p.636), as explained in chapter two, called this process of interaction between knowledge as *Knowledge conversion.* Therefore, the knowledge acquired from trade show lead to knowledge creation within firm. The consequences are the arrangement of firm's resources. As C11-Dspa highlighted that the discussion emphasis on creating export strategy and create new product or service to fill demand gap. Strategic formulation and firm's resources allocation are justified in this stage as Koch A. (2001) proposed the methodology of identifying foreign market. C11-Dspa highlighted various techniques such as 4Ps' marketing mix, etc. were employed to justified potential market. The company finally selected market and concurrently developed products to match with the market. This replicated circumstance proposed by Rinallo D. and Golfetto F., 2011 that firms access international knowledge about industry trend, assess their capacity, and develop strategies and create product for the interested foreign  markets.

Different type of network from international trade show are assimilated into different stage of market selection. Examining the impact of network provided valuable insights into process that firms utilize network. Three types of networks: buyer, competitor, and professional and government are found from the interviews.

**f. Buyer network and prescreening stage**

Different type of network influence stage of market selection differently. Four small firms including C08-Rspa, C16-Tfurniture, C20-Morganic, and C21-Seyeglasses are found that networking with buyers support firm's market prescreening process. For example, C20-Morganic presented that:

*"Especially natural or organic products, these products are quite   expensive, and, when the price is expensive, our targets are quite niche. We could be able to learn how much money our targets have to spend, we need to interact be able to discuss pricing with them. We also need to have a certificate. Presumably, we could roughly screen that, for European market, we're not ready. Sometimes, we even send them with conditions, they would say "On, no. We*

*can't take this. The pricing is not right or something". Sometimes, they would mention about the ingredients that require certificates or something like this, we need to add this and that, you know, from what I have talked with them."*

Based on the excerpt, C20-Morganic received two sources of input for decision making: macro-level about target market, and direct buyer network from attending international trade show. Initially, the respondent prescreened markets by using perception of high national income countries as a main criteria to select market, therefore, European was in consideration. However, direct buyer network induce firm to realize the complexity of countries' rule and regulations related to product importing. The firm finally abolished high income countries and emphasis on nearby markets. In this case, network relationships did not help business unit to achieve sale target. But SMEs use such network to improve market penetration strategy, in this case, switching focusing target markets. The interaction between buyer and seller generate additional resources, says, knowledge (Geigenmuller A., 2010). The market knowledge attained from buyer network pertains to the requirement of product that does not fit with product line that firm offer (Koch A., 2001). The European customers demand several product certificates that company found difficulty in delivering.Interestingly, the mentioned case is rare. It is generally found in the existing research related to network and internationalization that network leads to valuable foreign target market knowledge. Subsequently, the expansion to such markets emerged. However, the data from C20-Morganic explained phenomenon in the opposite direction. The company benefit from gaining new knowledge but in such a way that it would eliminate initial target market.

**g. Government and professional network and prescreening stage**

Government units plays an important role in assisting SMEs in developing countries to expand their connection with international partners. It is found that government was not only randomly recommended SMEs but offer help in screening process in term of classification importers divided into countries. C05-Orice explained that:

*"Thai trade center (Thai government export assistant agency) helps us a lot. They print out importer list classified by countries."*

The company added:

*"They sent list of importers to us. We sent out email to those whom we want to invite them to our booth. We told them our booth number... Do you want to go to this trade show? It's like...when we got the name list, we will tell them that we will exhibit in the show. We also look at countries and select whom we think we want to meet. Then we will make appointment with them. (C05-Orice)*

As for country selection, C05-Orice mentioned that:

> *SIAL and ANUGA trade show, they are in European countries. The will come. It's not like ANUGA is in Germany and only German will come. No. There will be visitors from the Netherlands, British, Italian, Swedish. They will come. We interested in what countries, we will send invitation.*

The company added that:

> *"For Gulffood trade show…Countries like Qatar, Saudi Arabia, and Oman will come."*

Another example is from C21-Seyeglasses. The respondent expressed that:

> *"There was a case that we have received information from the association, for example, in USA. In USA, you know, there is an association called "Vision Council" which is, umm, specifically about this type of industry which I couldn't really say it's a non-profit organization, because they also charge. They charge you the subsection, but will give in return information, researches or training something like this, which they also keep track of the statistic in the industry. This gives us knowledge and connection that we could use later. For example, hmm, I want V-port in which our friends are doing to be different from our competitors that I have told you just a while ago. So, now we want to get into American market, we want to get into the group of customers who are independents manufacturers, not brands. So, the lab could give us details of the first 10 or 20 names for us? That's how we get to know about this."*

This is an indication that networking with government facilitate prescreening process. C05-Orice attend an international trade show in France every year. The company managed to make connection with Thai Trade Center, Paris (a representative of Thailand ministry of commerce office in France) during trade show event. The mentioned government representative provided potential clients list classified by country as well as related information upon request for the benefit of company's next visit. The company subsequently prescreen the list and countries before sent out the invitation. The above illustration also hinted the potential countries that the company expected to meet with during trade show. This indicated that a relationship with government unit during trade show facilitated prescreening the countries in favorable of the company. C21-Seyeglasses attained the similar benefit from nonprofit industry association. The mention association assisted the company to access to list of potential customers classified specifically to only C21-Seyeglasses. Therefore, network help providing data and accessment that firm can use to prescreen markets.

**h. Competitor network and in-depth screening stage**

Competitor analysis is one of the elements that firm consider during in-depth screening stage. The earlier prescreening stage lead to short list of country market that small need to investigate more in detail. Various factor related to industry-specific data will be evaluated in this stage (Koch A., 2001). From the interview, it is found that the evidence of competition analysis was occurred caused by networking with competitors. Such network obtained from interview is C22-Ntraffic. As the company stated that:

> *"But we can't sort of just go there and discuss. It is professional in a way that I don't quite understand really. There is just a few of them. Sometimes, when we go to the booths of our competitors, sometimes, they are our friends who just left our company."*

The respondent added that:

> *"...which makes me realize that in some countries or some of our target groups..umm... we aren't...umm the first in some countries...I'll just make this up ok? So umm our customers umm our competitors are A and B. B is our competitor umm let say, in the Philippines, B is more famous than us, therefore, since we know that B has already developed in this particular thing, their chance to sell in the Philippines is easier, because when the customer..umm.. this country has already used the software by our competitor. When the competitor then sell their advancement, most of the time, the customer will buy from those who they are familiar with first."*

Prior this statement, C22-Ntraffic mentioned that the industry is limited. But conversation between people from different exhibiting booth emerged from time to time, even if, as the respondent cited, not explicitly. Competitors provide substantial information in term of industry competitiveness. For this case, the company cited that customers in target market already familiar with competitor's product. Although, C22-Ntraffic did not explained the result from obtaining such information. But it is clearly facilitated competition analysis in target market.

Business relationship determine level of SMEs' knowledge about customers, distributors, and competitors. Motivation and facilitation are two main impacts that network created (Musteen M. and Butts M., 2014). Different type of network impacts on knowledge acquisition differently. One of them is that it provides opportunity to identify competitors and strategies that they occupied to compete in foreign market. For small firms, this evidence showed that trade show is not only the place to find customers but activities extend beyond that conventional level. It acts as an effective

network infrastructure for creating relationships for understanding different perspective of interested industry in foreign market. From the interview, the respondent realized the forecast the competitive environment that may occurred. The analysis of competition is applied on the second (or identification) stage. Therefore, changing in perception impact to focus of companies in selecting target based on the changing of industry competitiveness environment.

### i. Buyer network and final selection stage

Based on the interview, networking with buyers can provide most richness of information on final selection stage. C01-Jsnack, C02-Sfruit, C09-Bspa, C12-Npet, C13-Cpet, C14 Wdoorlock, C05-Orice, C22-Ntraffic, C18-Sbox, and C16-Tfurniture expressed the relevant information on how network contribute to final stage of market selection. Base on the notion that this stage pertains to firm-specific information analysis. A close connection with potential customer can expected to receive insightful information for selection approach.  C02-Sfruit provide an example that:

> "When we go (to trade show), there will be customer who have same expectation…from 10…there will be like 3, who has same interest. Then we will talk in depth that…Ok! you help find the right market. You want our product to place on shelf like this or this."

C13-Cpet explained that the in-depth information was acquired only with business dealing discussion with customers.

> "I can't answer deeply in details because, after all, it's not that deep, if we would never really get to deal with the clients in the future. If we don't really go deeply in details, when we go  to the exhibition, we will receive lots of name cards. A B C would give us lots of quotation, but in the end only a few that we could close the deal."

The above illustration explained that the discussion involved examining counterpart's business objective. The detail of sale direction and strategies was described. It is difficult to accomplished without close connection with partners. C02-Sfruit expressed precisely that there was a need to discuss extensive in details about marketing strategy. Similar situation for C13-Cpet, only small number of customers were selected to continue business dealing arrangement.  In addition, C01-Jsnack cited the importance of partner's product portfolio as follow:

> "OK. Yes, there are. Things about the economy of those markets that we must consider. Secondly, the thing that we must consider."

Respondent added that:

> *What we are looking at is distributor who distribute and sell our products to that countries. We choose distributors harder than choosing boyfriend or girlfriend. We have to pick the best…means…looking at their potential in selling our products…looking at their portfolio."*

The similarity between C01-Jsanck and C02-Sfruit is the detail illustration on relationship network and business counterpart's business practice. They are mutually searching for foreign business partner with the same line of products and compatible strategic marketing direction. C01-Jsnack, after using macro-level to prescreen market, investigated further in-depth information of potential partner by, for example, searching website and discuss with them closely. In this case, general networking cannot influence on foreign partner's selection but trust or tighten level of business relationship.

From the interview, it is obviously indicated that one of the key constraints in selection most suitable customers is lack of comprehensive information. Trustworthy communication can alleviate such obstacle. Relationship trust plays a vital role for final market selection stage. The information required in this stage involve sale forecasting and firm's resources allocation. Therefore, comprehensive detail is necessary for evaluation. Trade show act as the meeting point for buyer-seller to create social interaction. The development of relationship created trust. C01-Jsnack cited the difficulty in finding the right customer since the result impact on firm's revenue generation. The company need to see potential profit from dealing with customers. In obtaining such information, trust between parties is essential means. Owner/ manager often displayed a strong personal commitment and relationship with counterparts to overcome constraint. The evidence presented above provide the insights into how buyer network development lead to trust between parties and finally impact on market final selection stage.

**j. Competitor network and final selection stage**

As presented earlier that participating in international trade show will bring competitor network since exhibitor will have opportunity to interact with their own competitors, or alliances. confronting with competitors and exchange relevant information and previous experiences (Belussi F. 2008, Cobanoglu E., Turaeva V.,2014). Evaluation is this stage involve e.g. company objectives, profit analysis, etc. with particular foreign counterparts (Koch A., 2001; Johanssen J.K. 1997). Therefore, any insights information about potential customer would considered essential for firm's decision making. As C15-Orice expressed that:

*"If you ask whether they are our competitors, yes, because they didn't buy from us and we don't buy from them, so, we are competitors. But, relationship wise, we are all Thai. When we go to fairs, it wouldn't be like, we don't look at each other, we don't talk. No. Nothing like that."*

C05-Orice added that:

*"Sometimes, the booth next door would say something like Oh, this one. I heard they have a financial problem."*

All information will be reviewed once the company come back to head office in home country. As C05-Orice explained that:

*"...So, after that, we will have a meeting. After meeting, then take photos. So, it's the same in every department. There will be many related departments such as R&D, QA, Production, Marketing, International Sales. For others, I mean other staff from another team who couldn't. I mean they are all like me. We're the representatives of the company. When we go to fairs, we must bring back all the knowledge that we have learned to share with others in the company when we return..."*

Respondent had opportunity to discuss with other Thai exhibitors. Presenting in trade show together allow them to mingle and exchange information. As stated above, C05-Orice receive information from same category exporter who exhibited nearby about financial issue of potential customer. C05-Orice decided to abandon that buyer due to concerning financial status.

C05-Orice manufactures rice and rice products such as noodle. Product line of exporters in the same industry tend to be similar in term of quality. Therefore, exporters perceive people from different company as direct competitor. But pleasant interaction between exhibitors normally occurred. The network presented was acquired through direct contact with competitor which normally occurred only during tradeshow official hour or operation (Belussi F., et al 2008). The leakage of information about financial status of unknown importer was an essential information to every exporter. Network have brought people from various clusters and spread to identifying international market scenarios (Zhou L. et al, 2007). The information was finally comprehended once the company travel back to home country. International market selection in final stage is an extensive process that small firm choose their business counterpart carefully. In this case, the export manager of C05-Orice was required to undertake discussion within the company in order to final conclusion.

## k. Government network and final selection stage

Previous section of this research presented that linkages to professional and government agencies provides useful information that assisted SMEs justified potential markets. Data from interview shoes that government network provide more than just information for exhibitors but act as medium to shorten long process of market selection in the final phase.

> *"For example, when we go to fairs, for example, there are organization such as the Department of Export promotion or something like this. They will provide us with information and invite businessmen to visit our products at the fair. They will host rather a Thai pavilion or a meeting room to invite our prospect customers for us. They might have checked our basic information prior to their visit, and when they see us in person, they would be like..ok.. they can decide what they want to buy. There are clients from two countries who usually come and make an order right away."*

C12-Npet added further that:

> *"However, there is one thing that there are two customers who talk to us. The first one comes and ask for an exclusive, while the other will buy as samples. For nan, I would take a look at the client and find out what they are doing, before deciding which one I would go for."*

Government role in final stage of market selection involve identifying foreign market partners and initiate export motivation. C12-Npet clarified that the firm met Thai government representative in an international trade show. Importers were selected from government unit, however, the decision to undertake business deal emerged during trade show official hour with exporter. Government unit need to understand company profile from both side in order to initiate business deal. In this case, government can be considered as infrastructural network provider. Firm utilize government network to access further buyer network. Social relationship developed with government at trade show become channels for information and opportunity for business activities. Government encourage firm to trigger their relationship with potential partners. The trust between small firm and potential importer emerged accordingly. It can be concluded that government network act as accelerators of final phase of international market selection. The problematic in final selection stage such as searching for compatible of company objective was alleviated by government recommendation. In addition, based on company's general information, C12-Npet's viewpoint toward international market is proactive. Searching for foreign market depend extensively on network. From network theory viewpoint, pet supplies operate in highly internationalize market. The industry characterized by collection of internationalized network hub in which the relationship is connected loosely across the region.

Government act as important accelerator for newly export business unit that pre-existing international network and experience was limited. Small firm intend to enter in highly established internationalized network to accelerate foreign market expansion. Therefore, government network provide shortcut that assist firm selecting market that suitable for them.

It is noted that, based on the interview, not every type of knowledge nor network contribute to each stage of selection. In addition, this research emphasis only on those that are acquired from international trade show. Nevertheless, market knowledge seems to be predominant knowledge in term of richness of empirical data for prescreening foreign markets. The knowledge pertains to market are, such as, general economy, purchasing power, import regulations, etc. are indicators that firms use to evaluate potential markets. As presented above, firms either suddenly eliminated markets during trade show events and/ or comprehend all information for future decision. While market knowledge seems dominate prescreening decision, buyer network provide fruitfulness details when discussing market selection in final stage. Table 4.6.4J summarize network found from respondent with evidence examples as well as mediation process that network contributed. For example, informants use network to gain trust and specific internal information in order to justify markets and conclude the selection in the last phase. The empirical data confirm that trade show lead to relationship enforcement, create trust among counterparts (Hansen, 1999, cited in Sarmento M. et al., 2015, p.590), and influence choice of international market expanding (Johanson J. and Vahlne (2003). This study added more detail in term of specific type of network and their impact on each stage in decision making process.

**Table 4.6.4J The process of network on stage of market selection**

| Stage | Network | Example | Process |
|---|---|---|---|
| Prescreening | Buyer Government | Buyers indicated European market required too complicated standards.<br><br>Government agency invited region wide range of customers to visit international trade show. | Network lead to useful knowledge and facilitate business development |

| In-depth screening | Competitor | Competitors indicate competitiveness/ major players in foreign industry. | Network lead to essential knowledge that impact decision making. |
|---|---|---|---|
| Final selection | Buyer Competitor Government | Relationship help selecting foreign counterparts. Network share important information that need to justify counterparts. Existing network lead to business deal closing with foreign counterparts. | Access to relationship that facilitate business development |

## 4.7 Entry mode pace

The two distinct paces of firm's international market development are gradual or rapid. The characteristic of each type is entirely difference in term of mindset toward conducting overseas business which resulted in approach and time frame of entering new markets. The companies chosen for this research cover diverse ages and are internationalized in different entry mode pace's aspects. This section will investigate on pace of small firms' entry mode in relation to the influence of participating trade show.

## 4.7.1 International market entry by gradual expansion

C06-PMulberry is an example of stage phenomenon, as Uppsala approach is the underlying concept, which gradual expand to international market. The exhibiting in international trade show shift the focus of company to foreign market. The company was founded in 1998 and influenced to develop international market after series of participating trade show. Respondent from the mentioned company described the initial foreign expansion evidence that:

> *"... It was a great for green tea at that time. The sale went very well. Then…gradually expand. After that, I have a Thai client, but he lived in Canada. He bought the sample. That was around 20 years ago ..."*

The informant added:

> "Yes. We sold domestically before because my mother was doing business by herself at that time."

A local trade show was mentioned for the first international sale order. Then the firm start to participate international trade show.

> "Trade fair, yes, it's like local trade fair. I haven't attended THAIFEX yet. After I got small order from Canada…after that for a while, there was…Ahh…Organic Natural Organic (trade show)."

C06-PMulberry subsequently added that:

> 'Yes. After that, we move to AEC market zone before. We went to…like…Laos and Myanmar."

Respondent clearly elaborated that experiences from series of international trade show in neighboring countries turned its attention towards highly income countries such as European markets.

> "At first, after we thought of really focusing on export market…we went to Biofach trade show in Germany."

C06-Pmulberrry explained that:

> "Yes, we got it. But the first two year is…Ahh! We did not get order in the first year. We have to went back again then we got the order. Because they talked business over year in Germany."

After focusing solely on domestic market for eight years, the company gradually developing international markets and currently export ninety percent of total sales to international markets including Canada, Germany, USA, Singapore, Austria, Japan, etc.

### 4.7.2 International market entry at rapid pace

Respondents with rapid pace of internationalization provide detail totally different from those with gradual type. They utilized knowledge and developed arm range relationships with sales agents and expand overseas market rapidly. All of them established their first sale in overseas market within less than two years. Apart from gradual pace of market entry, there are evidences discovered that SMEs can access international markets since inception. For example, C08-Rspa expressed that:

*"Yes, they found us at the fair. We talked. The first time, we got it from the customer who visited the fair. The customer is Chinese. It took around one month and a half. The network we received from the fair is from those who visited us at the booth. Once they 're interested to discuss, and we can close the deal. That's when the export begins."*

The company established business in Thailand concurrently implemented international marketing with an aim to export products to overseas countries. The company initially acquired Chinese customers from international trade show. It was able to finalize the deal during trade show event and exported within less than two months. In addition, the company was able to export to other countries shortly after first international sale. Contrast to gradual pace, C08-Rspa enter foreign market at rapid pace. It can be concluded that both entry mode paces: Uppsala and born global were found during interviewing. The firms with gradual pace are originally focus on domestic market which trade show experiences was greatly contributing to first time international market sale. Firms with gradual pace can elaborate domestic sale experience while Born global pace rarely mentioned on domestic but first time international business activities.

It is founded that the determination of which knowledge and/ or network contribute to which foreign markets pace, series of questions are required to be asked for in depth information. Table 24 summarize the influence of knowledge and network to entry mode pace.

**Table 24 Knowledge and network acquired from international trade show and their contribution to pace of market entry**

| Knowledge/ Network | Dimensions | Pace | |
|---|---|---|---|
| | | **Gradual** | **Rapid** |
| Knowledge | Market | C06-Pmulberry C10-Aspa C14-Wdoorlock | C08-Rspa C09-Bspa C12-Npet C19-Ncoconutoil C20-Morganic |

| | Product | C10-Aspa | C01-Jsnack |
| | | C14-Wdoorlock | C02-Sfruit |
| | | C18-Sbox | C12-Npet |
| | | | C16-Tfurniture |
| | Cultural | C18-Sbox | C12-Npet |
| | | | C16-Tfurniure |
| | | | C20-Morganic |
| Network | Buyer | C17-Tplasitc | C08-Rspa |
| | | C02-Sfruit | C01-Jsnack |
| | | C18-Sbox | C04-Sfood |
| | | | C13-Cpet |
| | | | C11-Dspa |

From the above diagram, pace of market entry divided in to gradual and rapid pace. Table 25 present two types of market entry mode pace: gradual and rapid. In general, small firm with gradual pace established themselves in domestic product first. They have no intention to undertake any international activity. On the contrary, rapid type seek to expand market at inception. They also have intension to penetrate more than one market at the same times. Three types of knowledge: market, product and cultural knowledge, and buyer network are found to have impact on firm's market entry pace. Competitor and technological knowledge have found no evidence indicating of any impact. Similarly, informants could not provide specific evidence on how competitor, supplier, and professional and government network influence on speed of international market entry.

**Table 25 Characteristic of gradual and rapid pace of market entry**

| | Time | Markets |
|---|---|---|
| Gradual | More than 3 years | Focus on single or few markets at a time |
| | | Well Established in domestic market |
| Rapid | Less than 3 years | Target on variety countries at the same times |

| | | Near simultaneous domestic and export markets |
|---|---|---|

## a. Market knowledge and gradual pace

C06-Pmulberry, C10-Aspa, C14-Wdoorlock were found the evidence that market knowledge influence on pace of international entry mode. For example, C14-Wdoorlock is classic case for gradual expansion which Uppsala or Stage model is the underlying concept. The company started to internationalize to neighboring after long established in domestic market. C14-Wdoorlock was found in 1978 and start to expand to foreign markets in 1988 by exhibiting in international trade show. The respondent clarified how market knowledge facilitate internationalization as follow:

*"The first time, we have got the deal was when we went to the fair oversea."*

C14-Wdoorlock elaborated further that:

*"For marketing knowledge, we have learned from participating the fair in other countries. For example, for ASEAN market, we went to Laos or Malaysia, something like this. That's how we know how to do marketing with people from these countries. But, if we go to the international fair such as the one at Canton at Guangzhou, we may not get as much because this market is so diverse. People come from many countries. They are not so in depth when discussing markets or learn how they run business in this market like this or that, because the time is limited and people are so different. Therefore, we won't gain much information about the particular market if we go to international fairs, but if we go for national, meaning go to a particular country so we could get in depth about the market of that country. It Works. It works. Once we meet the customers and markets that is clear to us, we could take that and shape the way we work in the next step."*

Participation in international trade show as an exhibitor enable firm to export. C14-Wdoorlock explained that market knowledge about target countries plays vital role in assessment to such markets. In this case, the firm's foreign market entry is clarified as a process of experiential knowledge about market. Market knowledge is essential in detection business opportunities. Small firms who lack of foreign experience are less likely to evaluate foreign context. This has consequence on the delay time to entry to foreign markets.

Refer to the explanation in market selection analysis part, C14-Wdoorlock initially expand to neighboring countries such as Myanmar, the Philippine, Cambodia, etc. This indicated that cultural distance is also important factor for firm in selecting foreign markets. Market knowledge appear to narrow psychic distant gap and influence entry mode time for the company. Prior exporting, C14-Wdoorlock was a well establishment manufacturing of door lock and electronic lock and safety system in Thailand. The management style is family business in which management authorities are member of same family tie. It had neither internationally experienced personnel nor any advance international knowledge until the second generation of family become management team. Using market knowledge, the company had made decision to expand overseas countries. Therefore, market knowledge trigger and motivate firm in entering foreign markets. Using market knowledge, firm had made decision to internationalize. The company secured exporting projects from customer mainly from South East Asia countries. Successful growth of international market development firms require knowledge to motivate firm in realizing opportunity that exist in overseas countries.

**b. Product knowledge and gradual pace**

C14-Wdoorlock explained further that the first order was made from customer from international trade show in 1988. Company adjusted its work process in accordance with market knowledge and network acquired from trade show. The firm emphasis further that the two most important knowledge are market and product knowledge. The expression is as follow:

> *"Product knowledge…because I sell product. When we know that people want our products, the thing that we have to do next is calculate price that match with the market. Therefore, the two important things are product and market. If they match, then we can supply to our customers."*

While market knowledge functioned as motivation and trigger company to enter international business expansion, knowledge about product helping firm evaluate capacity to match with market demand. The firm's objective is to find the markets that demand the existing product lines that company already offer. The adjustment or modification is unavoidable but must be less. The process of product adaptation and price adjustment can either partly occurred in trade show or after trade show finished. Product knowledge was often shared with company's members with informally dialogue analysis.

Direct feedback from customers was perceived as valuable sources of product knowledge. The reaction from buyers is something that unique and exhibited companies rarely have opportunity to complies huge scale of feedback data within a few days. C14-WDoorlock is partly relied its competitive advantage on product design. Therefore, international trade show provide opportunity to analyze and evaluate product

trend, design through customer ordered in different countries. Through feedback, product knowledge from trade shows help firm to understand logic of buyers and purchasing behavior and assist firm to develop future product design and technology. Feedback from visitors in trade show act as a catalyst for deeper analysis of product and guide product development process to fit further foreign markets. The matching in product quality and price stimulate firms to repeat trade show participation and seek to enter similar type of foreign markets. This resulted in the gradual pace characteristic of C14-Wdoorlock entry mode.

In conclusion, the informant explained the importance of product knowledge and its implication on firm's price related marketing adjustment. Comprehend this information with timeline of internationalization, it can be concluded that market and product knowledge was greatly contribute to firm internationalization in term of marketing strategy and product innovation.

Another example of Uppsala model is C18-Sbox. The company was found in 1977, with a domestic focus. Exhibiting in the first international trade show in 2014 was a pivot point to develop international markets since ordered was received during trade show event. A question was ask the length of time taken for the first order after exhibiting in international trade show. Respondent answer as follow;

> *"Yes, initially, our market is 90 percent domestic."*

C18-Sbox confirmed that the company received sale order from participating in trade show. As the respondent declared further that:

> *"We got it. Because we have variety of products. We have service mind. We have experiences…We got (order) from trade show."*

It took approximately thirty seven years for this firm to evolve to international market. A series of statement explained the contribution of knowledge to the pace of entry mode.

> *"About in the year 2014, we began with Top Thai Brand trade show. We went to…about four countries…we collect experiences from there. Firstly, the expenditure for Top Thai brand trade show is cheap and it's also near. We went there to accumulate experiences. We gained experiences that cannot be found from classroom."*

Respondent further explained that the company gradual accumulated knowledge and expansion as follow:

*"The real situation is difference…Customer demand is variety. For example, we have size number one, three, and five. But customer want size number two and four. So, we have to persuade them to focus on the size we have. After we finished trade show in Hong Kong, we continued to Canton to see the idea and trend. We want to see what product trend is like…what kind of beautiful banner is like. We went to pick up idea. We thought that this kind of experience is worth. It gave us idea to develop our product. If we stay only in Thailand, we don't see the idea."*

In 2014, the company started to accumulated experience from international trade show focusing in Southeast Asia countries before escalating to the longer distant nations. Their expression indicated that the company focus at single or few foreign markets at a time. The above statement emphasis on product knowledge obtaining from trade show and its influence on firm motivation to expand markets to neighbor countries. C18-Sbox expressed the wealth of product knowledge as valuable and worth investing. The quotation "*…We gained experiences that cannot be found from classroom.*" and "*…We thought that this kind of experience is worth…*" confirmed such merit of value. General product information is easy to access via online search or other secondary sources. However, decision to enter international market requires more specific product knowledge. C18-Sbox underlined the importance of observing product information from many overseas trade shows. These knowledges are difficult to obtain from other sources. Product knowledge received directly from personal interaction was seen to be relatively more trustworthy and specific detail than other secondary sources. According to respondents, foreign markets were chosen from international trade show that organized near domestic country, Thailand. So, the company can position itself with similar line of products. For small firms, international trade show organized in neighboring countries are good place to observe product and learn practical experiences from. Another aspect that the respondent perceived was that South East Asia market is convenience in term of commuting with lower cost of travelling and exhibiting trade show. Its main target was initially to learn and observe international markets. The company, similarly to C14-Wdoorlock, favor the market that require less product adjustment. Once the company found such market, the exporting process was emerged.

**c. Cultural knowledge and gradual pace**

Similarly, cultural knowledge and strengthening in network relationship impact on developing longer distant market. The same informant added that:

*"It depends on each country. We have to change from customer status to friend status. For example, Japan, we have to build trust for years. We sent the sample. Then, they flew over to Thailand many times. They sent their people to inspect many times. We have gotten the familiarity with them. And They have to feel familiar with us too. They will come until they get use to it…and feel like…OK*

*you can come to us anytime. Like…today or tomorrow, you can just call us and fly over."*

International trade shows are normally closed events which only stakeholders in particular industry can participate. With large number of visitors, identifying prospective customers, sometimes, is not straightforward task that can be accomplished in a few days. This logic applied to understanding customer form different culture. The new cultural knowledge in regard to business can take years and that prolong real business activity to occurred. C18-Sbox gradually absorb new culture and gain trust from trading counterparts. The informant learnt Japanese style of business practice that it needs to transform customer based relationship into friendship. This source of cultural knowledge determined the next step of success of firms and embed motivation to expand to distance markets. Japanese market, although, is in the same continent as Thailand, however, it is relatively further comparing to the beginning markets that C18-Sbox was originally expanded to. Understanding buyers cultural behavior that affect their decision making is occasionally more valuable then immediate sales. Purchasing decisions from business decision makers who come from different background usually takes times. Some buyers observe their favorite product over multiple trade show seasons before buying decision making was made. Understand the diverse of cultural aspect will make firm able to make market entry to some particular countries at slower pace.

The company further explained the role of network in learning motivation as follow:

> *"Well, there is a situation that we just sent container for food to Ghana. We were surprise when we received the business card from them. We were even more surprise when we received purchasing order from them. Then, we had to take a look and started to study about their country. Who colonized them before. We realize that there are a lot of French people go there, doing business and stuff. We learn more about their country than before."*

After the company was success in South East Asia and Japanese market, the extension to unfamiliar markets was emerged. The above statement described the situation that a networking with unfamiliar market such as Ghana was created during exhibiting international trade show in Europe. The sale was recently accomplished at the time of interviewing. The statement also implied that networking create motivation to learn new market since the company was stimulated to learn detail of such market.

**d. Buyer network and gradual pace**

According to the collected data, international network occurred and through exchange of formal and informal conversation at variety of places such as cafeteria, seminars,

exhibition booth, etc. Establishing relationship is primary objective of many SMEs that just enter into international markets especially SMEs that is in the international among others stage according to Johanson and Mattson (1988) network theory. Small firms participated international trade show in order to leap the benefit of abundance of network that already established in the international environment. However, sometimes strong establishment of relationships did not occur in the short interval of time. C02-Sfruit explained the network characteristic obtained from international trade show that contribute to first phase of its internationalization as follow:

> *"Yes, in the beginning we have not see the importance of trade fair. We only export to China in the beginning. Then, we begin to interested in other countries because our products are high quality. We went to trade show and think that the high quality products are always in demand. People like it."*

C02-Sfruit insisted on the quality of customer. In addition, the company also mentioned about dimension of time that:

> *"For example, we may not sell to the customer who we just meet. But we feel that this customer is good person. We want to develop relationship with him or her. We want to keep them for long term. They may not ready to discuss about business in the first year. They may just look around. Until second or third that they began to work with us. We are okay with that. We would like to keep them because they are good people."*

There are many evidences specified that network started in the earlier stage of internationalization and continued after the firms already made successful entry into foreign markets. Network has been shown to be utilized in different degree depending on the progress on firm in internationalization. Small firms tend to use high intensity degree of network in order to make its first market entry. As stated above, C02-Sfruit previously had no interested in exporting. All exporting activities was carried by third party agents. Therefore, the company did not have to involve in any exporting procedures. The firm later used international trade fair as a tool for initial market entry of their own. Network can encourage firm to start the realistic market entry plan. The excerpt from C02-Sfruit indicated the gradual process of firm in entering foreign market through slow but ongoing buyer relationship development.

> *"Yes, at first, I will look at the trust between customer and us. They may not give us high number in term of sale potential. But we feel that they have assertiveness to increase the sale for us."*

Apart from trust, respondent continues explaining on the feeling toward potential buyer from neighboring country as follow:

*"When I went to trade show…I felt good when I meet with trustworthy or close culture to me. For example, when I went to Vietnam, I felt good. I felt that they are our neighbors. Their behavior and lifestyle, are similar to us."*

Building relationship in the initial phase of firm's foreign market development was critical step. Network encourages C02-Sfruit to made market entry through relationship reinforcement. The company highly justified market entry by feeling and trust between each other. It is obviously to understand from the interview that trust always takes time to build and easier developed, for this case, with the countries that have similar cultural background. Trust from network was considered as the key influential in market entry decision. New exporters try to acquired network from international trade show and start to develop trust from then. When firms increasing their involvement in foreign markets, trust and relationship increased as well. For this reason, it has been presented that small firm with long establishment in domestic market relied intensity utilization of network during earlier phase of international market development. Trust is considered to be the key elements in influencing small firm make progress in market entry with gradual pace.

In addition, the Uppsala model and the Uppsala revisited model in 1988 can be used to provide addition insight for the above phenomenon. The approach focused on psychic distant that make firm start from no exporting activities to export via agent. Grave C. and Thomas J. (2008) interpret that this type of firm will focus on domestic market and later expand to psychically close market. In addition, they usually focus on small number of key markets. As presented above, the company has long length of domestic market establishment. The company gradual entered into less psychic distance market such as South East Asia markets. Finally, network enable company to access other markets that are further away in psychic distance span.

## e. Market knowledge and rapid pace

SMEs are able to internationalize since inception. Six companies are observed knowledge has contribute to rapid pace of market entry. Four companies including C08-Rspa, C09-Bspa, C19-Ncoconut, C20-Morganic, stated precisely market knowledge was a key element in gaining access to foreign market rapidly. For example, C20-Morganic explained that:

*"We will know which channel or which country highly want our products. We will know that which of our target or market, such as USA or Asia want our products."*

C20-Morganic entry its first market in the second year since inception. Market knowledge from the excerpt include market size, demand and potential target market choices. The above statement explained that the acquired market knowledge influence firm to evaluate strength, weakness, marketing strategy. The internal firm evaluation lead to developing products that suitable for target market. C20-Morganic was finally success in foreign market entry in the second year of firm's establishment.

Market information attained form the statement was crucial for market entry decision in the initial phase of internationalization. Without appropriate knowledge, firm will face high risk of its first entry. Market knowledge act as a starting point of firm in considering enter in target markets. SMEs uses intensively market knowledge acquired from international trade show in the early phase of international market development. This type of knowledge is the results from real practical situation or tacit one. The knowledge accelerated learning curve of SMEs. Firm rapidly understand how to make internal adjustment in order to response to particular foreign markets. Firm would enter to any markets quickly due to the market knowledge accumulation. As C20-Morganic cited about its internal process adjustment that:

> *"After the trade show, we would know the strength and weakness of our company. We knew marketing for both product price and innovation. Or the ingredient that they prohibit, or encourage to use. It directly affected us. We will take all knowledge back and adjust…and develop to match that group of customers."*

The respondent utilized market knowledge from international trade show in evaluating potential markets. This type of knowledge contributes to firm ability to search opportunities and create strategy to exploit them. Awareness of opportunity determine pace of firm's growth. C20-Morganic rearranged internal resources to the market that manager believe entering such markets will be resulted in positive profit. Such market knowledge eventually became skills that small firm carried in order to exploit markets. Therefore, some firm C20-Morganic, and C08-Rspa, C09-Bspa, C12-Npet, C19-Ncoconutoil, C20-Morganic, were able to make foreign entry at faster pace.

**f. Product knowledge and rapid pace**

In addition to market knowledge, the company correspondingly use international trade show to learn about product available and evaluate in global market. C01-Jsnack was able to response to customer's product trial feedback during trade show event by adjusting to customer's need speedily.

*"We can customize our product to match customer's need faster. At first, we have three flavors. After we received comments from customer, then, we can add more flavors. Finally, our sale increased."*

C01-Jsnack added detail of product that customer need in order to response quickly to the demand that:

*"About size and flavor…we think about what can we develop. What size is good for our product? Each market required different packet. Sometimes, customer want to change the design of packet…We got knowledge from many ways…distributors, buyer, supermarket and customers. They tried our product in trade show. We quickly ask them immediately about their taste feeling. We noted that."*

C01-Jsnack produce eatery snack that made from Thai banana. The company point out the importance of communicating with buyers in regards to tangible quality such as packaging size, and intangible quality of product such as taste of product. International trade show allowed firms to communicate such complex issues. The feedback from business customer delivered through emotional engagement in knowledge played key role in owner manager learning about market and affect to decision making on entry strategy. As the dialogue deepens, C01-jsnack elaborated further on another tactic to obtained product information from international trade show.

*"When we went to trade show…On the last trading day, we went to see other booths. We looked at what they have…what they offer."*

Attaining product knowledge occurred in variety ways. The simplest form is through exchanging explicit knowledge such as product dimension, size, price information, etc. Observing products from other exhibiting booth in trade show can created deeper understanding of other intangible aspect such as trend, taste, etc. There are other abundance of tacit and explicit knowledges at the trade show that difficult to explained for exhibitors. For business exhibitors, participants in international trade show is not only platform for selling products but receiving product information and feedback messages.

In term of number of exported countries, C01-Jsnack mentioned that:

*"Now we export to more than twenty countries covering all over the world. Our markets include Asia, Europe, Middle East, South Africa, America, and Australia."*

Exhibiting in international trade show acts as catalyst for business units to proceed internationalization at rapid pace. Respondent could constantly assess their product strategies and adjustments for their target markets. The above statement was a response from the question regarding acceleration of international sale after acquiring knowledge. The company generate its first international sale within one year since inception, and currently operate export activities in more than twenty countries with approximately eighty per cent of sale is generated from overseas markets. C01-Jsnack is actively participating in international trade show with at least three times yearly. The example of main international trade show are SIAL (France), ANUGA (Germany), NPEW (USA). All of the mentioned trade show has profile of attracting worldwide international buyers. All international trade show participation improved firm's strategic plaining (Bettis-Outland et al, 2012, p. 386 as cited in Gebarowski M. and Wiazewicz J., 2014). This indicate the rapid pace of foreign market entry comparing to those with gradual pace.

**g. Cultural knowledge and rapid pace**

While products' feedback accelerated foreign market entry, C12-Npet utilized idea generated from acquiring cultural knowledge from target markets. The company highlight that it had been actively exhibiting many international trade show.

> *"Yes, we went to the Top Thai brand trade show in many countries. We went to Korea pet fair and Interpet trade show in Japan. And another trade show in Taiwan but I forget the name."*

The company explained how cultural knowledge acquiring from trade show in the beginning facilitate product development as follow:

> *"We get to know the culture, society, and their lifestyle. For example, in Korea, they have their pet in the apartment home. We, initially, thought they have pet at single detached home type. But actually, 90 percent of pet were raised in apartments. And it has to be quiet. For example, they cut larynx. So, the dog cannot bark. We get to know the different between each country. But Japanese is different. They do not focus on this thing."*

C12-Npet added that:

> *"Now we sell to many countries…Singapore and Japan. And we are in the process of dealing with Taiwan and Korea. For Korea, we have to develop our product for them."*

The actively participating international trade show accelerated sale in the beginning phase of company formation. C12-Npet was establish in 2014 and able to launch international sale within two years. In addition, the company mentioned many of international trade show event in various countries participated. Base on cultural perspective, the informant understand that their line of products currently matches to particular society. C12-Npet's view was that it was better to understand the target countries and learn about culture that related to its product lines. It was obviously presented that cultural needs to be acquired and interpreted rather than understand it as an explicit knowledge. The way Koren and Japanese people live and treat their pets is different and affect to company's product. Other knowledge was important too, but this research tried to point out that, in this case, a combination of cultural knowledge and organization knowledge was considered as a basis rapid pace of market entry. Embedded different of cultural perspective was viewed as being important when preparing to enter foreign markets. It was heled that acquiring the cultural knowledge was one of the characteristics that made C12-Npet successful in foreign market at early stage of international market expansion. It took only short length of time to enter new markets successfully. Personal experiences from international trade show had pushed owner/ manager to adapt product to match with customer's culture. The process of understanding foreign culture was shorten with international trade show.

**h. Buyer network and rapid pace**

While knowledge obtained from international trade show speed market expansion, network acquired from trade show contribute to the first international sale of C04-Sfood in one year. The informant explained sequences of participating international trade show as follow:

> *"We export a lot this year. We start from zero in exporting and it started to grow. We are going to exhibit in THAIFEX trade show this year. Also, we get the quota to exhibit in Huabei province in China for free."*

The respondent provided detail of customers classified by countries as follow:

> *"I met many customers in Halal food fair. The product in the trade fair are not variety. But we met all type…Chinese and Japanese…They were all coming."*

Finally, the informant added:

> *"The Japanese customers came to meet us in our booth. They tried of food and they were okay about it. In the Halal food fair, there were Japanese. We have already penetrated to Chinese market. If it is successful, we plan to go to the Middle East."*

The above statement implied that the firm relied on trade show in order to establish relationship with foreign importers. The two interested countries mentioned in the statement are customers from China and Japan. The firm finally established close network with Chinese buyers started to export to China in one year after series of international trade show. The Middle East market was mentioned for the next step of market expansion. This concluded that the trade show networking with buyers supported the first phase of firm's international sale and influence ambition to access to variety of foreign markets.

Another example is C11-Dspa. The company set up business in 2001 and exhibited at an international trade show named Thailand Health and Beauty Show in 2002. The company went to Department of Export Promotion (Department of Export Promotion is currently Department of International Trade Promotion) and was advised to exhibit in the mentioned trade show. The company was eventually received first overseas order from Japanese customer who visit trade show.

> *"Yes, we got order."*

C11-Dspa explained further that:

> *"There was a customer come to survey, but they did not buy in a big volume. But, after a while, we got a customer export to Dimaru department store in the first six months."*

C11-Dspa explained that they received sale order from leading Japanese department store in the first six months since inception. In a short period of time after that, the company was able to cover various Asian markets.

Born global theory is the underlying concept explaining rapid pace of market entry as described above. According to Graves C. and Thomas J. (2008), as explained in chapter 2, the firm usually be able to access various foreign markets within two years time frame. The seven companies (C01-Jsnack, C08-Rspa, C09-Bspa, C12-Npet, C16-Tfurniture, C19-Ncoconutoil, C20-Morganic), which are mentioned in the rapid pace box, are able to export to many foreign countries within the first two years of inception.

It is noted that the twenty two observation companies can be clearly divided into the belonging of two categories: Stage (Uppsala) or BG. The pace of market entry employed these two theories as fundamental concept. This research undertakes two elements from trade show: knowledge and network in to account and measure their impact on pace of market entry. Therefore, some of firm in the Gradual or BG category did not receive any affect from knowledge and/ or network from trade show. The detail of categories is presented in Table 6: Type of firms and pace of market entry influenced by international trade show.

The first column explained that there are ten companies belong to Stage classification which Uppsala approach is the underlying concept. The same explanation is for BG category in the third column. For example, C15-Rjewelry established since 2005 and acquired six years for domestic market establishment. The company gradually enter foreign markets from other reasons rather than received influence from international trade show. The same explanation is for companies in the third and fourth column for the case of BG type. Therefore, one must not be misinterpreting between Gradual, BG and pace of market entry. In addition, table 6 also implied that international trade show does impact firm to become firm in gradual or rapid categories.

### 4.7.3 The cross analysis of entry mode pace and pattern of market selection.

The cross analysis for entry mode pace and pattern of market selection can be presented in order to make argument to internationalization theories. Since the two mains internationalization theories (Uppsala and Born global) are underlying concept for entry mode pace and pattern of market selection. Theoretically, the traditional firm with gradual pace of entry mode focus on psychically close markets. The rapid pace of entry mode is characteristic of BG type of firms where, theoretically, not supposed to be influenced by psychic distance perception. However, SMEs in this study provide alternative result. The expansive pattern of market selection can emerge in both Uppsala or BG type of firm. For example, considering firms in expansive pattern, (refer to table 4.6., p.102), out of six firms in expansive pattern: C02-Sfruit and C18-Sbox are gradual or Uppsala type while C03-Pfood, C07-Ssyrup, C011-Dspa, and C20-Morganic are BG. For example, C20-Morganic start to export in the first year since inception. Therefore, they are considered to be BG. However, they still prefer to set overseas target market to Asian countries that close connection are perceived. It can be concluded that the underlying concept of physically close from Uppsala theory can apply to BG firms that choose nearby market when internationalize. In addition to perception, revenue-cost analysis is also another reason that BG firm choose to expand to various of nearby markets. For example, C11-Dspa and C20-Morganic provided the information that capital restriction is another reason to Asian markets. Funds available for international activities is another key factor determining international market growth (Graves C. and

Thomas J., 2008). Knowledge plays an important role in evaluating firm's limited resources. Therefore, regardless of type of firms (Uppsala or BG), knowledge of market, product, culture and network of buyer and government can influence firm's perception and decision making, thus, expansive pattern of market selection can be emerged.

## 4.8 Entry mode type

The final set of questions were devoted to entry mode type: export, contractual agreement, or foreign investment. It was found that every interviewed firm choose exporting as the main international activities. The different is only the exporting is product, service trade or both. Contractual agreement was not found.

Interestingly, wholly own subsidiary mode of entry was found in two companies:C01-Jsnack and C09-Bspa. C01-Jsnack set up a wholly own subsidiary in USA, whereas, C09-Bspa established representative office with showroom of its products in Myanmar. The evidence of knowledge and network from international trade show contribute to such expansion were found from interviewing.

### a. Export type of entry mode

An example of service trade is C10-Aspa. Participating international trade show allow company to adjust service when entering new market such as China. This company is, in fact, invested a wholly own subsidiary providing spa service in China. However, based on interviewing, the connection between trade show experience and setting up overseas business is rarely discovered.

> *"We sell service, do the training, setting up, doing management, consulting."*

C10-Aspa explained furthered that:

> *"When we, says, talked to buyers. We will know market there. What business model or proposal should we adjust so that the customer will like? For example, The Chinese market want Thai treatment, Thai knowledge. So, we have to change proposal so that it won't be too cosmopolitan but rather perception of Thai culture."*

In addition, C18-Sbox gave the example of physically export products as follow:

> *"The reason that we go to trade show is customers…Another is to develop ourselves, develop our products, our style."*

Another example was given by C02-Sfruit. The respondent explained that the company has been exporting to many types of customers in various countries.

> *"We don't have to sell only to wholesales. We are looking at wholesaler…Err…supermarket, right? Like…Local supermarket, convenience store,…Hypermarket."*

However, C02-Sfruit has a plan to set up partnership form of business tentatively in China or England. The pace of internationalization of C02-Sfruit is obviously in accordance with Uppsala model, starting from establishing domestic market and gradually going to international. Finally, a plan to open foreign business entity is revealed during discussion.

> *"Open office overseas…yes we do…We do have plan soon…It will be China or England."*

*After the question was asked for further details about the plan. Respondent provided in-depth of investment detail as follow:*

> *"It will be…like…corporation business with customers. Open like joint venture. They do marketing. We are partner with them…not 100 percent own by us. Because we are not their locally. We don't understand market. We are not as good as them. We will corporate with them in partnership, says, fifty-fifty shareholders. And they do marketing for us. We support in term of products." (C02-Sfruit)*

**Table 26 The influence of knowledge and network acquired from international trade show to difference types of entry mode**

| Knowledge/ Network | Dimensions | Entry mode type | | |
|---|---|---|---|---|
| | | **Export** | **Contractual** | **Investment** |
| Knowledge | Market | | | C01-Jsnack |

| Network | Product | | | C01-Jsnack |
|---|---|---|---|---|
| | Buyer | | | C01-Jsnack |
| | Competitor | | | C01-Jsnack |

From table 26, the export column was leave blank. Although, all of informants have export evidences, but it cannot be concluded that either knowledge or network from trade show had impact on the choices. Although, SMEs are able to access global markets with variety strategies such as, licensing, or overseas investment, however, exporting is considered to be the mutual strategy of international market entry mode. This is due to risk and endowment resources or capital requirement (Leonidou&Katsikeas, 1996, as cited in Graves, C. and Thomas J., 2008, p. 152). Therefore, they have prepared only to export, or exporting is the only strategy available for SMEs. In other word, knowledge and network impact on export decision in other aspects, but it did not impact on decision to export.  In addition, the decision to choose export as the medium for foreign market entry was unaffected by knowledge and network acquired from tradeshow. As for this situation, even if all of informant declared overseas exporting evidence, it is unable to conclude that international trade show is the major key factor impact such phenomenon.

**b. Market knowledge and investment type of entry mode**

However, an example of wholly own subsidiary is discovered during interviewing. C01-Jsnack explained that the result from exhibiting trade show in USA is opening up a representative business unit to facilitate sale. However, this is only to the case of USA. The company is indeed conducting international sale to approximately twenty countries by using export as a medium of international activity. C01-Jsnack elaborated that:

> *"Yes. Because American market is more complicated than others. There are many stakeholders. We have to open office there and hire staff to take care of documents and warehouse. The staff will responsible for broker, salesperson, supermarket…There are many stakeholders If we want to expand there, we have to open office there."*

The role of learning and knowledge need to be investigated in the case of C01-Jsnack. Market knowledge presented form the excerpt is market specific knowledge that firms need to know prior set up foreign subsidiary. Rules, regulations, major players, etc. are elements obtained international trade show and are viewed as valuable and intangible knowledge resources. It showed that the company and foreign business counterparts were able to communicate complex issues such as legal document works, warehouse

management and other intangible aspect of market and integrate them for formation of investment strategic entry mode. In this case, C01-Jsnack were looking for deeper type of market knowledge that benefit to company expansion strategy.

The wholly own subsidiary mode of entry for C01-Jsnack is considered to be a greenfield investment that create from scratch (Hashi N. et al, 2010). The company did not joint venture with any foreign counterpart. This type of investment require large commitment of resources as the firm need to overlook at all cost of establishing incurred (Laufs K., 2014). Together with sufficient market knowledge, C01-Jsncak also need adequate other type resources e.g. financing, skilled employees for investment market entry mode. Firms usually choose entry mode that profit is projected to be maximize (Brothers L.E. et. al., 1994, as cited in Brothers K., 2002, p. 207).

Part of Dunning eclectic paradigm can be applied to explain such circumstance. The Dunning's internalization-advantage of C01-Jsnack is the most prominent reason that firm set up international branch. Firm can fully excel the internal control of transaction and distributors administrative management. However, C01-Jsnack does not currently undertake any manufacturing, the sole purpose of having foreign subsidiary is only to facilitate administrative work that related to exporting process. In addition, the Dunning's location-advantage served only to the benefit of business cultural propose, not cost advantage of shifting production. Ownership-specific advantage dimension is not applicable to C01-Jsncak case since foreign subsidiary did not involve the acquisition of any production or technology advantage of foreign target country. Therefore, this circumstance has added more explanation to Dunning's approach. The setting up of foreign subsidiary does not follow all the advantage concept of Dunning, but it is partly the requirement or standard of business practice there. As the respondent cited that if the company want to access to such market, there is necessity to operate foreign subsidiary. Target country environment is the main factor in influencing C01-Jsnack to choose such option.

**c. Product knowledge and investment type of entry mode**

The question about product knowledge and its contribution to entry mode provided in-depth information on characteristic type of investment as entry mode. It explained that investment in subsidiary is entry mode strategy that need to be excel concurrent with exporting of merchandise. As the respondent explained that:

> "Our product is special type of banana which can be grown only in Thailand. There are many factors that prohibit them to grow outside country. So, we have to export from Thailand."

The company had studied about open foreign manufacturing and use local product, however, the quality was the issue in implementing such plan. The respondent explained that:

> *"We have to do research. There were many people form India or America who asked as to open manufacturing there. We actually went there to try their banana. But it did not work. We cannot use their banana."*

Although product knowledge does not contribute to establishment of manufacturing, but it indirectly impacted to establishment of foreign representative office sale through sale acceleration. The company expressed that:

> *"If we meet up with good customer, then, we can customize our product faster. As I told you before, we only had three flavor in the beginning. After we learn about customers, we develop more flavors. It actually increased our sale."*

A comparison of C01-Jsnck interview case should be made with another interview company that also invest in overseas country. C09-Bspa is another example of small firms that invest foreign business unit in Myanmar with main objective to display products and services. However, it can not be concluded that this firm choose investment mode as foreign entry mode, says Myanmar, since the it has already export its products to the country. Therefore, exporting was the primary entry mode, while, investment in foreign subsidiary was following foreign marketing strategy. This discovering was explained after in-depth questions was undertaken. C09-BSpa elaborated that:

> *"Partly, partly from knowledge from trade fair…Yes."*

After more question was asked for more detail. Respondent elaborated that:

> *"When we exhibited at trade fair...it's like the above question…we have got to talk. We will know quantity of customer…what they want. As well as what kind of products that customers in that region want to exhibit or sell?" (C09-Bspa)*

C09-Bspa explained that part of knowledge acquired from international trade show contribute to the setting up subsidiary, including permanent office and show room, in Myanmar. The company could not provide in-depth detail and clarification of knowledge. However, the company mentioned about customers and the demand of products' type in target countries. Therefore, the interview quotations can be categorized into market and product knowledge that influence decision to establish a

showroom and representative office aboard as a part to accommodate foreign expansion plan.

**d. Buyer and competitor network and investment type of entry mode**

The findings of buyer and competitor network to type of entry mode reveal the fact that business relationship has level. The relationship between sellers/ exhibitors and stakeholder develop incremental and impact on firm's decision making. Since investment type of entry mode required a certain degree of capital commitment, it was found that network played a key role in enabling small firms to take such higher risk, comparing to other type of entry mode, actions. International trade show has facilitated the emergence of such relationship that impact to firm's attitude regarding entry mode strategy. C01-Jsnack stated regarding the source of such activities as follow:

> *"Yes, I got it from trade fair. There were people explained that…the customers explained that for us"*

When the respondent was asked to elaborate type of people who provide such knowledge, the expression was cited as follow:

> *"Yes, not only customer. Both of our competitors and customers explained to us. It is the knowledge…but we have to ask them more…ask them in depth."*

Respondent added that:

> *"There are both competitor that already sell in the market…and customers. And…the person that sell distribution services…kind of…partly distributors. It is complicated. There are many services involve in the process…brokers, agents…there are so many parties involve. Also, the company who made the deal…what do we called them…ahh brokerage company."*

The above statement indicated that network obtained from international trade show are determinant of when firm making decision not only which market the company would like to enter, but also what target market entry mode the company select and in which extent. In this interview case, the company encounter a complicated new market which require a foreign subsidiary to alleviate such complicated. The respondent found extensive help from various stakeholders including, buyer side e.g. distributors, food brokerage agents, and even its competitors.

The social dimension of international trade show can be framed in the context of entrepreneurial personality. Network induced proactive personality which reflect to

individual's international orientation (Persinger E. et al., 2007, p. 79). In this interview case, the company highlight the social nature that occurred during trading official hour. The role of buyer network, in this case, not mentioned as selling function but mentally enhancement. Network brought tacit knowledge that shape personal attitude toward international market expansion strategy. In addition, level of connectivity between firm and buyers grew to another level where trust and commitment were well developed. It shifted international orientation of owner/ manager to evolve to another phase that require higher mutual dependence.

For the C01-Jsnack interview case, network and knowledge can be seen as mutual emergence. Participating in international trade show in USA can be seen as a useful medium for firm to escalate its sale activities through choosing the appropriate market entry mode. In this case, network can be viewed as source of knowledge for overseas business operating system. In other word, knowledge creation is the result from confrontation between knowledge maker and user of knowledge. This process of knowledge creation cannot be detached from business relationships. It can be concluded that the business network provides extended knowledge base for the firm (Johansson J and Vahlne J., 2009).

In conclusion, apart from exporting physical products and service trade that most of small firms choose to be the leading form of international market entry mode, wholly own subsidiary is discovered as another alternative method to enter new market. Five firms have foreign business unit in the country that they have current business activities. Two of them, C01-Jsnack and C09-Bspa, were found that trade show had influenced on subsidiary investment in overseas market. However, only C01-Jsnack was found the evidence indicated that knowledge and network obtained from trade show had influence investment as initial market entry mode. Two companies: C10-Aspa and C07-Ssyrup reported no evidence specified connection between trade show and their overseas investing activities.

## 4.9 Chapter summary and Conclusion

This chapter presents the findings, discussion, and analysis of empirical data obtained from qualitative interviewing.

Five types of knowledge, market, product, cultural, competitor, and technological, as illustrated in the literature review, were precisely found from the interviews. In addition, another category of knowledge: shipping was newly found with strong informants' citations. In addition, four kind of networks: buyer, competitor, supplier, and professional and government, were found with precise explanations from interviewing firms. The chapter has illustrated the detail of each knowledge and network and concluded the definitions based on the Thai SME's perspectives.

**Table 27 Summarize of the impact of different type of knowledge and network on each element of variables.**

| Number of companies found for evidences | Knowledge | Network | Elements | Variables |
|---|---|---|---|---|
| 6 | Market, Product, Cultural | Buyer, Prof. and government | Expansive | Market Selection (Pattern) |
| 12 | Market, Product, Competitor | Buyer, Prof. and government | Contractible | |
| 17 | Market, Product, Cultural, Shipping | Buyer, Prof. and government | Prescreening | Market selection (Stage) |
| 7 | Market, Product, Technological | Competitor | In-depth screening | |
| 10 | - | Buyer, Competitor, Prof. and government | Final selection | |
| 6 | Market, Product, Cultural | Buyer | Gradual | Entry mode (Pace) |
| 11 | Market, Product, Cultural | Buyer | Rapid | |
| 0 | - | - | Export | Entry mode (Type) |
| 0 | - | - | Contractual agreement | |
| 1 | Market, Product | Buyer, Competitor | Investment | |

Overall, the findings has validated the contribution of knowledge and network to SMEs' market selection and entry mode. However, as presented in table 27, not every type of knowledge and network impact to firm's decision on international market selection and entry mode equally. This chapter presented in-depth perspective of the impact of each knowledge and network discovered. Interestingly, no evidence was found on the contribution of any type of knowledge on final selection stage of market selection, as well as export and contractual agreement mode of entry. As for network, neither type of network was discovered for its impact on export and contractual mode of entry. In addition, supplier network is the only type that was not obtained from observation. It is noted that this does not mean supplier network has not impact on internationalization, but it means that supplier network obtained from international trade show has shown no strong evidence of the impact. Finally, various of related theories and previous research works have been encompassed to the discussions to provide different angle of views on the emerged phenomenon.

**Chapter 5 Conclusion and implication**

## 5.1 Introduction

The purpose of this chapter is to present short summary and conclude the main findings of research in response to the two main research questions. This chapter devoted to present the final model to conclude the findings. There is some adjustment according to the findings discussed in the previous chapter. Nevertheless, the type of knowledge and network that Thai SMEs acquired from participating as exhibitors in international trade show and their influence on market selection and entry mode are attained. The answers will be consolidated, interpreted, and presented their domain results. The results contribute to existing theories and managerial will be discussed as well as limitations. Finally, suggestions and further research are given.

## 5.2 Summarized of findings

In order to attained these objectives, the qualitative semi-structured interview approach was undertaken as the tool to collect in-depth understanding information of qualified SMEs. Based on literature review, the questions were developed and translated to Thai with critic and reference from qualified expert.

In response to first research question, definitions are given to six types of knowledge. Market knowledge is referred to the knowledge about market size of target markets, rules and regulation that pertains to overseas international business activities including specific legal issues, future trend of market, and general social and/or economics issues. SMEs make comparison on important aspects of product e.g. packaging, quality, price of competitors' similar products line and modified the needed to match customers' demand during trade show event. This aspect is considered as product knowledge. In addition, SMEs also received inspiration of new product idea and acquired feedback from product testing. According to the respondent, cultural knowledge is the knowledge about the business dealing manner, cultural differences, the way of thinking of people from different culture. It also included Language, values, manners, collection code of behavior and belief. SMEs also confront with competitors and acquire competitor's marketing strategies and ability to develop relationship. Finally, firm also learn is the latest technology and understanding of the level of technology that benefit to company's product lines. The additional knowledge that SMEs mentioned is shipping knowledge which define as the knowledge to find suitable shipping method, shipping cost measurement, and loading management.

Thai SMEs provided evidences supporting the emergence of four type of network during international trade show participation. Among this, buyer network is mentioned by every respondent. It defines as the acquisition of new buyers, the action of maintaining and enhance relationship with established foreign business partner, including developing trust with them. Competitor network comprise of four aspects including confrontation, communication, working or delegating work, and supporting with each others. Supply network is rarely mentioned. It comprises with suppliers for manufacturing machinery and main or support inputs for product manufacturing. Finally, professional and government network includes government agents from domestic and foreign countries that provide supporting in international trade activities. It also includes press, media, Trade associations, institutes, and professional associations.

The strong evidence was constituted in buyer, competitor, and professional and government network. Supplier was also observed with less evidence. Each network was viewed and interpreted with detail that expand definition presented in literature review. Buyer network is the primary connection that small firms seeking for. SMEs viewed competitor as alliance rather pure competitor. Supplier was perceived for its supporting role in international market activities. Finally, professional and government are sources of network that SMEs expect exporting assistances.

The second research question aims at examining the impact of elements in each knowledge and network discovered to international market selection and entry mode. The conclusion can be elaborated as follow:

Partial of knowledge and network from international trade show contributed to international market selection, but at the difference level of contribution and role. Market, product, cultural, competitor knowledge were cited from Thai SMEs on their influences. Network of buyer and government were also found evidences of the contribution to market selection. Different firms perceive the importance of each elements in knowledge and network unequally. Undiscovering of the non-mentioned type of knowledge and network does not mean that they have no influence. But it can be implied that small firms received influences at different level.

Similarly, to market selection, each SMEs weight unequally to the contribution of each knowledge and network type to formulate strategic entry mode. The effect of knowledge and network were partially mediated to knowledge and network from other sources. The conclusion was drawn upon the discovering that exporting is dominate entry mode strategy but rather caused by other reasons, or knowledge and network form other origins rather than participation in international trade show. Nonetheless, there is a single interview case that indicate the relationship between knowledge and network impacted on entry mode decision. In addition, knowledge and network from international trade show can partially explain the pace of market entry either gradual or rapid pace.

### 5.2.1 The implication on size of sample firms

As resources is one of the limitation of SMEs especially in developing countries. Firms export's choices can be limited by financial resources (Barmen & Hericourt, 2008, as cited in Sist F., 2014, p. 171). It is interesting to verify the result from difference aspect of SMEs from sample, says, size. The definition of micro SMEs is different among developed and developing countries. According to OECD definition, micro SMEs is the firm that has employee less than 10, or some cases 5 workers (OECD, 2005). Therefore, 5 firms: C04-Sfood, C08-Rspa, C12-Npet, C13-Cpet, and C20-Morganic, can be classified as micro SMEs.

From the results, there is no different result in the expansive and contractible pattern of market selection since micro enterprises are found in market, product, and cultural knowledge category. For network, C20-Morganic is found on professional and government category but none of them is found on buyer network. For stages of market selection, C08-Rspa, C12-Npet, and C20-Morganic are found on the contribution of both knowledge and network on the three stages of market selection. However, there are only one or two firms found in product knowledge, cultural knowledge, technology knowledge, competitor network, and government and professional network categories. Therefore, it can be concluded that, over all, some certain types of knowledge and network impact to different pattern and stage of market selection regardless of size of firms.

As for entry mode pace, no micro SMEs are found for the contribution of knowledge and network on the category of gradual pace. However, every knowledge (market, product, and cultural) found on their contribution on pace are found on rapid pace of

entry mode. In addition, buyer network, the only network for the influence of network on entry mode pace is also found for the case of C08-Rspa. Therefore, it can be concluded that size of firms reveals the different in the aspect of entry mode pace. Knowledge and network influence on rapid entry mode pace for this study. For entry mode type, since there is only single firm, C01-Jsnack, found on this section of analysis. Therefore, none of micro SMEs is found in these categories.

## 5.2.1 Final Model

The final model of this study reflected the findings from data collected from Thai SMEs. The details of knowledge and network factors have been presenting in the above section. Each of the elements, as well as market selection and entry mode, are presented in figure 3.

**Figure 3 The final model of the study**
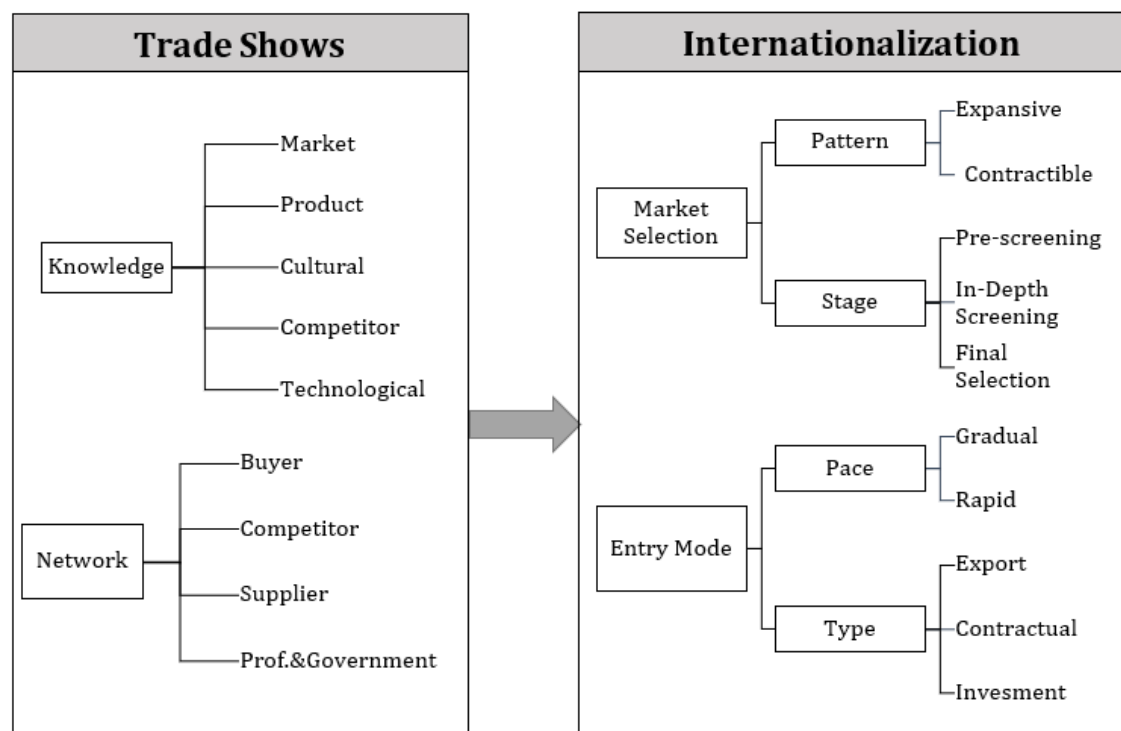
There is a slightly change to the initial conceptual model. The shipping knowledge has been added to the trade show box under the knowledge category. Hence, the knowledge components are market, product, cultural, competitor, technological, and shipping knowledge. The network type acquired from trade show remains unchanged. However, the supplier network yield no effect to either market selection or entry mode. The market selection is the same as initial model proposed, whereas, two type of entry modes: export and contractual agreement are removed. In sum, knowledge and network can be classified into six categories for knowledge and four categories for network. All of them were blended into knowledge and network from other sources. Their impact and process on market selection and entry mode are differently depends on capabilities and limitation of each firms. Domains of mediation process can be found from this study are e.g. perception on foreign environment, internal firm evaluation and adaptation, strategic decision, and facilitation of business development, etc.

## 5.3 Limitations of the study

This thesis has fulfilled the research gap: to discover the meaning and impact of knowledge and network. It has been determined that market selection and entry mode were partially influenced by knowledge and network dimensions of international trade show. In addition, this research is built on the viewpoint of SMEs in developing country. The qualitative semi-structure interview was chosen to investigate data.

However, while this research focus on the SMEs in developing countries, the limitation of data collection from only one developing economy, Thailand. The study had been conducted in one language, Thai. The same questions set may elicited differently in other developing countries. In addition, Thailand is an export led economy which many small firms received assistant from third party such as local and foreign government. Other SMEs from countries with different level of export substitute policies may produce different results. The research has demonstrated the assertiveness in finding as many dimensions of knowledge and network as possible. Nevertheless, in term of data, the study may not capture the overall dimensions of knowledge and network since it concentrates in the context of SMEs in Thailand. The new discovering of shipping knowledge implied that it is possible for other types of knowledge and/ or network existed in other developing countries.

Secondly, qualitative approach was chosen due to its advantage in providing perspective that cannot be achieved with quantitative one, as described in research method section in chapter 3. However, this study cannot provide the generalize circumstance for the case of developing economies. For example, the result showed no evidence of the impact from knowledge and network on entry mode type of export and contractual agreement. However, it cannot be concluded that knowledge and/ or network from international trade show would also have no impact on other SMEs. The qualitative method can provide the reason of why knowledge and network were not influenced from knowledge and network, but it still fails to generalize the circumstance.

The findings of this thesis provide a number of implications for small firm's management, government policy and theories, which are discussed in the following section.

## 5.4 Theoretical contributions

Based on the discussion, this thesis has demonstrated the importance of knowledge and network from international trade show as the sources of capability for SMEs in an emerging economy. In addition, it presented the model where market selection and entry mode serve are the two aspects that received effect from knowledge and network on firm's international business orientation. The contribution is made to academia by extending the theoretical understanding of various related internationalization theories. This research addressed in-depth of variables in the internationalization theories. For the Uppsala and BG model of internationalization emphasize on experiential knowledge and its impact on exports, but it does not adequately address the type of knowledge. This model from thesis provides conceptual arguments that knowledge and can be divided into different categories. They play important roles but unequally contribute to effect on market selection and entry mode. The same explanation to the concept of network to the revised version of Uppsala and BG approach. Therefore, the model proposed an extension version of knowledge and network concept that Uppsala and BG mentioned. In addition, the model can contribute to the literature by conceptualizing how each knowledge and network influence, and which type of them does not influence.

Knowledge has been considering to be essential input for small firm to internationalize. However, the sources of knowledge remains ambiguity. Uppsala cited that knowledge can be obtained from experience, whereas, BG approach cited the importance of information technology and prior international experience of manager. This research has identified precisely the external source of knowledge from international trade show and their creation process. One of the essential contribution is that the final proposed model is capable of integrating the different type of knowledge and network, choices of market selection and entry mode related theories together.

Furthermore, the internationalization theories do not incorporate the lack of resource and capabilities of SMEs. In the Resource based approach, the proposed model suggested that knowledge and network act as the sources of additional resources that facilitates firms in entry initial export markets and choosing entry mode. Knowledge, skills, connection, and alliances are needed resources support SMEs fulfil the gap of limited internal resources and drive small firms achieving international expansion goals in the emerging economy context.

By answering research questions, the study has shown the elaboration of tacit knowledge, explicit knowledge, and their creation process in the context of SMEs. This

research added the applicable aspects of tacit and explicit knowledge. Type of tacit and explicit knowledge was also clarified in the context of knowledge that received from trade show. For example, market knowledge can be categorized in either tacit or explicit depends on the dimensions. The study has provided that actual evidence of international trade show and SMEs to support the concept proposed from Nonaka I. et al. (1996). The discovering of actual evidences have confirmed the tacit type of knowledge and how SMEs accumulated and transform it into organization. Furthermore, this study has added the dimension of how small firm made output decisions based on the input of knowledge.

In terms of contributing to network, this research has investigated the types of network acquired during international trade show participation. Thai SMEs use their network to facilitate their market selection and entry mode process. The results from this research shown that two types of firms in network theory has been discovered: the late starter and international among others. Small firms who enter foreign markets utilized the existing network. However, it is discovered that not every types of network contribute to such foreign expansion. For example, supplier network imposed no effect in firm's expansion process.

This study has presented the interrelations of knowledge, network and many internationalization theories. It provides new perspective of how to view situation through various lens at the same time. Interestingly, knowledge and network was found its role in Resource base view. The internal resources were affected from external and intangible sources within a certain time frame. They can add strength or induce small firm to reevaluate its capabilities. Unlike Uppsala and BG, Resource base is the approach that emphasis on reason for internationalization rather than explaining the process. However, this study provided the analysis and explain that despite the influences form external sources, internal resources could lead small firms to pursue different path of market selection and entry mode. Especially for the case of entry modes, this research has related SME foreign entry mode strategy with Resources based approach. Limited in internal resources make small firm unable to reach advanced stage of internationalization such as contractual agreement and investment mode.

As for the theories related to trade show, the findings has uncovered to two non-selling dimensions: acquiring knowledge and network, whereas, a number of research pertains to trade show did not categorize knowledge and network into these two types. In addition, the findings suggest that Thai exhibitors utilized trade shows as multidimensional marketing tools. More precisely, the non-selling function contribute greatly to selling function which often occurred after finishing trade show participation. Unlike developed country exhibitors, the emerging markets trade show participants often have different view in attaining and interpreting non-selling objectives of trade show. This is due to various reasons, as described in earlier section, such as, limited resource, different characteristic of owner/ manager, etc.

International market selection and entry modes are the two most important aspects of the internationalization research field (Papadopoulos et al., 2002; Root 1998, Burgel O. and Murry G.C., 2000, as cited in Musso F. and Babara Francioni B., 2014, p. 302). This study has contributed to the additional perspective on international market selection model especially the market selection stage (pre-screening, in-depth screening, and final selection). Traditional international market selection models separate do not precisely separate external and internal factors. In this thesis, knowledge and network is the separated external factors that affect organization's perception and decision making. The conclusion of market selection and entry mode of this study supported that market selection and entry mode should be viewed as two different aspects but sharing some extent of decision making process

## 5.5 Managerial implications

Understanding the concept of knowledge and network and their implication to international market selection and entry modes from internationalization and related theories helps to systemize information necessary for stakeholders in international trade show participants. This study provides insights into how exhibitors, visitors, international trade show organizers and government agencies should intake knowledge and network into consideration.

### a. SMEs

Various of this research findings carry implication for owner/ manager of SMEs that seeking to grow their business overseas despite facing limited resources. Participating international trade show as the exhibitor is the catalyst for acquisition of knowledge about foreign market and creation of network necessity for them. International trade show preparation is crucial for small firms that attempt to expand market overseas. Companies needs to be proactive and creating a sound preparation of strategies.

Owner and manager of SMEs should prepare themselves to receive highest potential that international trade show can offer. One action is that manager need to undertake a good preparation prior exhibiting in trade show. Searching relevant information from website or export assistance organization allows SMEs to identify type of importers that they have to meet. Invitation should be sent out several weeks before actual participation occurred. If financial resource is not an obstacle, visiting target international trade show to inspect product and competitors will make managers gain more understanding about target trade show. In addition, the booth staff team should be required a substantial training session before acting their duties. Managers will be able to respond to unexpected or unfavorite situation earlier and have time to handle such situations.

Selecting trade show is another preshow strategy that small firms need to consider. Participating in appropriated international trade show determine participation effectiveness Small firms should determine objectives of participating trade show, both selling and non-selling goals prior applying. Different type of trade show emphasis different range of products exhibiting. Vertical type of trade show has less width of product category, while horizontal have wider range of product clusters. In addition, number of product lines have to be in consideration since it determines space requirement, cost, number of booth stand employees. All of these factors impacts performance level.

Activities recommended in preshow will resulted in highly effective time management during trade show. If invitations of participation are sent out several weeks prior exhibiting time, appointment must be well organized. Therefore, during trade show, SMEs' exhibition booth will be booked in advance. Managers will be expecting to meet pre-arrangement potential customers and learn about them before. In this case, networking created during trade show will be most efficiency and effectiveness. In addition, owner/ manager of firms must prepare and ensure duties of booth staff. They should be able to provide company information with good manner. One of the most important duties is to be able to attain potential customer details and provide feedback from customers. During the trade show event, based on this research, there are plenty circumstance that owners/ managers were able to learn about product, competitors, technology, etc. and gain new network when they walk around trade show venue. Therefore, exhibitors are encourage to visit other sections of trade show to gain related experiences and possibly acquires additional meaningful network.

Follow up is the key to be success in trade show participation. SMEs' managers should be able to evaluate business customers on various aspect. This research has elaborated extensively on the importance of buyer network to foreign market expansion. Owner manager have to identify roles of visitors in decision making capability, providing additional information, analyze size of purchase, evaluate visitors' product type of interest (Ling-yee L., 2008, p. 41). Strengthen relationship beefit firm in various ways, such as, as presented in chapter 4, motivating firm to expand to the right markets, help firms making appropriate market selection decision, open new market opportunity, etc. Furthermore, SMEs should prepare organization that allow knowledge from outside to be integrated inside firm. Without an effective knowledge creation system, knowledge will not be utilized. The international expansion pace of SMEs depends partly on its capacity to transform knowledge that manager or staff employees acquired from international trade show in to strategies development and operational procedures.

Firm should develop the internal organization is such the way that external knowledge acquired from outside company to delivered effectiveness within firm. Knowledge sharing were highlighted as positive influence on market selection evaluation and entry mode decision in many interview cases of this study. Much of emphasis was on the communication between individual and small firm's employees. Knowledge sharing should be embedded into corporate culture.  Several tools and policies to promote

knowledge sharing should be implemented. For example, firms can support employees from different division to have opportunity to participate in international trade show to broaden their knowledge instead of keeping them in narrow position at domestic country. Corporate training and small group seminar session are encouraged to organize to provide employees to attained external sources of knowledge. Knowledge distribution will be shared through personal meetings and transform both tacit and explicit knowledge to operation workers. Rewards or career promotion for their employees could be provided to encourage employee participation.

It is clearly described that having single type of network, says, importer, may not be beneficial for long term overseas business establishment. Integrating different type of network such as competitor and government pave the way for forthcoming international business opportunities. Managers of SMEs may wish to pay greater attention to develop company policies that in compatible with various network creation. The network should be in align with firms' future export activities. Exhibitors should set relationship goals and plan to develop relationship marketing activities for future participation.

## b. Trade show organizers

The organizer should develop strategic communication plan that focus on the goodness of knowledge and network that SMEs should obtained. Since SMEs are able to obtain at least six types of knowledge that benefit to their business, therefore, trade show organizers should focus on delivering key message that contain the advantage of acquiring such knowledge from international trade show. Attention should be given to the need of training of communication staff and media related materials to emphasis such knowledge and network. The organizers can incorporate seminar or training session for participants exhibitors as it can assist firm improved sale prospect. In addition, trade show organizer should focus on stakeholders attending trade show since companies can expand network during participating. Once SMEs and visitors realize these cost effectiveness, it will encourage them to participate international show. From trade show organizer standpoint, this will benefit in term of profit. As for exhibitors, the non-selling objectives will be fully undertaken.

## c. Government agencies

SMEs in developing countries always seek assistant from domestic government export assistant program. For Thailand, a government agency under Ministry of commerce such as Department of International Trade Promotion, Department of Foreign Trade, Department of Trade Negotiation, Ministry of Industry, and Ministry of Agricultural Affair plays a vital role as a facilitator for international market expansion. Various

Export initiative have been launched to enable SMEs in international business activities. The aims of assistant program should empower SMEs in the area that they have disadvantage in such as enhancing their knowledge, creating opportunity to build business network, and providing financing supported program. Government agencies from developing countries may consider these issues and develop efficient SMEs' international business assistant programs.

Research findings have implications for trade promotion policies in terms of promotional activities offered pre and post international trade show event. This study presents the importance of knowledge and network acquired during trade show event. Government agency could provide effective pre and post show event in order to make every international trade show participation most success at most effectiveness level. For example, the preshow can include training and development program for new and current Thai exporters to understand the importance of knowledge and network that firms can attained during trade show. The overall market information e.g. target countries' economic situation, import rule and regulations, update international trade situation, cultural issue, etc. should be prepare for SMEs prior participating any international trade show. In addition, government agency could provide relevant publishing including exhibitor directories, market advisory, both online and offline, that related to export promotion activities.

It is found that Network is essential for SMEs in assist firms attain knowledge that provide competencies in export markets. Regardless of either type of market selection and entry mode, network plays a vital roles in expanding market overseas.

One of the important issue that this research addressed is financial restriction. Various SMEs from presented in chapter 4 limited their export boundary due to resource, namely financial, restriction. The Thailand Export-Import Bank (EXIM Bank) plays an essential role in eliminating the problem. EXIM Bank can offer advisory services to SMEs as well as financial subsidiary program that encourage small firms to initiate or continue their international marketing activities.

## 5.6 Suggestions for further research

This study has provided in-depth understanding of set of knowledge and network that impact on firm's international market selection and entry mode. However, the scope of this thesis was emphasized on only SMEs by employing Thailand as a representative for developing economies. Future researcher is recommended to attempt to find the general accepted definition of each knowledge and network components. Therefore, future research should focus on studying of the similar variable in different developing countries. The cross-national study is suggested. This thesis has discovered a new type of knowledge: shipping knowledge, which was discovered with less attention from existing literature review. An investigative further in different countries will validate

the findings for the case of Thailand. Therefore, it is recommended to investigate possible other components, scope, and their effect.

Market selection and entry mode can also be investigated more in term of the factors that may affected them. The constraint in time and resources allows this research to examine the role of knowledge and network. However, it is possible to find other factor from existing research on trade show and measure them. Furthermore, export performance as a result from attaining knowledge and network is another scheme that is possible to conduct.

As stated since the beginning of the research that this thesis intends to study only non-selling objectives of trade show. The selling goals of SMEs participating in international trade show after attending trade show is another area that will benefit to the trade show research. Future study on comparison between the two functions of trade show that impact on SMEs' performance and/ or development of further foreign expanding strategy is another area that researcher who interested in trade show research area can consider. In addition, other non-selling function of trade show e.g., brand building, increasing corporate image, motivating employees, etc. could be conducted in the context of emerging markets.

Furthermore, due to advancement in technological development in trade show business, the virtual trade show that brings stakeholder to meet virtually on web-based platform is an alternative way for exhibitors and visitors around the globe to join together (Gelfenmuller, 2010). The research effectiveness measurement could be conducted to make comparison between trade show in psychical and virtual platforms. In addition, the assessment in term of importance of the selling and non-selling functions can be further compared between either SMEs, SMEs with MNEs, or SMEs from different countries in order to support the development of theory related to trade show. Even though many internationalization researches were conducted regardless of industries, it is also interesting to separate sample into different groups categorized by, for example, business sectors or type of internationalization. As for network, the four types of network can be further conducted to see the magnitude in different scenarios of network theory: the early starter, the late starter, the lonely international, international among others.

The findings in this research call for further studies of how small firms may acquire knowledge and network from other sources beside international trade show. It can be other international marketing activities such as trade mission, virtual trade show, or other newest digital marketing sources. It is interesting to testify if other sources can provide similar or different knowledge and network to firm. The magnitude can also be examined in order to make comparison between different type of marketing methods. In addition, the further investigation of the process of how new knowledge and network acquired from external sources integrate with prior knowledge and existing network is another interesting area. The search for ability of firm to absorb new knowledge and

utilized new network for SMEs in developing country would contribute to organization behavior and internationalization field.

Finally, a qualitative was an examination tool for this thesis. Combining quantitative and qualitative methods in the study is recommended for future research. A quantitative approach can be undertaken as a medium to obtain generalization of the phenomenon. The mentioned approach can be applied to both developed and developing economies to distinguish the differentiation. In addition, quantitative method is appropriated in investigating the impact of knowledge and network. For example, the measurement of size of the impact of market knowledge on prescreening stage of market selection in comparison to product knowledge is interesting to interpreted in quantitative scales.

**5.7 Conclusion**

This chapter has fulfilled the objectives in concluding the definition of different types of knowledge and network. It can be synthesized as following:

1.) The main different is the shipping knowledge which was not existed in the initial conceptual framework. The final model has been presented as the closing stage for study. This research provides conceptual arguments that knowledge and network can be divided into different categories. They play important roles but unequally contribute to effect on market selection and entry mode pattern.

2.) Not every type of knowledge and network contributes to each stage of market selection. Each SMEs weight unequally to the contribution of each knowledge and network type to formulate strategic market selection and entry mode. In addition, one of the most precising discovery is that supplier network has no effect to internationalization process.

3.) The difference types of knowledge in pattern of market selection is cultural and competitor knowledge. Cultural knowledge is found in expansive pattern of market selection, whereas, competitor knowledge is found in contractible pattern of market selection. Psychic distance is the key that make firm enter to cultural close markets.

4.) Three type of knowledge: market, product, and cultural, and buyer network are found for pace of entry mode. The psychic distance that underlying Uppsala theory can be used to explained some phenomenon of Born-global firms.

5.) Physically close concept that underlying Uppasala model can be applied to Born global firms since some of them choose to internationalize at only neighboring or closer countries.

6.) Export and contractual type of market entry mode were not effect from any knowledge and network from trade show. Even though most of the sample exporting

firm are influence from knowledge and network but the origin of knowledge and network are from other sources rather than international trade show.

This thesis contribute to various internationalization theories including Uppsala, Born global, Network, Resource-based, etc. The final model of the study provides conceptual arguments that knowledge and can be divided into different categories. They play important roles but unequally contribute to effect on market selection and entry mode. This study provides insights into how exhibitors, visitors, international trade show organizers and government agencies should intake knowledge and network into consideration in order to attain highest possibility of achievement. This chapter also address some limitation of the study, especially selection method which leads to future recommended research direction.

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**Appendix**

# Appendix 1

**Company background questions**

Every interviewee is required to answer the following questions prior proceeding to another set of questions.

1. What is the name of company?

2. What industry is the company classified in?

3. What is the position of yourself in the company?

4. How many employees, including management team, does the
   company have?

6. What years does the company was found?

7. What year does the company started to receive sale order from
   foreign country?

8. What year does the company begin to participating in
   international trade show as exhibitor?

9. On average, how many times does the company participating in
   international trade show on yearly basis?

10. Please provide the example of the name of international trade
    show, and the country that the trade show is organized.

**APPENDIX 2: Questions set 2**

**Research question: What are the types of knowledge and network that firms obtain from participating international trade show?**

| Topics | Themes | Interview Questions | Sources | References |
|---|---|---|---|---|
| 1.Knowledge &Network | Knowledge (general) | What is the knowledge that you obtain from international trade show?<br>ความรู้อะไรบ้างที่คุณได้รับจากการเข้าร่วมงานแสดงสินค้านานาชาติ? | What benefit do you think you got from trade fairs? Expectations: selling, promotion, networking, information. | Measson N. and Campbell-Hunt, 2015 |
| | Network (general) | What is the network that you obtained from international trade fairs?<br>เครือข่ายทางการค้าอะไรบ้างที่คุณได้รับจากการเข้าร่วมงานแสดงสินค้านานาชาติ? | What benefit do you think you got from trade fairs? Expectations: selling, promotion, networking, information. | Measson N. and Campbell-Hunt, 2015 |
| 2.Knowledge | Market Knowledge (general) | Do you get knowledge about the market from participating international trade show? (Yes/No, please explain) How?<br>คุณได้รับ ความรู้เกี่ยวกับตลาดจากการเข้าร่วมงานแสดงสินค้านานาชาติหรือไม่?<br>(ใช่ / ไม่ใช่ โปรดอธิบาย) อย่างไร? | -In trade show, I have learn about unfamiliar market (Reychav)<br>-Do market research (Menon)<br>-Conducting market research (Rice) | -Menon S., Edward M., 2013<br>-Reychav(2009)<br>-Rice G., Almossawi M. (2002) |
| | Market Knowledge 1 | Do you get knowledge about industry's market size of target market(s) from participating international trade show? (Yes/No, please explain)<br>คุณได้รับ ความรู้เกี่ยวกับขนาดของตลาดที่หมายของการเข้าร่วมงานแสดงสินค้านานาชาติระหว่างประเทศหรือไม่? (ใช่ / ไม่ใช่ โปรดอธิบาย) | -Market knowledge includes, for instance market size, competitors, regulation, etc.) | -Mejri K., Umemoto K. (2010) |
| | Market Knowledge 2 | Can you identify target markets' main competitors and number of competitorsfrom participating international trade show? (Yes/No, please explain) คุณสามารถระบุคู่แข่งหลักของตลาดที่หมายและจำนวน<br>คู่แข่งจากการเข้าร่วมงานแสดงสินค้านานาชาติระหว่างประเทศได้หรือไม่? (ใช่ / ไม่ใช่ โปรดอธิบาย) | -Market knowledge includes, for instance market size, competitors, regulation, etc.) | -Mejri K., Umemoto K. (2010) |
| | Market Knowledge 3 | Do you get knowledge about regulation, specific legal issuesfrom participating international trade show? (Yes/No, please explain)<br>คุณได้รับความรู้เกี่ยวกับกฎระเบียบ/ข้อบังคับกฎหมายเฉพาะต่าง ๆ ด้านกฎหมายเฉพาะ จากการเข้าร่วมงาน<br>แสดงสินค้านานาชาติ? (ใช่ / ไม่ใช่ โปรดอธิบาย) | -Market knowledge includes, for instance market size, competitors, regulation, etc.)<br>-Market knowledge- Knowledge n legal matters, specific legal issues of going aboard. (Hashim) | -Mejri K., Umemoto K. (2010)<br>-Hashim F. (2012) |
| | Market Knowledge 4 | Do you get knowledge about future trend of market from participating international trade show? (Yes/No, please explain)<br>คุณได้รับความรู้เกี่ยวกับแนวโน้มในอนาคตของตลาดจากการเข้าร่วมงานแสดงสินค้า<br>นานาชาติ? (ใช่ / ไม่ใช่ โปรดอธิบาย) | -I was able to identify future trend of market from participating international trade show? (Gottlieb) | -Gottlieb U. (2014) |

| Market Knowledge 5 | Do you get knowledge about target country's general social/ economic such as purchasing power, average spending for target product(s), average income, etc., from participating international trade show? (Yes/No, please explain) คุณได้รับความรู้เกี่ยวกับสังคม/เศรษฐกิจโดยทั่วไปของประเทศเป้าหมายเช่นกำลังซื้อค่าใช้จ่ายเฉลี่ยสำหรับผลิตภัณฑ์เป้าหมายรายได้เฉลี่ย ฯลฯ จากการเข้าร่วมงานแสดงสินค้านานาชาติ (ใช่ / ไม่ใช่ โปรดอธิบาย) | Specificity of market knowledge is defined as a means to understand beliefs, the cultural, social and economic norms of a well determined region in relation to an organization's international business performance. | Alpha A., Vincent S. (2015) |
| Product Knowledge (general) | Do you get knowledge about product from participating international trade show? (Yes/No, please explain) คุณได้รับความรู้เกี่ยวกับผลิตภัณฑ์จากการเข้าร่วมงานแสดงสินค้านานาชาติหรือไม่? (ใช่/ ไม่ใช่โปรดอธิบาย) | -To acquire more expertise in the product quality (Belussi) -Evaluate displayed products by competitors (Tafesse) -Gather information on new product idea. (Tafesse) -Collect information about competitors product (Tafesse) | -Belussi F. (2008) -Tafesse W., Korneliussen T.(2011) |
| Product Knowledge1 | Do you get knowledge about competing products similar to yours from participating international trade show? (Yes/No, please explain) คุณได้รับความรู้เกี่ยวกับผลิตภัณฑ์ของคู่แข่งที่เหมือนกับผลิตภัณฑ์ของหน่วยงานจากการเข้าร่วมงานแสดงสินค้านานาชาติ? (ใช่ / ไม่ใช่ โปรดอธิบาย) Can you make a comparison on important aspects of products between competing products and yours such as packaging, quality, or price from participating international trade show? (Yes/No, please explain) คุณสามารถทำการเปรียบเทียบในด้านที่สำคัญของผลิตภัณฑ์ระหว่างผลิตภัณฑ์ของคู่แข่งและผลิตภัณฑ์ของคุณ เช่น บรรจุภัณฑ์คุณภาพหรือราคา จากการเข้าร่วมงานแสดงสินค้านานาชาติได้หรือไม่?(ใช่ / ไม่ใช่ โปรดอธิบาย) | -To acquire more expertise in the product quality (Belussi) -Evaluate displayed products by competitors (Tafesse) -Collect information about competitors product (Tafesse) | -Tafesse W., Korneliussen T.(2011) |
| Product Knowledge2 | Do you get knowledge about modification needed to the product to suit the requirements of customers from participating international trade show? (Yes/No, please explain) คุณได้รับความรู้เกี่ยวกับการปรับใช้เพิ่มเติมผลิตภัณฑ์ที่เหมาะกับความต้องการของลูกค้าจากการเข้าร่วมงานแสดงสินค้านานาชาติหรือไม่?(ใช่ / ไม่ใช่ โปรดอธิบาย) | -I share knowledge about modifications needed to the product to suit the requirements of this customers/supplier.(Reychav) | -Reychav(2009) |

| Category | Question | Definition | Reference |
|---|---|---|---|
| Product Knowledge 3 | Do you get knowledge about new product development from participating international trade show? (Yes/No, please explain)<br>คุณได้รับความรู้เกี่ยวกับการพัฒนาผลิตภัณฑ์ใหม่จากการเข้าร่วมงานแสดงสินค้านานาชาติหรือไม่?(ใช่ / ไม่ใช่ โปรดอธิบาย) | -Gather information on new product ideas(Tafesse)<br>-recognizing customers' demands (Gebarowski) | --Tafesse W., Korneliussen T.(2011)<br>-Gebarowski M., Joanna W. (2014) |
| Product Knowledge 4 | Do you get knowledge about the feedback of your new product testing from participating international trade show? (Yes/No, please explain)<br>คุณได้รับความรู้เกี่ยวกับข้อมูลย้อนกลับ/ผลป้อนกลับของการทดสอบผลิตภัณฑ์ใหม่ของคุณ จากการร่วมงานแสดงสินค้านานาชาติหรือไม่? (ใช่ / ไม่ใช่ โปรดอธิบาย) | -New product testing (Kerin) | Kerin R., Crom W. (1987) |
| Culture Knowledge (general) | Do you get knowledge about foreign culture from participating international trade show?(Yes/No, please explain)<br>คุณได้รับความรู้เกี่ยวกับวัฒนธรรมต่างชาติจากการเข้าร่วมงานแสดงสินค้านานาชาติหรือไม่?<br>(ใช่ / ไม่ใช่ โปรดอธิบาย) | Understanding foreign culture | Seringhaus F.H, Rosson P. (2004) |
| Cultural Knowledge 1 | Do you get knowledge about how to deal with business partners in foreign market from participating international trade show? (Yes/No, please explain)<br>คุณได้รับความรู้เกี่ยวกับการรับมือกับคู่ค้าในตลาดต่างประเทศจากการเข้าร่วมงานแสดงสินค้านานาชาติหรือไม่? (ใช่ / ไม่ใช่ โปรดอธิบาย) | -The acquisition of cultural knowledge,....., the firm gradually knows about how to deal from a cultural perspective, with partners in foreign market.(Mejri) | -Mejri K., Umemoto K. (2010) |
| Cultural Knowledge 2 | Do you get knowledge about cultural distance of your target market from participating international trade show? (Yes/No, please explain)<br>คุณได้รับความรู้เกี่ยวกับระยะห่างทางวัฒนธรรมของตลาดเป้าหมายจากการเข้าร่วมงานแสดงสินค้านานาชาติหรือไม่? (ใช่ / ไม่ใช่ โปรดอธิบาย) | -Cultural Distance | -Cancino C., Coronado F. (2014) |
| Cultural Knowledge 3 | Do you get knowledge about the way of thinking of people in your target market from participating international trade show?(Yes/No, please explain)<br>คุณได้รับความรู้เกี่ยวกับวิธีการคิดของผู้คนในตลาดเป้าหมายของคุณจากการร่วมงานแสดงสินค้านานาชาติหรือไม่?(ใช่ / ไม่ใช่ โปรดอธิบาย) | -way of thinking of people and cultural distance | -Cancino C., Coronado F. (2014), Seringhaus F.H. &Rosson P. (2004) |
| Cultural Knowledge 4 | Do you get knowledge aboutcustomers' language, values, manners or beliefs from participating international trade show? (Yes/No, please explain)<br>คุณได้รับความรู้เกี่ยวกับภาษา, ค่านิยม, มารยาทหรือความเชื่อของลูกค้าจากงานแสดงสินค้านานาชาติหรือไม่?<br>(ใช่ / ไม่ใช่ โปรดอธิบาย) | - Culture refers to the values, manners, and the ways of thinking of people | -Mejri K., Umemoto K. (2010) |
| Competitor Knowledge 1 | Do you get knowledge about competitor from participating trade show?(Yes/No, please explain) | -Keep up with competition (Menon) | -Menon S., Edward M., (2013) |

| Item | Question | Measure | Reference |
|---|---|---|---|
| | คุณได้รับความรู้เกี่ยวกับญี่ปุ่นจากการเข้าร่วมงานแสดงสินค้าฯหรือไม่? (ใช่ / ไม่ใช่ โปรด อธิบาย) | -Collect information on competitors (Menon)<br>-This trade show had achieved the participation objective of getting competitor intelligence(Ling)<br>-Getting information about competitor (Karabulut) | -Ling-yee L. (2008)<br>-Karabulut A. (2014) |
| Competitor Knowledge 2 | Do you get knowledge about how to confront with competitors from participating international trade show? (Yes/No, please explain)<br>คุณได้รับความรู้เกี่ยวกับการเผชิญหน้ากับคู่แข่งขันจากการเข้าร่วมงานแสดงสินค้านานาชาติหรือไม่? (ใช่ / ไม่ใช่ โปรดอธิบาย) | -To confront with competitors (Belussi) | -Belussi F. (2008) |
| Competitor Knowledge 3 | Do you get knowledge about how to exchange information with competitors from participating international trade show? (Yes/No, please explain)<br>คุณได้รับความรู้เกี่ยวกับการแลกเปลี่ยนข้อมูลกับคู่แข่งขันจากการเข้าร่วมงานแสดงสินค้านานาชาติ หรือไม่?(ใช่ / ไม่ใช่ โปรดอธิบาย) | -Exchange information with competitors | -Tafesse W., Korneliussen T.(2011) |
| Competitor Knowledge 4 | Do you get knowledge about competitors' marketing strategies from participating international trade show? (Yes/No, please explain)<br>คุณได้รับความรู้เกี่ยวกับกลยุทธ์ทางการตลาดของคู่แข่งขันจากการเข้าร่วมงานแสดงสินค้านานาชาติ หรือไม่?(ใช่ / ไม่ใช่ โปรดอธิบาย) | -competitors' marketing strategies | Rinalldo D., Golfetto F.(2011) |
| Competitor Knowledge 5 | Do you get knowledge about success rate in exhibiting products of your competitor from participating international trade show? (Yes/No, please explain)<br>คุณได้รับความรู้เกี่ยวกับอัตราความสำเร็จของสินค้าในการแสดงสินค้าฯของคู่แข่งขันจากการเข้า ร่วมงานแสดงสินค้านานาชาติหรือไม่?(ใช่ / ไม่ใช่ โปรดอธิบาย) | Success rate of competitor in exhibiting product at trade show | Ling-yee L., (2008) |
| Competitor Knowledge 6 | Do you get knowledge about competitors' ability to develop customer relationship? (Yes/No, please explain)<br>คุณได้รับความรู้เกี่ยวกับความสามารถของคู่แข่งในการพัฒนาความสัมพันธ์กับลูกค้าจากการเข้า ร่วมงานแสดงสินค้านานาชาติหรือไม่?(ใช่ / ไม่ใช่ โปรดอธิบาย) | measured ability to develop customer relationship | Ling-yee L., (2008) |

| | | | |
|---|---|---|---|
| Technology Knowledge 1 | Do you get knowledge about how to access to new technology from participating international trade show? (Yes/No, please explain)<br>คุณได้รับความรู้เกี่ยวกับการเข้าถึงเทคโนโลยีใหม่จากการเข้าร่วมงานแสดงสินค้าภาพนานาชาติ หรือไม่?<br>(ใช่ / ไม่ใช่ โปรดอธิบาย) | -To access to new knowledge related to chemical technology (Belussi) | -Belussi F. (2008) |
| Technology Knowledge 2 | Do you get knowledge about latest technology from participating international trade show? (Yes/No, please explain)<br>คุณได้รับความรู้เกี่ยวกับเทคโนโลยีล่าสุดจากการเข้าร่วมงานแสดงสินค้าภาพนานาชาติหรือไม่?<br>(ใช่ / ไม่ใช่ โปรดอธิบาย) | -learning about latest technology(Rice) | -Rice G., Almossawi M. (2002) |
| Technology Knowledge 3 | Do you get knowledge about technology level of your product from participating international trade show? (Yes/No, please explain)<br>คุณได้รับความรู้เกี่ยวกับระดับเทคโนโลยีในโลโซของผลิตภัณฑ์ของคุณจากการเข้าร่วมงานแสดงสินค้าภาพนานาชาติหรือไม่? (ใช่ / ไม่ใช่ โปรดอธิบาย) | -the technology level of the product sold is also a stimulus to a rapid internationalization (Cancino) | -Cancino C., Coronado F. (2014) |
| Technology Knowledge 4 | Do you get knowledge about information technologyinfrastructure (for example, using Local Area Network or LAN) form participating international trade show?(Yes/No, please explain)<br>คุณได้รับความรู้เกี่ยวกับเทคโนโลยีในโลโซสารสนเทศ (เช่นใช้ Local Area Network หรือ LAN)จากการเข้าร่วมงานแสดงสินค้าภาพนานาชาติหรือไม่?(ใช่ / ไม่ใช่ โปรดอธิบาย) | -Information technology (IT) infrastructure such as a Local Area Network | -Hashim F. (2012) |
| Technology Knowledge 5 | Do you get knowledge about sophisticated programs and applications such as Supply Chain Management, Enterprise Resource Planning (ERP), Customer Relationship Management (CRM) form participating international trade show? (Yes/No, please explain)?<br>คุณได้รับความรู้เกี่ยวกับโปรแกรมที่ซับซ้อนและโปรแกรมประยุกต์ เช่น การจัดการห่วงโซ่อุปทาน การวางแผนทรัพยากรองค์กรบริษัท การจัดการลูกค้าสัมพันธ์ จากการเข้าร่วมงานแสดงสินค้าภาพนานาชาติหรือไม่?(ใช่ / ไม่ใช่ โปรดอธิบาย) | -Use of sophisticated programs and applications such as Supply Chain Management, Enterprise Resource Planning (ERP), Customer Relationship Management (CRM) (Hashim) | -Hashim F. (2012) |

| | Other types of knowledge | Are there other types of knowledge about technology that you get from participating international trade show?(Yes/No, please explain)?<br>มีความรู้ประเภทอื่นเกี่ยวกับเทคโนโลยีที่คุณ ได้รับจากการเข้าร่วมงานแสดงสินค้านานาชาติหรือไม่?(ใช่ / ไม่ใช่ โปรดอธิบาย) | |
| 3. Network | Buyer Network 1 | Do you get buyer network from participating international trade show?(Yes/No, please explain)?<br>คุณได้รับเครือข่ายผู้ซื้อ จากการเข้าร่วมงานแสดงสินค้านานาชาติหรือ ไม่?(ใช่ / ไม่ใช่ โปรดอธิบาย) | -Cobanoglu E., Turaeva V. (2014)<br>-Ling Yee L.<br>-Measson N. and Campbell-Hunt, 2015<br>-Rice G., Almossawi M. (2002)<br><br>-This trade show had achieved the participation objective of maintaining contact with existing customers (Ling-yee)<br>-Meeting our regular customers/agents(Rice)<br>- Are they mainly buyers or sellers? (Measson)<br>-Maintain and enhance existing relationship with existing clients (Cobanoglu) |
| | Buyer Network 2 | Do you get potential customers network from participating international trade show? (Yes/No, please explain)?<br>คุณ ได้รับเครือข่ายลูกค้าที่มีศักยภาพจากการเข้าร่วมงานแสดงสินค้านานาชาติหรือ ไม่?(ใช่ / ไม่ใช่ โปรดอธิบาย) | -Menon S., Edward M. ( 2013)<br><br>-Find potential customers (Menon) |
| | Buyer Network 3 | Do you get network to maintain and enhance existing relationship with existing customers from participating international tradeshow?(Yes/No, please explain)?<br>คุณได้รับเครือข่ายในการรักษาและยกระดับความสัมพันธ์กับลูกค้าที่มีอยู่จากการเข้าร่วมงานแสดงสินค้านานาชาติหรือไม่?(ใช่ / ไม่ใช่ โปรดอธิบาย) | -Cobanoglu E., Turaeva V. (2014)<br><br>-Maintain and enhance existing relationship with existing clients (Cobanoglu) |
| | Buyer Network 4 | Do you get network about customers' key decision makers from participating international tradeshow? (Yes/No, please explain)?<br>คุณได้รับเครือข่ายเกี่ยวกับผู้ทำการตัดสินใจหลักสำคัญของลูกค้าจากการเข้าร่วมงานแสดงสินค้านานาชาติหรือไม่? (ใช่ / ไม่ใช่ โปรดอธิบาย) | -Tafesse W., Korneliussen T. 2009)<br>-Seringhaus F.H., Rosson P (2004)<br>-Satmento et al. (2015)<br><br>-Meet key decision makers (Tafesse W., Korneliussen T. 2009)<br>-Main decision Maker reach Seringhaus F.H., Rosson P (2004)<br>-Trades fair are important to raise trust, as they contribute to the development of interpersonal relationships favoring an informal climate and encouraging social closeness and relationship marketing. (Sarmento) |

| | Question | | Reference |
|---|---|---|---|
| Competitor network 1 | Do you get network to exchange information and experience with competitors from participating international trade show?(Yes/No, please explain) คุณได้สร้างเครือข่ายในการแลกเปลี่ยนข้อมูลและประสบการณ์กับคู่แข่ง จากการเข้าร่วมงานแสดง สินค้านานาชาติหรือไม่? (ใช่ / ไม่ใช่ โปรดอธิบาย) | -To confront with competitors (Belussi) -Exchange information and experience with our competitors, suppliers and customers (Cobanoglu) | -Belussi F.(2008) -Cobanoglu E., Turaeva V. (2014) |
| Competitor network 2 | Do you get network to work together with competitor when a project is too large or enter new field from participating international trade show?(Yes/No, please explain) คุณได้สร้างเครือข่ายในการทำงานร่วมกับคู่แข่งเมื่อ โครงการใหญ่เกินไป/เมื่อเข้าสู่อุตสาหกรรมใหม่ จากการเข้าร่วมงานแสดงสินค้าภัณฑ์นานาชาติหรือไม่? (ใช่ / ไม่ใช่ โปรดอธิบาย) | The situations where companies work together if a project is too large for one company or enter new field | Tafesse W., Korneliussen T. (2011 |
| Competitor network 3 | Do you get network to communicate with competitor in order to support each other from participating international trade show?(Yes/No, please explain) คุณได้สร้างเครือข่ายในการสื่อสารกับคู่แข่งเพื่อสนับสนุนซึ่งกันและกันจากการเข้าร่วมงานแสดงสินค้า นานาชาติหรือไม่? (ใช่ / ไม่ใช่ โปรดอธิบาย) | SME owners/managers often communicate with competing firms and are supportive of each other. | |
| Supplier network 1 | Do you get existing supplier network from participating international trade show? (Yes/No, please explain) คุณได้สร้างเครือข่ายผู้จัดหาสินค้า/วัตถุดิบที่มีอยู่/ปัจจุบันจากการเข้าร่วมงานแสดงสินค้าภัณฑ์ นานาชาติหรือไม่? (ใช่ / ไม่ใช่ โปรดอธิบาย) | -To meet the existing machinery suppliers(Belussi) | -Belussi F. (2008) |
| Supplier network 2 | Do you get network to contact with suppliers from participating international trade show? (Yes/No, please explain) คุณได้สร้างเครือข่ายในการติดต่อกับผู้จัดหาสินค้า หลักสินค้า/วัตถุดิบ จากการเข้าร่วมงานแสดงสินค้าภัณฑ์ นานาชาติหรือไม่? (ใช่ / ไม่ใช่ โปรดอธิบาย) | -I was able to get in contact with suppliers (Gottlieb) | -Gottlieb Udo et al. (2011) |
| Supplier network 3 | Do you get new supplier network from participating international trade show? (Yes/No, please explain) คุณได้สร้างเครือข่ายผู้จัดหาสินค้าหลักสินค้า/วัตถุดิบรายใหม่ จากการเข้าร่วมงานแสดงสินค้าภัณฑ์นานาชาติ หรือไม่? (ใช่ / ไม่ใช่ โปรดอธิบาย) | -Learn about new suppliers, service providers (Menon) | -Menon S., Edward M.(2013) |

| Item | Interview Question | Sources | References |
|---|---|---|---|
| Professional and Government network 1 | Do you get government network from participating international trade show? How? (Yes/No, please explain) คุณได้รับเครือข่ายภาครัฐจากการเข้าร่วมงานแสดงสินค้านานาชาติหรือไม่? อย่างไร? | Organizations that companies used their incentives (Ministry of Economy, SME Development bank, Chamber of Commerce, Export Development Center, Exporters' Association) | Karabulut A. (2014) |
| Professional and Government network 2 | Do you get organizer network from participating international trade show? How? (Yes/No, please explain) คุณได้รับเครือข่ายผู้จัดงานแสดงสินค้าจากการเข้าร่วมงานแสดงสินค้านานาชาติหรือไม่? อย่างไร? | -organizers, press, opinion-makers, industry leaders, etc. Contact initiative can come from all these participants<br><br>- Network with senior industry leader (Menon) | -Sarmento M. et al, 2015<br>-Menon S., Edward M. (2013) |
| Professional and Government network 3 | Do you get mass media network from participating international trade show? How? (Yes/No, please explain) คุณได้รับเครือข่ายสื่อมวลชนจากการเข้าร่วมงานแสดงสินค้านานาชาติหรือไม่? อย่างไร? | | |
| Professional and Government network 4 | Do you get industry leader network from participating international trade show? How? Yes/No, please explain) คุณได้รับเครือข่ายผู้นำอุตสาหกรรมจากการเข้าร่วมงานแสดงสินค้านานาชาติหรือไม่? อย่างไร? | | |
| Professional and Government network 5 | Do you get trade/ professional association network from participating international trade show? How? Yes/No, please explain) คุณได้รับเครือข่ายองค์การค้า / เครือข่ายสมาคมวิชาชีพจากการเข้าร่วมงานแสดงสินค้านานาชาติ หรือไม่? อย่างไร? | trade associations, institutes, and professional associations are ideal places for SMEs to meet each other | Gilmore A., et al., 2001 |

**RQ: How different types of knowledge and network affect firm in the internationalization process focusing on market selection and market entry?**

| Variable | Item | Interview Question | Sources | References |
|---|---|---|---|---|

| 4. Market Selection Pattern | | Questions | Concept | References |
|---|---|---|---|---|
| | Knowledge and Pattern Expansive 1 | **Based on the knowledge got from** participating international tradeshow, do you select new markets that have least psychic distance? (Yes/No, please explain)<br><br>จากการที่ได้รับจากการเข้าร่วมแสดงสินค้าในงานแสดงสินค้านานาชาติ คุณจะเลือกตลาดใหม่ที่มีความแตกต่างทางจิตวิทยาน้อยที่สุดหรือไม่?<br>(ใช่ /ไม่ใช่ กรุณาอธิบาย) | Concept:<br>Expansive: Company favors new market that have least psychic distance (Gorecka)<br><br>-Incremental domestic expansion first. Focus on psychically close markets (Graves) | -Graves C. and Thomas J. (2008)<br><br>-Kuivalainen O. et al (2012)<br><br>-Gorecka D., Szalucka M. (2013) |
| | Market | **Based on the market knowledge got from** participating international tradeshow, do you select new markets that have least psychic distance? (Yes/No, please explain)<br><br>จากความรู้การตลาดที่ได้รับจากการเข้าร่วมแสดงสินค้าในงานแสดงสินค้านานาชาติ คุณจะเลือกตลาดใหม่ที่มีความแตกต่างทางจิตวิทยาน้อยที่สุดหรือไม่?<br>(ใช่ / ไม่ใช่ กรุณาอธิบาย) | | |
| | Product | **Based on the product knowledge got from** participating international tradeshow, do you select new markets that have least psychic distance? (Yes/No, please explain)<br><br>จากความรู้สินค้าที่ได้รับจากการเข้าร่วมแสดงสินค้าในงานแสดงสินค้านานาชาติ คุณจะเลือกตลาดใหม่ที่มีความแตกต่างทางจิตวิทยาน้อยที่สุดหรือไม่?<br>(ใช่ / ไม่ใช่ กรุณาอธิบาย) | Expansive Methods<br>- similarities between the national market structures of a political, social, economic or cultural nature, so that the export marketer expands from one market to the next, introducing a minimum of further adaptation to the product as well as other export marketing parameters. (Root, Albuam) | -Albaum G., Duerr E. (2008): International Marketing and Export Management, 6th ed., Pearson Education Limited, Essex.<br>- INTERNATIONAL MARKETING ,Fourth Edition By SRINIVASAN, R. (2016)<br>-Root F.R. (1994), Entry Strategies for International Markets, Jossey-Bass, San Francisco. |
| | Cultural | **Based on the cultural knowledge got from** participating international tradeshow, do you select new markets that have least psychic distance? (Yes/No, please explain)<br><br>จากความรู้ด้านวัฒนธรรมที่ได้รับจากการเข้าร่วมแสดงสินค้าในงานแสดงสินค้านานาชาติ คุณจะเลือกตลาดใหม่ที่มีความแตกต่างทางจิตวิทยาน้อยที่สุดหรือไม่?<br>(ใช่ / ไม่ใช่ กรุณาอธิบาย) | How different antecedents (knowledge, network) contribute to the scale and scope of internationalization? (Kuivalainen) | - Koch (2001) |
| | Competitor | **Based on the competitor knowledge got from** participating international tradeshow, do you select new markets that have least psychic distance? (Yes/No, please explain) | | |

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| Technological | จากความรู้ด้านเทคโนโลยีที่ได้รับจากงานแสดงสินค้าผลิตภัณฑ์ในงานมหกรรมสินค้าออบเขตลาดใหม่ที่มีความแตกต่างทางด้านจิตใจน้อยที่สุดหรือไม่? (ใช่ /ไม่ใช่ กรุณาอธิบาย)<br><br>**Based on the technological knowledge got from** participating international tradeshow, do you select new markets that have least psychic distance? (Yes/No, please explain) |
| Network and pattern expansive 1 | จากเครือข่ายที่ได้รับจากงานแสดงสินค้าผลิตภัณฑ์ในงานมหกรรมสินค้าออบเขตลาดใหม่ที่มีความแตกต่างทางด้านจิตใจน้อยที่สุดหรือไม่? (ใช่ /ไม่ใช่ กรุณาอธิบาย)<br><br>**Based on the network got from** participating international tradeshow, do you select new markets that have least psychic distance? (Yes/No, please explain) |
| Buyer | จากเครือข่ายผู้ซื้อที่ได้รับจากงานแสดงสินค้าผลิตภัณฑ์ในงานมหกรรมสินค้าออบเขตลาดใหม่ที่มีความแตกต่างทางด้านจิตใจน้อยที่สุดหรือไม่? (ใช่ /ไม่ใช่ กรุณาอธิบาย)<br><br>**Based on the buyer network got from** participating international tradeshow, do you select new markets that have least psychic distance? (Yes/No, please explain) |
| Competitor | จากเครือข่ายคู่แข่งที่ได้รับจากงานแสดงสินค้าผลิตภัณฑ์ในงานมหกรรมสินค้าออบเขตลาดใหม่ที่มีความแตกต่างทางด้านจิตใจน้อยที่สุดหรือไม่?<br><br>**Based on the competitor network got from** participating international tradeshow, do you select new markets that have least psychic distance? (Yes/No, please explain) |

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| Supplier | (ใช่ / ไม่ใช่ กรุณาอธิบาย)<br><br>**Based on the supplier network got from** participating international tradeshow, do you select new markets that have least psychic distance? (Yes/No, please explain)<br><br>จากเครือข่ายผู้จัดหาผลิตภัณฑ์/วัตถุดิบที่ได้รับจากงานแสดงผลิตภัณฑ์นานาชาติคุณชอบเลือกตลาดใหม่ที่มีความแตกต่างทางวัฒนธรรมน้อยที่สุดหรือไม่?<br>(ใช่ / ไม่ใช่ กรุณาอธิบาย) |
| Prof. and Government | **Based on the professional and government network got from** participating international tradeshow, do you select new markets that have least psychic distance? (Yes/No, please explain)<br><br>จากเครือข่ายผู้เชี่ยวชาญและภาครัฐที่ได้รับจากงานแสดงผลิตภัณฑ์นานาชาติคุณชอบเลือกตลาดใหม่ที่มีความแตกต่างทางวัฒนธรรมน้อยที่สุดหรือไม่?<br>(ใช่ / ไม่ใช่ กรุณาอธิบาย) |
| Pattern Expansive 2 | Based on the knowledge got from participating international tradeshow, do you favor new markets that have similarities in the market structures of a political, social, economic or cultural nature, so that the export marketer expands from one market to the next with a minimum of further adaptation to the product? (Yes/No, please explain)<br><br>จากความรู้ที่ได้รับจากการเข้าร่วมงานแสดงผลิตภัณฑ์นานาชาติ คุณชอบตลาดใหม่ที่มีความคล้ายคลึงโครงสร้างตลาด ในด้านการเมือง สังคมเศรษฐกิจ หรือวัฒนธรรม เพื่อที่นักการตลาดผู้ส่งออกขยายจากตลาดหนึ่ง ไปยังตลาดถัดไปโดยการปรับผลิตภัณฑ์น้อยที่สุด (ใช่ / ไม่ใช่ กรุณาอธิบาย) |
| Market | Based on the market knowledge got from participating international tradeshow, do you favor new markets that have similarities between the national market structures of a political, social, economic or cultural nature, so that the export marketer expands from one market to the next, |

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| | introducing a minimum of further adaptation to the product? (Yes/No, please explain)<br><br>จากความรู้การตลาดที่ได้รับจากการเข้าร่วมงานแสดงผลิตภัณฑ์นานาชาติ คุณชอบตลาดใหม่ที่มีความคล้ายคลึงโครงสร้างตลาด ในด้านการเมือง สังคมเศรษฐกิจ หรือ วัฒนธรรม เพื่อที่นักการตลาดผู้ส่งออกขยายตลาดจากหนึ่ง ไปยังผลิตต่อไปโดยการปรับผลิตภัณฑ์น้อยที่สุด (ใช่ /ไม่ใช่ กรุณาอธิบาย) |
| Product | Based on the Product knowledge got from participating international tradeshow, do you favor new markets that have similarities between the national market structures of a political, social, economic or cultural nature, so that the export marketer expands from one market to the next, introducing a minimum of further adaptation to the product? (Yes/No, please explain)<br><br>จากความรู้ด้านผลิตที่ได้รับจากการเข้าร่วมงานแสดงผลิตภัณฑ์นานาชาติ คุณชอบตลาดใหม่ที่มีความคล้ายคลึงโครงสร้างตลาด ในด้านการเมือง สังคมเศรษฐกิจ หรือวัฒนธรรม เพื่อที่นักการตลาดผู้ส่งออกขยายตลาดจากหนึ่ง ไปยังตลาดต่อไปโดยการปรับผลิตภัณฑ์น้อยที่สุด (ใช่ /ไม่ใช่ กรุณาอธิบาย) |
| Cultural | Based on the cultural knowledge got from participating international tradeshow, do you favor new markets that have similarities between the national market structures of a political, social, economic or cultural nature, so that the export marketer expands from one market to the next, introducing a minimum of further adaptation to the product? (Yes/No, please explain)<br><br>จากความรู้ด้านวัฒนธรรมที่ได้รับจากการเข้าร่วมงานแสดงผลิตภัณฑ์นานาชาติ คุณชอบตลาดใหม่ที่มีความคล้ายคลึง โครงสร้างตลาด ในด้านการเมือง สังคมการเมือง หรือ |

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| Competitor | วัฒนธรรม เพื่อที่นักการตลาดผู้ส่งออกขยายของตลาดหนึ่งไปยังตลาดถัดไปโดยการปรับผลิตภัณฑ์น้อยที่สุด (ใช่ /ไม่ใช่ กรุณาอธิบาย)<br><br>Based on the competitor knowledge got from participating international tradeshow, do you favor new markets that have similarities between the national market structures of a political, social, economic or cultural nature, so that the export marketer expands from one market to the next, introducing a minimum of further adaptation to the product? (Yes/No, please explain) |
| Technological | จากความรู้ด้านเทคโนโลยีที่ได้รับจากการเข้าร่วมงานแสดงสินค้าระหว่างประเทศ คุณชอบตลาด ใหม่ที่มีความคล้ายคลึงโครงสร้างตลาด ในด้านการเมือง สังคมเศรษฐกิจ หรือวัฒนธรรม เพื่อที่นักการตลาดผู้ส่งออกขยายของตลาดหนึ่งไปยังตลาดถัดไปโดยการปรับผลิตภัณฑ์น้อย ที่สุด(ใช่ /ไม่ใช่ กรุณาอธิบาย)<br><br>Based on the technological knowledge got from participating international tradeshow, do you favor new markets that have similarities between the national market structures of a political, social, economic or cultural nature, so that the export marketer expands from one market to the next, introducing a minimum of further adaptation to the product? (Yes/No, please explain) |
| Network | จากความรู้ด้านเครือข่ายในโซเชียลได้รับจากการเข้าร่วมงานแสดงผลิตภัณฑ์สินค้านานาชาติ คุณชอบ ตลาดใหม่ที่มีความคล้ายคลึงโครงสร้างตลาด ในด้านการเมือง สังคมเศรษฐกิจ หรือ วัฒนธรรม เพื่อที่นักการตลาดผู้ส่งออกขยายของตลาดหนึ่งไปยังตลาดถัดไปโดยการปรับผลิตภัณฑ์น้อยที่สุด (ใช่/ไม่ใช่ กรุณาอธิบาย)<br><br>Based on the network got from participating international tradeshow, do you favor new markets that have similarities between the national market structures of a political, social, economic or cultural nature, so that the export marketer expands from one market to the next, introducing a |

|  | minimum of further adaptation to the product? (Yes/No, please explain)<br><br>จากเครือข่ายที่ได้รับจากการเข้าร่วมงานแสดงผลิตภัณฑ์นานาชาติ คุณชอบตลาดใหม่ที่มีความคล้ายคลึงโครงสร้างตลาด ในด้านการเมือง สังคมเศรษฐกิจ หรือวัฒนธรรม เพื่อที่นักการตลาดผู้ส่งออกขยายจากตลาดหนึ่งไปยังผลต่อไป โดยการปรับผลิตภัณฑ์น้อยที่สุด (ใช่ /ไม่ใช่ กรุณาอธิบาย) |
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| Buyer | Based on the buyer network got from participating international tradeshow, do you favor new markets that have similarities between the national market structures of a political, social, economic or cultural nature, so that the export marketer expands from one market to the next, introducing a minimum of further adaptation to the product? (Yes/No, please explain)<br><br>จากเครือข่ายผู้ซื้อที่ได้รับจากการเข้าร่วมงานแสดงผลิตภัณฑ์นานาชาติ คุณชอบตลาดใหม่ที่มีความคล้ายคลึงโครงสร้างตลาด ในด้านการเมือง สังคมเศรษฐกิจ หรือวัฒนธรรม เพื่อที่นักการตลาดผู้ส่งออกขยายจากตลาดหนึ่งไปยังผลต่อไป โดยการปรับผลิตภัณฑ์น้อยที่สุด (ใช่ /ไม่ใช่ กรุณาอธิบาย) |
| Competitor | Based on the competitor network got from participating international tradeshow, do you favor new markets that have similarities between the national market structures of a political, social, economic or cultural nature, so that the export marketer expands from one market to the next, introducing a minimum of further adaptation to the product? (Yes/No, please explain)<br><br>จากเครือข่ายผู้แข่งที่ได้รับจากการเข้าร่วมงานแสดงผลิตภัณฑ์นานาชาติ คุณชอบตลาดใหม่ที่มีความคล้ายคลึงโครงสร้างตลาด ในด้านการเมือง สังคมเศรษฐกิจ หรือวัฒนธรรม เพื่อที่นักการตลาดผู้ส่งออกขยายจากตลาดหนึ่งไปยังผลต่อไป โดยการปรับผลิตภัณฑ์น้อยที่สุด (ใช่ /ไม่ใช่ กรุณาอธิบาย) |

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| Supplier | Based on the supplier network got from participating international tradeshow, do you favor new markets that have similarities between the national market structures of a political, social, economic or cultural nature, so that the export marketer expands from one market to the next, introducing a minimum of further adaptation to the product? (Yes/No, please explain) จากเครือข่ายผู้จัดหาผลิตภัณฑ์/วัตถุดิบที่ได้รับจากการเข้าร่วมงานแสดงสินค้าผลิตภัณฑ์นานาชาติ คุณชอบตลาดใหม่ที่มีความคล้ายคลึงโครงสร้างตลาดในด้านการเมือง สังคมเศรษฐกิจ หรือวัฒนธรรม เพื่อที่นักการตลาดผู้ส่งออกขยายตลาดหนึ่งไปยังตลาดถัดไปโดยการปรับผลิตภัณฑ์น้อยที่สุด (ใช่ /ไม่ใช่ กรุณาอธิบาย) |
| Professional and Government | Based on the professional and government network got from participating international tradeshow, do you favor new markets that have similarities between the national market structures of a political, social, economic or cultural nature, so that the export marketer expands from one market to the next, introducing a minimum of further adaptation to the product? (Yes/No, please explain) จากเครือข่ายผู้เชี่ยวชาญและภาครัฐที่ได้จากการเข้าร่วมงานแสดงสินค้าผลิตภัณฑ์นานาชาติ คุณชอบตลาดใหม่ที่มีความคล้ายคลึงโครงสร้างตลาดในด้านการเมือง สังคมเศรษฐกิจ หรือวัฒนธรรม เพื่อที่นักการตลาดผู้ส่งออกขยายตลาดหนึ่งไปยังตลาดถัดไปโดยการปรับผลิตภัณฑ์น้อยที่สุด (ใช่ /ไม่ใช่ กรุณาอธิบาย) |

| Pattern<br>**Contractible1**<br>Knowledge and pattern contractible1 | Based on the knowledge got from participating international tradeshow, do you select new markets that are optimal derived from screening all country markets, and eliminating the less attractive ones, and focusing the selected in depth? (Yes/No please explain)<br><br>จากความรู้ที่ได้รับจากงานแสดงสินค้าหรือสินค้าฯนานาชาติคุณเลือกตลาดใหม่ที่ดีที่สุดที่ได้มาจาก การคัดกรองตลาดจากทุกประเทศและกำจัดตลาดที่น้อยที่สุดในต่อยและเน้นตลาดที่เลือกเจาะลึก | Contractible: screening all country markets, then eliminate the less attractive ones, then focus the selected in depth. (Gorecka)<br><br>Contractible Methods<br>- Optimal market selection starts with, if not all, total number of or a large number of national markets, which are eventually evaluated with the information of general market condition, followed by analysis of market trend, sales potential, etc.  This method involved with systematic screening approach. (Koch) |
| Market | Based on the market knowledge got from participating international tradeshow, do you select new markets that are optimal derived from screening all country markets, and eliminating the less attractive ones, and focusing the selected in depth? (Yes/No please explain)<br><br>จากความรู้การตลาดที่ได้รับจากงานแสดงสินค้าหรือสินค้าฯนานาชาติคุณเลือกตลาดใหม่ที่ดีที่สุดที่ ได้มาจากการคัดกรองตลาดจากทุกประเทศและกำจัดตลาดที่น้อยที่สุดในต่อยและเน้นตลาดที่ เลือกเจาะลึก (ใช่/ไม่ใช่ กรุณาอธิบาย) | |
| Product | Based on the product knowledge got from participating international tradeshow, do you select new markets that are optimal derived from screening all country markets, and eliminating the less attractive ones, and focusing the selected in depth? (Yes/No please explain)<br><br>จากความรู้ด้านผลิตภัณฑ์ที่ได้รับจากงานแสดงสินค้าหรือสินค้าฯนานาชาติคุณเลือกตลาดใหม่ที่ดีที่สุดที่ ได้มาจากการคัดกรองตลาดจากทุกประเทศและกำจัดตลาดที่น้อยที่สุดในต่อยและเน้นตลาดที่ เลือกเจาะลึก (ใช่/ไม่ใช่ กรุณาอธิบาย) | |
| Cultural | Based on the cultural knowledge got from participating international tradeshow, do you select new markets that are optimal derived from screening all country markets, and eliminating the less attractive ones, and focusing the selected in depth? (Yes/No please explain) | |

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| Competitor | จากความรู้ด้านคู่แข่งที่ได้รับจากการเข้าร่วมงานแสดงผลิตภัณฑ์นานาชาติคุณเลือกตลาดใหม่ที่ดีที่สุดที่ได้มาจากการคัดกรองตลาดทุกประเทศและกำจัดตลาดที่น่าสนใจน้อยและเจาะตลาดที่เลือกเชิงลึก (ใช่/ไม่ใช่ กรุณาอธิบาย)<br><br>Based on the competitor knowledge got from participating international tradeshow, do you select new markets that are optimal derived from screening all country markets, and eliminating the less attractive ones, and focusing the selected in depth? (Yes/No please explain) |
| Technological | จากความรู้ด้านทางเทคโนโลยีที่ได้รับจากการเข้าร่วมงานแสดงผลิตภัณฑ์นานาชาติคุณเลือกตลาดใหม่ที่ดีที่สุดที่ได้มาจากการคัดกรองตลาดทุกประเทศและกำจัดตลาดที่น่าสนใจน้อยและเจาะตลาดที่เลือกเชิงลึก (ใช่/ไม่ใช่ กรุณาอธิบาย)<br><br>Based on the technological knowledge got from participating international tradeshow, do you select new markets that are optimal derived from screening all country markets, and eliminating the less attractive ones, and focusing the selected in depth? (Yes/No please explain) |
| Network and pattern contractible1 | จากความรู้ด้านเครือข่ายที่ได้รับจากการเข้าร่วมงานแสดงผลิตภัณฑ์นานาชาติคุณเลือกตลาดใหม่ที่ดีที่สุดที่ได้มาจากการคัดกรองตลาดทุกประเทศและกำจัดตลาดที่น่าสนใจน้อยและเจาะตลาดที่เลือกเชิงลึก (ใช่/ไม่ใช่ กรุณาอธิบาย)<br><br>Based on the network got from participating international tradeshow, do you select new markets that are optimal derived from screening all country markets, and eliminating the less attractive ones, and focusing the selected in depth? (Yes/No please explain) |
| Buyer | |

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| | Based on the buyer network got from participating international tradeshow, do you select new markets that are optimal derived from screening all country markets, and eliminating the less attractive ones, and focusing the selected in depth? (Yes/No please explain)<br><br>จากเครือข่ายผู้ซื้อที่ได้รับจากงานแสดงสินค้านานาชาติคุณเลือกตลาดใหม่ที่ดีที่สุด ได้มาจากการคัดกรองตลาดทุกประเทศและกำจัดตลาดที่น่าสนใจน้อยลงและเน้นตลาดที่ เลือกเชิงลึก (ใช่/ไม่ใช่ กรุณาอธิบาย) |
| Competitor | Based on the competitor network got from participating international tradeshow, do you select new markets that are optimal derived from screening all country markets, and eliminating the less attractive ones, and focusing the selected in depth? (Yes/No please explain)<br><br>จากเครือข่ายคู่แข่งที่ได้รับจากงานแสดงสินค้านานาชาติคุณเลือกตลาดใหม่ที่ดีที่สุด ได้มาจากการคัดกรองตลาดทุกประเทศและกำจัดตลาดที่น่าสนใจน้อยลงและเน้นตลาดที่ เลือกเชิงลึก (ใช่/ไม่ใช่ กรุณาอธิบาย) |
| Supplier | Based on the supplier network got from participating international tradeshow, do you select new markets that are optimal derived from screening all country markets, and eliminating the less attractive ones, and focusing the selected in depth? (Yes/No please explain)<br><br>จากเครือข่ายผู้จัดหาสินค้าเข้า/วัตถุดิบที่ได้รับจากงานแสดงสินค้านานาชาติคุณเลือก ตลาดใหม่ที่ดีที่สุดได้มาจากการคัดกรองตลาดทุกประเทศและกำจัดตลาดที่น่าสนใจน้อยลง และเน้นตลาดที่เลือกเชิงลึก (ใช่/ไม่ใช่ กรุณาอธิบาย) |
| Professional and Government | Based on the professional and government network got from participating international tradeshow, do you select new markets that are optimal derived from screening all country markets, and eliminating the less attractive ones, and focusing the selected in depth? (Yes/No please explain) |

| | | | - Eliminate least promising markets (Root, Albuam) |
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**Pattern Contractible 2**
Knowledge and pattern contractible2

จากเครื่องมือผู้ซื้อจากภูมและภาครัฐฯที่ได้รับจากงานแสดงสินค้าสินค้านานาชาติคุณเลือกตลาดใหม่ที่ดีที่สุดที่ได้มาจากการคัดกรองตลาดทุกประเทศและกำจัดตลาดที่น่าดึงดูดใจต่ำก่อนและสานใจตลาดที่เลือกหรือไม่ลึก (ใช่/ไม่ใช่ กรุณาอธิบาย)

**Market**

Based on the market knowledge got from participating international tradeshow, do you select new markets by eliminating least promising markets?

จากความรู้ทางตลาดที่ได้รับจากงานแสดงสินค้าสินค้านานาชาติ คุณเลือกตลาดใหม่โดยการคัดตลาดที่ไม่ดีตลาดที่มีความน่าดึงดูดน้อยทิ้งออกไปใหม่ (ใช่/ ไม่ใช่ กรุณาอธิบาย)

**Product**

Based on the product knowledge got from participating international tradeshow, do you select new markets by eliminating least promising markets?

จากความรู้ด้านสินค้าที่ได้รับจากงานแสดงสินค้าสินค้านานาชาติ คุณเลือกตลาดใหม่โดยการคัดตลาดที่มีความน่าดึงดูดน้อยทิ้งออกไปใหม่ (ใช่/ ไม่ใช่ กรุณาอธิบาย)

**Cultural**

Based on the cultural knowledge got from participating international tradeshow, do you select new markets by eliminating least promising markets?

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| Competitor | Based on the competitor knowledge got from participating international tradeshow, do you select new markets by eliminating least promising markets?<br>จากความรู้ด้านคู่แข่งที่ได้รับจากการเข้าร่วมงานแสดงผลิตภัณฑ์นานาชาติ คุณเลือกตลาดใหม่โดยการตัดตลาดที่มีความน่าสนใจน้อยที่สุดออกไปหรือไม่ (ใช่/ ไม่ใช่ กรุณาอธิบาย) |
| Technological | Based on the technological knowledge got from participating international tradeshow, do you select new markets by eliminating least promising markets?<br>จากความรู้ด้านเทคโนโลยีที่ได้รับจากการเข้าร่วมงานแสดงผลิตภัณฑ์นานาชาติ คุณเลือกตลาดใหม่โดยการตัดตลาดที่มีความน่าสนใจน้อยที่สุดออกไปหรือไม่ (ใช่/ ไม่ใช่ กรุณาอธิบาย) |
| Network and pattern congtractible2 | Based on the network got from participating international tradeshow, do you select new markets by eliminating least promising markets?<br>จากเครือข่ายที่ได้รับจากการเข้าร่วมงานแสดงผลิตภัณฑ์นานาชาติ คุณเลือกตลาดใหม่โดยการตัดตลาดที่มีความน่าสนใจน้อยที่สุดออกไปหรือไม่ (ใช่/ ไม่ใช่ กรุณาอธิบาย) |
| Buyer | Based on the buyer network got from participating international tradeshow, do you select new markets by eliminating least promising markets?<br>จากเครือข่ายผู้ซื้อที่ได้รับจากการเข้าร่วมงานแสดงผลิตภัณฑ์นานาชาติ คุณเลือกตลาดใหม่โดยการตัดตลาดที่มีความน่าสนใจน้อยที่สุดออกไปหรือไม่ (ใช่/ ไม่ใช่ กรุณาอธิบาย) |
| Competitor | Based on the competitor network got from participating international tradeshow, do you select new markets by eliminating least promising markets?<br>จากเครือข่ายคู่แข่งที่ได้รับจากการเข้าร่วมงานแสดงผลิตภัณฑ์นานาชาติ คุณเลือกตลาดใหม่โดยการตัดตลาดที่มีความน่าสนใจน้อยที่สุดออกไปหรือไม่ (ใช่/ ไม่ใช่ กรุณาอธิบาย) |

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| Supplier | Based on the supplier network got from participating international tradeshow, do you select new markets by eliminating least promising markets?<br>จากเครือข่ายผู้จัดหาผลิตภัณฑ์/วัตถุดิบที่ได้รับจากงานแสดงผลิตภัณฑ์นานาชาติ คุณเลือกตลาดใหม่โดยการตัดตลาดที่มีความน่าสนใจน้อยที่สุดออกใช่ไหม (ใช่/ ไม่ใช่ กรุณาอธิบาย) | |
| Professional and government | Based on the government and professional network got from participating international tradeshow, do you select new markets by eliminating least promising markets?<br>จากเครือข่ายผู้เชี่ยวชาญและระภาครัฐที่ได้รับจากงานแสดงผลิตภัณฑ์นานาชาติ คุณเลือกตลาดใหม่โดยการตัดตลาดที่มีความน่าสนใจน้อยที่สุดออกใช่ไหม (ใช่/ ไม่ใช่ กรุณาอธิบาย) | |

| | Stage | | Concept | References |
|---|---|---|---|---|
| 6. Market Selection Stage | **Stage** <br> **Pre-screening** <br> **In-Depth Screening** <br> **Final Selection** <br> Knowledge and stage | Does knowledge get from participating international tradeshow affect pre-screening, in-depth screening, and final selection stage? (Yes/No, please explain) <br><br> ความรู้ที่ได้รับจากการเข้าร่วมงานแสดงสินค้านานาชาติมีผลต่อการคัดเลือกเบื้องต้น การคัดเลือกอย่างละเอียด และการคัดเลือกขั้นสุดท้ายหรือไม่? (ใช่/ไม่ใช่ โปรดอธิบาย) <br><br> Note: Interviewer must explain concept of pre-screening stage, in-depth screening and final selection stage to interviewee. | -Explore market opportunities in new regions/ segment (Tafesse) <br><br> -Explore export opportunities (Tafesse) <br><br> -Identify Sale Prospect (Rice) <br><br> -The trade show helped me to finalize my purchasing decision.(Gottlieb) <br> -Generate sales at the show (Tafesse) <br><br> -Concept: There are 3 stages: Prescreening, In-depth screening, and final decision (Gorecka, Koch) Johansson's (1997) <br><br> 1) preliminary screening (examining political stability, geographic distance and economic development) to eliminate some countries and broadly assess costs of entering the market; <br><br> 2) in-depth screening (industry and product market-specific data are collected and analyzed; market potential estimated and growth rates forecasted; strengths and weaknesses of competition, entry barriers, company resources constraints revisited); and <br><br> 3) final selection (company objectives are brought to bear for a match, and forecast | -Tafesse W., Korneliussen T. (2009) <br><br> -Rice G., Almossawi M. (2002) <br><br> -Gorecka D, Szalucka M. (2013) <br><br> -Koch.A. (2001) <br> -Gottlieb U. (2014) |
| | Market | Does market knowledge get from participating international trade show affect pre-screening, in-depth screening, and final selection stage? (Yes/No, please explain) <br><br> ความรู้ที่ได้รับจากการเข้าร่วมงานแสดงสินค้านานาชาติมีผลต่อการคัดเลือกเบื้องต้น, การคัดเลือกอย่างละเอียด, และการคัดเลือกขั้นสุดท้ายหรือไม่? (ใช่/ไม่ใช่ โปรดอธิบาย) | | |
| | Product | Does product knowledge get from participating international trade show affect pre-screening, in-depth screening, and final selection stage? (Yes/No, please explain) <br><br> ความรู้ด้านสินค้าที่ได้รับจากการเข้าร่วมงานแสดงสินค้านานาชาติมีผลต่อการคัดเลือกเบื้องต้น, คัดเลือกอย่างละเอียด, และการคัดเลือกขั้นสุดท้ายหรือไม่? (ใช่/ไม่ใช่ โปรดอธิบาย) | | |
| | Cultural | Does cultural knowledge get from participating international trade show affect pre-screening, in-depth screening, and final selection stage? (Yes/No, please explain) <br><br> ความรู้ทางวัฒนธรรมที่ได้รับจากงานแสดงสินค้านานาชาติมีผลต่อการคัดเลือกเบื้องต้น, คัดเลือกอย่างละเอียด, และการคัดเลือกขั้นสุดท้ายหรือไม่? (ใช่/ไม่ใช่ โปรดอธิบาย) | | |
| | Competitor | Does competitor knowledge get from participating international trade show affect pre-screening, in-depth screening, and final selection stage? (Yes/No, please explain) | | |

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| | | sales revenues and costs are compared to find the country market which best leverages the resources available). |
| Technological | ความรู้ด้านนวัตกรรมที่ได้รับจากการแสดงผลิตภัณฑ์ในงานแสดงสินค้าต่างประเทศ มีผลต่อกระบวนการคัดเลือกตลาดล่วงหน้า, คัดกรองตลาดในเชิงลึก, และการคัดเลือกตลาดขั้นสุดท้ายหรือไม่? (ใช่/ไม่ใช่ โปรดอธิบาย)<br><br>Does technological knowledge get from participating international trade show affect pre-screening, in-depth screening, and final selection stage?  (Yes/No, please explain)<br>ความรู้ด้านเทคโนโลยีที่ได้รับจากการแสดงผลิตภัณฑ์ในงานแสดงสินค้าต่างประเทศ มีผลต่อกระบวนการคัดเลือกตลาดล่วงหน้า, คัดกรองตลาดในเชิงลึก, และการคัดเลือกตลาดขั้นสุดท้ายหรือไม่? (ใช่/ไม่ใช่ โปรดอธิบาย) | |

| Network and stage | Does network get from participating international trade show affect pre-screening, in-depth screening, and final selection stage? (Yes/No, please explain)<br>เครือข่ายที่ได้รับจากงานแสดงสินค้าพัฒนาทางการค้าส่งผลต่อกระบวนการ คัดเลือกกลาง ล่วงหน้า , คัดกรองผลลาลในเชิงลึก, และการคัดเลือกกลางขั้นสุดท้ายหรือไม่? (ใช่/ไม่ใช่ โปรดอธิบาย) |
| Buyer | Does buyer network get from participating international trade show affect pre-screening, in-depth screening, and final selection stage? (Yes/No, please explain)<br>เครือข่ายผู้ซื้อที่ได้รับจากงานแสดงสินค้าพัฒนาทางการค้าส่งผลต่อกระบวนการ คัดเลือกกลาง ล่วงหน้า , คัดกรองผลลาลในเชิงลึก, และการคัดเลือกกลางขั้นสุดท้ายหรือไม่? (ใช่/ไม่ใช่ โปรดอธิบาย) |
| Competitor | Does competitor network get from participating international trade show affect pre-screening, in-depth screening, and final selection stage? (Yes/No, please explain)<br>เครือข่ายคู่แข่งที่ได้รับจากงานแสดงสินค้าพัฒนาทางการค้าส่งผลต่อกระบวนการ คัดเลือกกลาง ล่วงหน้า , คัดกรองผลลาลในเชิงลึก, และการคัดเลือกกลางขั้นสุดท้ายหรือไม่? (ใช่/ไม่ใช่ โปรดอธิบาย) |
| Supplier | Does supplier network get from participating international trade show affect pre-screening, in-depth screening, and final selection stage? (Yes/No, please explain)<br>เครือข่ายซัพพลายเออร์ที่ได้รับจากงานแสดงสินค้าพัฒนาทางการค้าส่งผลต่อ กระบวนการ คัดเลือกกลาง ล่วงหน้า , คัดกรองผลลาลในเชิงลึก, และการคัดเลือกกลางขั้น สุดท้ายหรือไม่? (ใช่/ไม่ใช่ โปรดอธิบาย) |
| Professional and government | Does professional and government network get from participating international trade show affect pre-screening, in-depth screening, and final selection stage? (Yes/No, please explain) |

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| 7. Entry mode Type | Entry mode Export | เครือข่ายผู้ใช้ความรู้ทางภาษาและกฎหมายที่ได้รับจากงานแสดงผลิตภัณฑ์พัฒนาการตัดสินดลอกระบวนการ คัดเลือกตลาดล่วงหน้า, คัดกรองตลาดในเบื้องลึก, และการคัดเลือกตลาดขั้นสุดท้ายหรือไม่? (ใช่/ไม่ใช่ โปรดอธิบาย)<br><br>Do you export to overseas market? Direct? Or Indirect? (*Indirect export is e.g., export via agent)<br>คุณส่งออกไปยังตลาดต่างประเทศหรือไม่? โดยตรง? หรือทางอ้อม? (*ทางอ้อมเช่นผ่านตัวแทน) | -Which modes do they take for their internationalization? (Senik)<br><br>-Mode of International entry (Vasquez) | -Senik et al. (2010)<br><br>-Vasquez F. and Doloriert C. (2011). |
| | Knowledge and export entry mode | Does knowledge get from participating international tradeshow result in selecting export as foreign market entry mode? (Yes/ No, please explain)<br>ความรู้ที่ได้รับจากการร่วมงานแสดงผลิตภัณฑ์พัฒนาการตัดสินผลให้เลือกการส่งออกเป็นวิธีการเข้าตลาดต่างประเทศหรือไม่ (ใช่/ไม่ใช่ โปรดอธิบาย) | -Which modes do they take for their internationalization? (Senik)<br><br>-Mode of entry: Start ups, Acquisitions, Licensing, Exporting (Zahra) | -Senik et al. (2010)<br>-Zahra S. et al. (2000) |
| | Market | Does market knowledge get from participating international tradeshow result in selecting export as foreign market entry mode? (Yes/ No, please explain)<br>ความรู้การตลาดที่ได้รับจากการร่วมงานแสดงผลิตภัณฑ์พัฒนาการตัดสินผลให้เลือกการส่งออกเป็นวิธีการเข้าตลาดต่างประเทศหรือไม่ (ใช่/ไม่ใช่ โปรดอธิบาย) | | |
| | Product | Does product knowledge get from participating international tradeshow result in selecting export as foreign market entry mode? (Yes/ No, please explain) | | |

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| Cultural | Does cultural knowledge get from participating international tradeshow result in selecting export as foreign market entry mode? (Yes/ No, please explain)<br><br>ความรู้ทางวัฒนธรรมที่ได้รับจากการร่วมงานแสดงสินค้าสัมพันธ์นานาชาติส่งผลให้เลือกการส่งออกเป็นวิธีการเข้าสู่ตลาดต่างประเทศหรือไม่ (ใช่/ไม่ใช่ โปรดอธิบาย) |
| Competitor | Does competitor knowledge get from participating international tradeshow result in selecting export as foreign market entry mode? (Yes/ No, please explain)<br><br>ความรู้ด้านคู่แข่งที่ได้รับจากการร่วมงานแสดงสินค้าสัมพันธ์นานาชาติส่งผลให้เลือกการส่งออกเป็นวิธีการเข้าสู่ตลาดต่างประเทศหรือไม่ (ใช่/ไม่ใช่ โปรดอธิบาย) |
| Technological | Does technological knowledge get from participating international tradeshow result in selecting export as foreign market entry mode? (Yes/ No, please explain)<br><br>ความรู้ด้านเทคโนโลยีที่ได้รับจากการร่วมงานแสดงสินค้าสัมพันธ์นานาชาติส่งผลให้เลือกการส่งออกเป็นวิธีการเข้าสู่ตลาดต่างประเทศหรือไม่ (ใช่/ไม่ใช่ โปรดอธิบาย) |
| Network and export entry mode | Does network get from participating international tradeshow result in selecting export as foreign market entry mode? (Yes/ No, please explain)<br><br>เครือข่ายที่ได้รับจากการร่วมงานแสดงสินค้าสัมพันธ์นานาชาติส่งผลให้เลือกการส่งออกเป็นวิธีการเข้าสู่ตลาดต่างประเทศหรือไม่ (ใช่/ไม่ใช่ โปรดอธิบาย) |
| Buyer | Does buyer network get from participating international tradeshow result in selecting export as foreign market entry mode? (Yes/ No, please explain) |

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| Competitor | Does competitor network get from participating international tradeshow result in selecting export as foreign market entry mode? (Yes/ No, please explain)<br><br>เครือข่ายผู้ซื้อที่ได้รับจากการร่วมงานแสดงผลิตภัณฑ์นานาชาติส่งผลให้เลือกการส่งออกเป็นวิธีการเข้าตลาดต่างประเทศหรือไม่ (ใช่/ไม่ใช่ โปรดอธิบาย)<br><br>เครือข่ายผู้แข่งขันที่ได้รับจากการร่วมงานแสดงผลิตภัณฑ์นานาชาติส่งผลให้เลือกการส่งออกเป็นวิธีการเข้าตลาดต่างประเทศหรือไม่ (ใช่/ไม่ใช่ โปรดอธิบาย) |
| Supplier | Does supplier network get from participating international tradeshow result in selecting export as foreign market entry mode? (Yes/ No, please explain)<br><br>เครือข่ายผู้จัดหาผลิตภัณฑ์/ วัตถุดิบที่ได้รับจากการร่วมงานแสดงผลิตภัณฑ์นานาชาติส่งผลให้เลือกการส่งออกเป็นวิธีการเข้าตลาดต่างประเทศหรือไม่ (ใช่/ไม่ใช่ โปรดอธิบาย) |
| Prof. and Government | Does professional and government network get from participating international tradeshow result in selecting export as foreign market entry mode? (Yes/ No, please explain)<br><br>ความรู้ด้านผู้เชี่ยวชาญ/ ภาครัฐที่ได้รับจากการร่วมงานแสดงผลิตภัณฑ์นานาชาติส่งผลให้เลือกการส่งออกเป็นวิธีการเข้าตลาดต่างประเทศหรือไม่ (ใช่/ไม่ใช่ โปรดอธิบาย) |
| Knowledge and contractual agreement entry mode | Does knowledge get from participating international tradeshow result in selecting contract agreement such as franchising/ licensing as foreign market entry mode? (Yes/ No, please explain)<br><br>ความรู้ที่ได้รับจากการร่วมงานแสดงผลิตภัณฑ์นานาชาติส่งผลให้เลือกการทำสัญญาทางการค้า เช่น สิทธิแฟรนไชส์/ ใบอนุญาต เป็นวิธีการเข้าตลาดต่างประเทศหรือไม่ (ใช่/ไม่ใช่ โปรดอธิบาย) |

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| Market | Does market knowledge get from participating international tradeshow result in selecting contract agreement such as franchising/ licensing as foreign market entry mode? (Yes/ No, please explain)<br><br>ความรู้ทางตลาดที่ได้รับจากการร่วมงานแสดงสินค้าพัฒนาการจัดส่งผลให้เลือกการทำสัญญาทางการค้า เช่น สิทธิแฟรนไชส์/ ใบอนุญาต เป็นวิธีการเข้าตลาดต่างประเทศ หรือไม่ (ใช่/ไม่ใช่ โปรดอธิบาย) |
| Product | Does product knowledge get from participating international tradeshow result in selecting contract agreement such as franchising/ licensing as foreign market entry mode? (Yes/ No, please explain)<br><br>ความรู้ด้านสินค้าที่ได้รับจากการร่วมงานแสดงสินค้าพัฒนาการจัดส่งผลให้เลือกการทำสัญญาทางการค้า เช่น สิทธิแฟรนไชส์/ ใบอนุญาต เป็นวิธีการเข้าตลาดต่างประเทศ หรือไม่ (ใช่/ไม่ใช่ โปรดอธิบาย) |
| Cultural | Does cultural knowledge get from participating international tradeshow result in selecting contract agreement such as franchising/ licensing as foreign market entry mode? (Yes/ No, please explain)<br><br>ความรู้ด้านวัฒนธรรมที่ได้รับจากการร่วมงานแสดงสินค้าพัฒนาการจัดส่งผลให้เลือกการทำสัญญาทางการค้า เช่น สิทธิแฟรนไชส์/ ใบอนุญาต เป็นวิธีการเข้าตลาดต่างประเทศ หรือไม่ (ใช่/ไม่ใช่ โปรดอธิบาย) |
| Competitor | Does competitor knowledge get from participating international tradeshow result in selecting contract agreement such as franchising/ licensing as foreign market entry mode? (Yes/ No, please explain)<br><br>ความรู้ด้านคู่แข่งขันที่ได้รับจากการร่วมงานแสดงสินค้าพัฒนาการจัดส่งผลให้เลือกการทำสัญญาทางการค้า เช่น สิทธิแฟรนไชส์/ ใบอนุญาต เป็นวิธีการเข้าตลาดต่างประเทศ หรือไม่ (ใช่/ไม่ใช่ โปรดอธิบาย) |
| Technological | |

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| | Does technological knowledge get from participating international tradeshow result in selecting contract agreement such as franchising/ licensing as foreign market entry mode? (Yes/ No, please explain)<br><br>ความรู้ด้านเทคโนโลยีที่ได้รับจากการร่วมงานแสดงผลิตภัณฑ์นานาชาติส่งผลให้เลือกการทำสัญญาทางการค้า เช่น สิทธิแฟรนไชส์/ ใบอนุญาต เป็นวิธีการเข้าตลาดต่างประเทศหรือไม่ (ใช่/ไม่ใช่ โปรดอธิบาย) |
| Network and contractual agreement entry mode | Does network get from participating international tradeshow result in selecting contract agreement such as franchising/ licensing as foreign market entry mode? (Yes/ No, please explain)<br><br>เครือข่ายที่ได้รับจากการร่วมงานแสดงผลิตภัณฑ์นานาชาติส่งผลให้เลือกการทำสัญญาทางการค้า เช่น สิทธิแฟรนไชส์/ ใบอนุญาต เป็นวิธีการเข้าตลาดต่างประเทศหรือไม่ (ใช่/ไม่ใช่ โปรดอธิบาย) |
| Buyer | Does buyer network get from participating international tradeshow result in selecting contract agreement such as franchising/ licensing as foreign market entry mode? (Yes/ No, please explain)<br><br>เครือข่ายผู้ซื้อที่ได้รับจากการร่วมงานแสดงผลิตภัณฑ์นานาชาติส่งผลให้เลือกการทำสัญญาทางการค้า เช่น สิทธิแฟรนไชส์/ ใบอนุญาต เป็นวิธีการเข้าตลาดต่างประเทศหรือไม่ (ใช่/ไม่ใช่ โปรดอธิบาย) |
| Competitor | Does Competitor network get from participating international tradeshow result in selecting contract agreement such as franchising/ licensing as foreign market entry mode? (Yes/ No, please explain) |

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| Supplier | เครื่องมูปแซ่งที่ได้รับจากการร่วมงานแสดงสค์ลิตภัณฑ์นานาชาติส่งผลให้เลือกการทำสัญญาทางการค้า เช่น สิทธิ์แฟรนไชส์/ ใบอนุญาต เป็นวิธีการเข้าตลาดต่างประเทศหรือไม่ (ใช่/ไม่ใช่ โปรดอธิบาย) <br><br> Does supplier network get from participating international tradeshow result in selecting contract agreement such as franchising/ licensing as foreign market entry mode? (Yes/ No, please explain) |
| Prof. and Government | เครื่องมูปชื่อจากผู้เชี่ยวชาญ/ วัตถุดินที่ได้รับจากการร่วมงานแสดงสค์ลิตภัณฑ์นานาชาติส่งผลให้เลือกการทำสัญญาทางการค้า เช่น สิทธิ์แฟรนไชส์/ ใบอนุญาต เป็นวิธีการเข้าตลาดต่างประเทศหรือไม่ (ใช่/ไม่ใช่ โปรดอธิบาย) <br><br> Does professional and government network get from participating international tradeshow result in selecting contract agreement such as franchising/ licensing as foreign market entry mode? (Yes/ No, please explain) |
| Investment entry mode | เครื่องมูปเชียวจากทุนและการลงทุน ได้รับจากการร่วมงานแสดงสค์ลิตภัณฑ์นานาชาติส่งผลให้เลือกการทำสัญญาทางการค้า เช่น สิทธิ์แฟรนไชส์/ ใบอนุญาต เป็นวิธีการเข้าตลาดต่างประเทศหรือไม่ (ใช่/ไม่ใช่ โปรดอธิบาย) <br><br> Do you have partially or wholly owned subsidiary in overseas country? <br> บริษัทของคุณมีหุ้นส่วน หรือเป็นเจ้าของทั้งหมดต่อเพียงผู้เดียว ในต่างประเทศหรือไม่? |
| Knowledge and investment entry mode | Does knowledge get from participating international tradeshow result in selecting investment such as joint venture or wholly own subsidiary as foreign market entry mode? (Yes/ No, please explain) <br><br> ความรู้ที่ได้รับจากการร่วมงานแสดงสค์ลิตภัณฑ์นานาชาติส่งผลให้เลือกการลงทุน เช่น กิจการร่วมค้า หรือการเป็นเจ้าของสถานต่ำเพียงผู้เดียว เป็นวิธีการเข้าตลาดต่างประเทศหรือไม่ (ใช่/ไม่ใช่ โปรดอธิบาย) |
| Market | |

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| Product | Does market knowledge get from participating international tradeshow result in selecting *investment* such as joint venture or wholly own subsidiary as foreign market entry mode? (Yes/ No, please explain)<br><br>ความรู้ทางตลาดที่ได้รับจากการร่วมงานแสดงสินค้าต่างประเทศพัฒนาการตัดสินผลให้เลือกการลงทุน เช่น กิจการร่วมค้า หรือการเป็นเจ้าของสาขาแต่เพียงผู้เดียว เป็นวิธีการเข้าถึงตลาดต่างประเทศ หรือไม่ (ใช่/ไม่ใช่ โปรดอธิบาย) |
| Cultural | Does product knowledge get from participating international tradeshow result in selecting *investment* such as joint venture or wholly own subsidiary as foreign market entry mode? (Yes/ No, please explain)<br><br>ความรู้ด้านผลิตภัณฑ์ที่ได้รับจากการร่วมงานแสดงสินค้าพัฒนาการตัดสินผลที่เลือกการลงทุน เช่น กิจการร่วมค้า หรือการเป็นเจ้าของสาขาแต่เพียงผู้เดียว เป็นวิธีการเข้าถึงตลาดต่างประเทศ หรือไม่ (ใช่/ไม่ใช่ โปรดอธิบาย) |
| Competitor | Does cultural knowledge get from participating international tradeshow result in selecting *investment* such as joint venture or wholly own subsidiary as foreign market entry mode? (Yes/ No, please explain)<br><br>ความรู้ด้านวัฒนธรรมที่ได้รับจากการร่วมงานแสดงสินค้าพัฒนาการตัดสินผลให้เลือกการ ลงทุน เช่น กิจการร่วมค้า หรือการเป็นเจ้าของสาขาแต่เพียงผู้เดียว เป็นวิธีการเข้าถึงตลาด ต่างประเทศหรือไม่ (ใช่/ไม่ใช่ โปรดอธิบาย) |
| Technological | Does competitor knowledge get from participating international tradeshow result in selecting *investment* such as joint venture or wholly own subsidiary as foreign market entry mode? (Yes/ No, please explain)<br><br>ความรู้ด้านคู่แข่งขันที่ได้รับจากการร่วมงานแสดงสินค้าพัฒนาการตัดสินผลที่เลือกการลงทุน เช่น กิจการร่วมค้า หรือการเป็นเจ้าของสาขาแต่เพียงผู้เดียว เป็นวิธีการเข้าถึงตลาดต่างประเทศ หรือไม่ (ใช่/ไม่ใช่ โปรดอธิบาย) |

| | | Does technological knowledge get from participating international tradeshow result in selecting *investment* such as joint venture or wholly own subsidiary as foreign market entry mode? (Yes/ No, please explain)<br><br>ความรู้ด้านเทคโนโลยีที่ได้รับจากการร่วมงานแสดงสินค้านานาชาติส่งผลให้เลือกการลงทุน เช่น กิจการร่วมค้า หรือการเป็นเจ้าของสาขาแต่เพียงผู้เดียว เป็นวิธีการเข้าสู่ตลาดต่างประเทศหรือไม่ (ใช่/ไม่ใช่ โปรดอธิบาย) |
| Network and investment entry mode | | Does network get from participating international tradeshow result in selecting investment such as joint venture or wholly own subsidiary as foreign market entry mode? (Yes/ No, please explain)<br><br>เครือข่ายที่ได้รับจากการร่วมงานแสดงสินค้าส่งผลให้เลือกการลงทุน เช่น กิจการร่วมค้า หรือการเป็นเจ้าของสาขาแต่เพียงผู้เดียว เป็นวิธีการเข้าสู่ตลาดต่างประเทศ หรือไม่ (ใช่/ไม่ใช่ โปรดอธิบาย) |
| | Buyer | Does buyer network get from participating international tradeshow result in selecting investment such as joint venture or wholly own subsidiary as foreign market entry mode? (Yes/ No, please explain)<br><br>เครือข่ายผู้ซื้อที่ได้รับจากการร่วมงานแสดงสินค้าส่งผลให้เลือกการลงทุน เช่น กิจการร่วมค้า หรือการเป็นเจ้าของสาขาแต่เพียงผู้เดียว เป็นวิธีการเข้าสู่ตลาดต่างประเทศ หรือไม่ (ใช่/ไม่ใช่ โปรดอธิบาย) |
| | Competitor | Does competitor network get from participating international tradeshow result in selecting investment such as joint venture or wholly own subsidiary as foreign market entry mode? (Yes/ No, please explain)<br><br>เครือข่ายคู่แข่งขันที่ได้รับจากการร่วมงานแสดงสินค้าส่งผลให้เลือกการลงทุน เช่น กิจการร่วมค้า หรือการเป็นเจ้าของสาขาแต่เพียงผู้เดียว เป็นวิธีการเข้าสู่ตลาดต่างประเทศ หรือไม่ (ใช่/ไม่ใช่ โปรดอธิบาย) |
| | Supplier | |

| | | English | Thai | Reference |
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| | | Does supplier network get from participating international tradeshow result in selecting investment such as joint venture or wholly own subsidiary as foreign market entry mode? (Yes/ No, please explain) | เครือข่ายผู้จัดหาผลิตภัณฑ์/วัตถุดิบที่ได้รับจากการร่วมงานแสดงผลิตภัณฑ์นานาชาติส่งผลให้เลือกการลงทุน เช่น กิจการร่วมค้า หรือการเป็นเจ้าของสาขาแต่เพียงผู้เดียว เป็นวิธีการเข้าสู่ตลาดต่างประเทศหรือไม่ (ใช่/ไม่ใช่ โปรดอธิบาย) | Chelliah S. et al (2010) |
| | Prof. and Government | Does professional and government network get from participating international tradeshow result in selecting investment such as joint venture or wholly own subsidiary as foreign market entry mode? (Yes/ No, please explain) | เครือข่ายผู้เชี่ยวชาญและภาครัฐที่ได้รับจากการร่วมงานแสดงผลิตภัณฑ์นานาชาติส่งผลให้เลือกการลงทุน เช่น กิจการร่วมค้า หรือการเป็นเจ้าของสาขาแต่เพียงผู้เดียว เป็นวิธีการเข้าสู่ตลาดต่างประเทศหรือไม่ (ใช่/ไม่ใช่ โปรดอธิบาย) | |
| 8. Entry Mode Pace | Entry mode pace | How long has your company been actively involves in exporting or doing overseas business? | บริษัท ของคุณ ได้เริ่มกิจกรรมการส่งออกหรือทำธุรกิจ ในต่างประเทศนานเท่าใด? | -How long has your company been actively involves in exporting? (Chelliah) |
| | Entry mode pace trade show | How long does it take from participating trade show to achieve first international sale in new overseas market(s)? | ต้องใช้เวลานานเท่าไดจากการเข้าร่วมงานแสดงผลิตภัณฑ์จึงได้มีการขายผลิตภัณฑ์/บริการ ในต่างประเทศครั้งแรกในตลาดต่างประเทศใหม่(ตลาดที่ไม่เคยมีการ ขายมาก่อน)? | -Year of first international sales (Evers) - Internationalization Pace: Stage: Gradual entering to international business through series of stages. |
| | Knowledge and entry mode pace | Does knowledge contribute to first international sale in the new overseas in term of accelerating the sale? (Yes/No). | ความรู้มีส่วนช่วยในการขายผลิตภัณฑ์/บริการ ไปต่างประเทศเป็นครั้งแรก หรือไม่? (ใช่/ไม่ใช่) | -Evers N., Knight J. 2012<br>-Testa S. (2011) |
| | Market | Does market knowledge contribute to first international sale in the new overseas in term of accelerating the sale? (Yes/No) If yes,… | ความรู้ด้านตลาดมีส่วนช่วยในการช่วยเร่งการขายผลิตภัณฑ์/บริการ ไปต่างประเทศเป็นครั้ง แรกหรือไม่? (ใช่ / ไม่ใช่) ถ้าใช่ … | Born Global: seeks to derive significant competitive advantage from the use of resources and the sale of outputs in multiple countries |

| | | Born-again global: well established in domestic markets, with no motivation to internationalize, suddenly, embrace rapid and dedicated internationalization (Testa) |
|---|---|---|
| Product | How many overseas countries?<br>ขายผลต่างประเทศกี่ประเทศ?<br><br>How long does it take from participating trade show to first international sale?<br><br>ใช้เวลานานเท่าใดจากการเข้าร่วมงานแสดงสินค้าฯเพื่อการขายระหว่างประเทศครั้งแรก?<br><br>Does product knowledge contribute to first international sale in the new overseas in term of accelerating the sale? (Yes/No) If yes,….<br>ความรู้ในผลิตภัณฑ์มีส่วนช่วยในการขายระหว่างประเทศฯ/บริการ ไปต่างประเทศเป็นครั้งแรกหรือไม่? (ใช่ / ไม่ใช่) ถ้าใช่ ….<br><br>How many overseas countries?<br>ขายผลต่างประเทศกี่ประเทศ?<br><br>How long does it take from participating trade show to first international sale? | |
| Cultural | ใช้เวลานานเท่าใดจากการเข้าร่วมงานแสดงสินค้าฯเพื่อการขายระหว่างประเทศครั้งแรก?<br><br>Does cultural knowledge contribute to first international sale in the new overseas in term of accelerating the sale? (Yes/No) If yes,….<br>ความรู้ในวัฒนธรรมมีส่วนช่วยในการขายระหว่างประเทศฯ/บริการ ไปต่างประเทศเป็นครั้งแรกหรือไม่? (ใช่ / ไม่ใช่) ถ้าใช่ ….<br><br>How many overseas countries?<br>ขายผลต่างประเทศกี่ประเทศ?<br><br>How long does it take from participating trade show to first international sale? | |

| Competitor | ใช้เวลานานเท่าใดจากการเข้าร่วมงานแสดงสินค้าเพื่อนำมาขายต่อการขายระหว่างประเทศครั้งแรก?<br><br>Does competitor knowledge contribute to first international sale in the new overseas in term of accelerating the sale? (Yes/No) If yes,....<br>ความรู้ด้านคู่แข่งมีส่วนช่วยในการช่วยเร่งการขายผลิตภัณฑ์/บริการ ไปต่างประเทศเป็นครั้งแรกหรือไม่? (ใช่ / ไม่ใช่) ถ้าใช่ ….<br><br>How many overseas countries?<br>ขายตลาดต่างประเทศกี่ประเทศ?<br><br>How long does it take from participating trade show to first international sale?<br>ใช้เวลานานเท่าใดจากการเข้าร่วมงานแสดงสินค้าเพื่อนำมาขายต่อการขายระหว่างประเทศครั้งแรก? | | |
| Technological | Does technological knowledge contribute to first international sale in the new overseas in term of accelerating the sale? (Yes/No) If yes,....<br>ความรู้ด้านเทคโนโลยีมีส่วนช่วยในการช่วยเร่งการขายผลิตภัณฑ์/บริการ ไปต่างประเทศเป็นครั้งแรกหรือไม่? (ใช่ / ไม่ใช่) ถ้าใช่ ….<br><br>How many overseas countries?<br>ขายตลาดต่างประเทศกี่ประเทศ?<br><br>How long does it take from participating trade show to first international sale?<br>ใช้เวลานานเท่าใดจากการเข้าร่วมงานแสดงสินค้าเพื่อนำมาขายต่อการขายระหว่างประเทศครั้งแรก? | | |

| Network and Entry mode pace | | Does network contribute to first international sale in the new overseas in term of accelerating the sale? (Yes/No) |
|---|---|---|
| | Buyer | Does buyer network contribute to first international sale in the new overseas in term of accelerating the sale? (Yes/No) If yes,... เครือข่ายผู้ซื้อมีส่วนร่วมในการช่วยเร่งการขายสินค้าผลิตภัณฑ์/บริการไปต่างประเทศในครั้งแรก หรือไม่? (ใช่ / ไม่ใช่) ถ้าใช่ ... How many overseas countries? ขายตลาดต่างประเทศกี่ประเทศ? How long does it take from participating trade show to first international sale? ใช้เวลานานเท่าใดตั้งแต่การเข้าร่วมงานแสดงสินค้าผลิตภัณฑ์จนนำมาขายสินค้าเพื่อการขายระหว่างประเทศ ครั้งแรก? |
| | Competitor | Does competitor network contribute to first international sale in the new overseas in term of accelerating the sale? (Yes/No) If yes,... เครือข่ายคู่แข่งมีส่วนช่วยในการช่วยเร่งการขายสินค้าผลิตภัณฑ์/บริการไปต่างประเทศเป็นครั้ง แรกหรือไม่? (ใช่ / ไม่ใช่) ถ้าใช่ ... How many overseas countries? ขายตลาดต่างประเทศกี่ประเทศ? How long does it take from participating trade show to first international sale? ใช้เวลานานเท่าใดตั้งแต่การเข้าร่วมงานแสดงสินค้าผลิตภัณฑ์จนนำมาขายสินค้าเพื่อการขายระหว่างประเทศ ครั้งแรก? |

| | |
|---|---|
| Supplier | Does supplier network contribute to first international sale in the new overseas in term of accelerating the sale? (Yes/No) If yes,… เครือข่ายผู้จัดหาผลิตภัณฑ์/วัตถุดิบมีส่วนช่วยในการช่วยเร่งการขายผลิตภัณฑ์/บริการฯไป ต่างประเทศเป็นครั้งแรกหรือไม่? (ใช่ / ไม่ใช่) ถ้าใช่ … How many overseas countries? ขายผลิตภัณฑ์ไปต่างประเทศกี่ประเทศ? How long does it take from participating trade show to first international sale? ใช้เวลานานเท่าใดจากการเข้าร่วมงานแสดงผลิตภัณฑ์ฯนานาชาติเพื่อการขายผลิตภัณฑ์ไปต่างประเทศระหว่างประเทศ ครั้งแรก? |
| Prof. and Government | Does professional and government network contribute to first international sale in the new overseas in term of accelerating the sale? (Yes/No) If yes,… เครือข่ายผู้เชี่ยวชาญและภาครัฐมีส่วนช่วยในการช่วยเร่งการขายผลิตภัณฑ์/บริการฯ/ไป ต่างประเทศเป็นครั้งแรกหรือไม่? (ใช่ / ไม่ใช่) ถ้าใช่ …. How many overseas countries? ขายผลิตภัณฑ์ไปต่างประเทศกี่ประเทศ? How long does it take from participating trade show to first international sale? ใช้เวลานานเท่าใดจากการเข้าร่วมงานแสดงผลิตภัณฑ์ฯนานาชาติเพื่อการขายระหว่างประเทศ ครั้งแรก? |

# VITA

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