

THE ROLE OF NETWORKS IN THE INTERNATIONALIZATION PROCESS OF TURKISH FURNITURE SMEs

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Abstract

This paper examines the role of business network relationships in the internationalization process of Turkish furniture SMEs located in the Bursa-Inegol zone. The research is based on information gathered from a sample of six firms. A qualitative exploratory approach is adopted in order to find a better understanding of the phenomenon and to show a better picture of the role network relationships in the internationalization process of furniture SMEs in Turkey. Findings indicate that the network relationships have had a significant influence on the growth of four furniture SMEs in international markets. Through networks the furniture SMEs could access to valuable information and knowledge about markets, customers' needs and desires, learn about new foreign market opportunities, guarantee annually economic growth of the firm, and learn about various international furniture exhibitions that are held in different countries. Survey results also suggest that Turkish furniture SMEs used all three types of network relationships: formal, informal, and intermediary in their international connections. Finally, among four different types of internationalization in the network theory, two firms can be classified in the late starter situation, and four other companies can be placed in the international among others.

Keywords: *Turkish Furniture SMEs; Role of Networks; Internationalization process; Network Relationships; Turkish SMEs Internationalization*

INTRODUCTION

The network model is a more recent internationalization theory (Hollensen, 2007). The approach was popularized in the early 1980s when a couple of Swedish studies recognized the influence of networks on internationalization (Johanson & Mattsson, 1988). This internationalization process is supported by relationships that every company is a part of networks (Fuller-Love & Thomas, 2004). The main distinguishing factor between incremental internationalization models, such as the original Uppsala model (Johanson & Wiedersheim-Paul, 1975), and the network model is that the network model is not gradually progressing in nature (Johanson & Vahlne, 2003). The importance of issue motivated authors of some traditional theories of internationalization to revisit their models such as that of Uppsala or stage model of internationalization in the light of changes created by network relationships. Authors of Uppsala (Johanson & Vahlne, 2009) argue that now the business environment is viewed as a web of relationships, a network, rather than as a neoclassical market with many independent suppliers and customers.

Furniture sector in Turkey has become important knowledge and capital intensive manufacturing subsection with production contribution of 3% country manufacturing industry. In recent years, Turkey has been included among 5 countries which had the most increased export ratio. Accordingly, furniture sector in Turkey become one of the limited industry sectors which have no foreign trade deficits with gradually increasing export value since 2001 (TOBB, 2014). The main reason for this transformation is internationalization that emerged from the 1990s (Serin et al., 2014) as a result of growing numbers of internationalized SMEs in the World. Coviello and McAuley (1999) argue that before the 1990s there was a common opinion that small and medium-sized enterprises (SMEs) have limited possibilities for expanding their activities abroad. With the increase of competition in these years, plants that produce at the economy of scale and world standards were established which helped the furniture sector in Turkey to find a good position of selling products to both domestic and foreign markets (Serin et al., 2014).

These facts and figures indicate that furniture SMEs in Turkey have had an incredible effort in order to internationalize their products in the last decades which helped them to reach a significant growth in the foreign markets and find a good position among the furniture market leaders in the world. This incredible growth of SMEs has been at the same time with the appearance of network business relationships in the internationalization of firms. The importance of issue motivated authors to examine the role of network relationships in the internationalization process which is passed by Turkish furniture SMEs. Therefore, the aim of

this paper is to address one major research question: How do network relationships influence internationalization process of Turkish furniture firms?

The remainder of this paper is structured as follows. First, an overview of the literature on the related issues including the network concept, network models and the role of networks in the internationalization process of the firm will be provided. Then, furniture industry in Turkey will be introduced and the importance of Bursa-İnegöl region for furniture industry will be indicated. After the research methods selected for this study are presented, the empirical findings resulted from a semi-structured interview with six Turkish Furniture SMEs will be discussed in relation to the reviewed literature. Finally, conclusions and suggestions for further research will be provided.

NETWORK APPROACH OF INTERNATIONALIZATION

The network approach stresses on becoming a player in the network through the actual process of market entry, in contrast to the conventional internationalization approach such as Uppsala that stresses on planning and deciding about how to enter to international markets (Salmi, 2000). In Uppsala model, for example, process of internationalization progresses step-by-step: the first step of internationalization or operating in foreign market is sporadic or occasional export activities, then exports through independent representatives or sale agents, then establishment of a branch or a sale subsidiary in the foreign country, and finally establishments of production units in the foreign country (Johanson & Associates, 1994). Therefore, the basic distinction between traditional internationalization theories and the network theory is that the network model is not incrementally progressing in nature. Besides, the network model is concerned with relationships among partners in the network, while in original Uppsala model focus is on psychic distance and countries that a firm should enter (Johanson & Vahlne, 2003). In the network model of internationalization, each firm can modify its structure within the network by establishing a new relationship or by breaking off the old one. As a result, a firm in the network environment will be able to response faster to the changing conditions of business fields, such as those where technical change is very rapid, because of its flexible structure (Hollensen, 2007). For instance, the modern high-technology companies do not apply gradual growing process, rather they gain a swift internationalization through resources and experience of network partners (Mitgwe, 2006).

According to the network theorists, internationalization is a natural development that gains through network relationships with various foreign partners including competitors, suppliers, distributors, customers, non-profit organizations, and etc. (Johansson & Mattson, 1988). Johanson and Vahlne (2009), define business networks as relationships that are

connected to each other like webs so that one exchange is related to another exchange. Solberg and Durrieu (2006), indicate that networks are relationships interrelated both at the organizational level and at the individual level. Johanson and Mattsson (1988), argue that firms in the networks are dependent on each other because of their deficiency of resources. Therefore, they will be able to access to these resources that are controlled by other companies through reinforcing and developing their position in the network. As a result, the common interest of network members is to develop their relationships because of mutual benefits that they acquire in this way (Johanson & Vahlne, 2003). Based on network approach, therefore, cooperation is more efficient than competition. It means it is better for companies' development to share their capabilities and resources. In this way, firms can access to the experience of each other with no need to necessarily experience themselves by spending money and time. In addition to acquiring knowledge about the partner's needs, strategies, and capabilities, a firm can also learn about market networks and the latter's business conditions (Johanson & Johanson, 1999). As a consequence, an internationalized company can have most of its physical assets in its own country, but still be a significant player in a global network (Björkman & Forsgren, 2000).

Network Theory

The network theory of internationalization presented by Johanson and Mattsson in the late 1980s (Ojala, 2009) when the fact of using network relationships for facilitating international operations became clear (Johanson & Mattsson, 1988). Johanson and Mattsson (1988), argue when a company become a member of a network not only the number of relationships within the network increases, but also the relationships become stronger which help companies to extend their business more and more. The firm can gain penetration by increasing commitment and trust in already established networks. When firm could penetrate in foreign markets, then it can integrate with international firms by using the network (Masum & Fernandez, 2008).

Network Relations Type

According to Axelsson and Johanson, there are three ways to become international in the network model: (1) Establish positions in country-based networks that are new to the firm (international extension of foreign market entry); (2) Develop existing positions in country-based networks further (penetration); (3) Increase coordination between positions in different country-based networks (international integration) (as cited in Hiltunen & Kuusisto, 2010). Therefore, in this model internationalization starts when a company begins to extend its relationships with another company that is a member of an international network (Johanson & Mattsson, 1988). As a

result, these relationships act as a bridge among various firms from different countries (Johanson & Vahlne, 1990). According to Ojala (2009), network relationships can be divided into three types of formal, informal, and intermediary business relationships. Formal business relationships refer to relationships among two or more members of a network, while informal business relationships related to personal relationships between family members and friends. Eventually, intermediary relationships refer to those kinds of business relationships that a third party such as brokers facilitates the connection between the seller and the buyer by making them familiar with each other (Ojala, 2009).

Development of Network Relations

Development of these relationships with other actors in the market can be passive or active (Ojala, 2009). If the initiation comes from the seller it is called active networking, but if, the initiative is taken by supplier, intermediate, importer, or customer, it is called passive networking (Johanson & Mattsson, 1988). Rapid internationalization of the company can be achieved by these two kinds of networking because network connects sellers and buyers to each other and open new opportunities in foreign markets (Mitgwe, 2006). However, ties within the network can be strong or weak. Ties in the network are strong when the relationships and interactions of the firms are tight dependent on the trust between them. On the other hand, ties in the network are weak when there is a distance between the relationships and interactions of the firms, and they require time for adaptation. Furthermore, ties are not static because as time passes they change from strong to weak or from weak to strong (Granovetter, 1973).

Internationalization Types based on Network Theory

According to Hollensen (2007) 'production net' contains relationships between those firms whose activities together produce functions linked to a specific area. The degree that a company is internationalized demonstrates how strong or integrated the positions of the company in various foreign nets are. Therefore, a production net would be more or less globalized. A low degree of internationalization of the production net implies that there are a few number of relationships between the various national parts of the international production net, and a high degree of internationalization of a production net shows that there are a high number of strong relationships between global nets (Hollensen, 2007). Johanson and Mattsson (1988) have identified four distinct situations for internationalization of firms and production networks. These four cases are the Early Starter, the Late Starter, the Lonely International, and the International among Others. The level of integration, penetration, and extension of internationalization, as well as level of experiential knowledge for firms in each case, is different.

The size of the firm can highly influence the flow of information and knowledge that the company acquires (Hadley & Wilson, 2003).

Table 1: Four Cases of Internationalization of a Firm

		Degree of Internationalization of the Market	
		Low	High
Degree of Internationalization of the Firm	Low	The early Starter	The Late Starter
	High	The Lonely International	The International among Others

Source: Johanson & Mattson (1988)

The Early Starter: This situation actually was a case for firms' internationalization in the early 20th century (Johanson & Mattsson, 1988), where there were no significant global relationships in domestic or oversea markets among suppliers, customers, and competitors (Hollensen, 2007). As a result of a lack of network relationships between firms, it was not possible for firms to acquire enough knowledge about the foreign operation. Therefore, the only way that they could penetrate the international markets was through gaining resources and size as well as increasing knowledge during the time. To decrease the risk of investment, companies would start their internationalization from nearby countries via agents or distributors (Johanson & Mattsson, 1988), and then opening sale subsidiary and finally production in the host country (i.e. Uppsala model of internationalization) (Hollensen, 2007). An alternative strategy for already big in size companies could access via Greenfield or acquisitions, which companies could acquire more knowledge by investing a high amount of money (Johanson & Mattsson, 1988).

The Lonely International: In this case, even though market environment has a domestic focus, but there are companies in this market that highly globalized before their competitors. Therefore, these companies already have a position within international networks (Johanson & Mattsson, 1988), and they already acquired enough information and knowledge for operating in the international markets. Operating in foreign markets is more favorable when the company has related knowledge and ability to perform it (Hiltunen & Kuusisto, 2010). In this case, the coordination of the global activities and adjustment of resources is harder for the internationalized firm (Daszkiewicz & Wach, 2012) because other parties in the production nets such as company's competitors, customers, and suppliers are not enough globalized. However, the internationalized firm, in this case, have competencies to attract other companies, and thereby promote the internationalization of its production net by connecting them to each other (Hollensen, 2007).

The Late Starter: In the late starter category, the firm is not globalized, while the market environment is highly internationalized. Therefore, for this type of firms need for coordination is much higher, because it is harder for them to find a place within the existing markets (Johanson & Mattsson, 1988). Other superiorities that the competitors have than these firms are their experimental knowledge (Johanson & Mattsson, 1988) and the fact that the best distributors are already linked to them (Hollensen, 2007). Even though internationalized firms may pull firms that are not globalized into foreign markets, however, there is also a possibility that they prevent firms' entrance into globalized markets (Daszkiewicz & Wach, 2012). How will the companies with different sizes go abroad in this situation? SMEs, in this case, have to be highly specialized in order to find a place in the production nets. On the other hand, LSEs that have become large in the local market have different and more complex conditions than SMEs, because they are often less specialized and thereby less flexible. One alternative for LSEs is to internationalize in oversea markets via joint venture or acquisition (Hollensen, 2007).

The International among Others: In this case, both the company and its environment are highly globalized. The company can use its relationships in various nets and connect them to each other in order to build a stronger production net. Therefore, in this category additional internationalization will be just marginal penetration and development (Johanson & Mattsson, 1988). Companies, in this case, can coordinate their sales by using their production capacity to sell the products and goods to other markets through networks or they can coordinate their sales by establishing a sale subsidiary in the foreign markets swiftly. Since in this category firms have enough business global knowledge, thus it is possible for them to set up subsidiaries (Hollensen, 2007). Firm's establishments are made particularly in the countries that the firm targets as its major market. The main advantage of firm's own subsidiaries is that they will protect the firm from predatory pricing, and thereby will discourage competitors (Johansson & Mattsson, 1988).

Role of Networks In the Internationalization of the Firm

Researchers have provided evidence on the role of network relationships for the growth of the firms in the international markets as well as providing some problems related to them. According to Johanson and Mattsson (1988), strategies and decisions of the firm regarding the internationalization process are influenced by network relationships. Coviello (2006), argues that the firm's decision regarding which foreign markets to be entered is strongly influenced by networks. Coviello and Munro (1995), also state that business relationships between firms are very important in the market selection process (Coviello & Munro, 1995). However, Ojala

(2009), discusses that the decision for entering the distant market is a result of the firm's own strategic reasons rather than influenced by networks.

Based on some studies (Oviatt & McDougall, 2005; Coviello, 2006) networks are very important for the initial stages of internationalization especially those of small and medium size entrepreneurial firms. Ojala (2009), adds that the relationships initiated by a third party (intermediaries) are essential for firms without any developed relationships with international markets. Through networks, firms can establish contacts and gain knowledge and information about international markets (Brown & Butler, 1993), access new resources (BarNir & Smith, 2002), build trust, reputation and value (Gulati, 1995), reduce costs and access to technology (Barringer, 1997), and finally gain credibility and governance (BarNir & Smith, 2002). However, according to Coviello and Munro (1995), network relationships of the decision makers may act as a trigger for the initial internationalization of firms or may also constrain firms in developing new relationships and pursuing specific marketing opportunities.

FURNITURE INDUSTRY IN TURKEY AND THE IMPORTANCE OF BURSA-INEGÖL REGION FOR FURNITURE INDUSTRY

Furniture sector in Anatolia has exhibited traces from Mesopotamia and Hittite civilizations which were established in ancient age. Industrialization of furniture making in Turkey has begun in the 1970s (as cited in Serin et al., 2014). Today furniture sector in Turkey has become important knowledge and capital intensive subsection by the production of 3% country manufacturing industry. The main reason for this transformation is emerging internationalization in the 1990s. With the increase of competition in these years, plants that produce at the economy of scale and world standards were established, which helped the furniture sector in Turkey to find a good position of selling products to both domestic and foreign markets (Serin et al., 2014).

According to the Union of Chambers and Commodity Exchanges of Turkey (2014), 25 countries out of 227 countries all over the world constitute around 90% of furniture exporters. Among these 25 countries, four countries produce more than half of the world's furniture production. The first country on the list is China by a ratio of 25% export. The USA with a share of 15% is the second leading country in this industry. Italy and Germany are the two other big furniture producers with a share of 8% and 7% respectively. Japan, France, Canada, United Kingdom and Poland are other important furniture exporters each one with a share of about 3%. Turkey like Brazil and Vietnam has around 1% share of this 146 billion dollars market. However, Turkey is included among 5 countries which had the most increased export ratio in recent years. These countries are China 26%, Mexico 21%, Portugal 17%, Vietnam 16%, and Turkey 15%.

These facts and figures obviously indicate that furniture firms in Turkey have had an incredible effort in order to internationalize their products ranging from hotel, hospital, vehicle, and office furniture to bathroom, kitchen, garden, and bedroom furniture in the recent years. Accordingly, furniture sector in Turkey become one of the limited industry sectors with no foreign trade deficits and gradually increasing export value since 2001 (TOBB, 2014).

The most effective cities of Turkey, which produce around 70% of all Turkish furniture are Istanbul, Bursa, Kayseri, Ankara, and Izmir (TOBB, 2014). The current study, however, explores the internationalization process of six Turkish furniture firms which are located in Bursa. Bursa-Inegol has high development dynamics to become a significant global furniture center because of its potential geographical conditions. Geographical advantage such as closeness to raw material resources and being located on the ancient Silk Road are two important properties that have facilitated development for furniture companies working in this region. Besides, the region after Kayseri has the greatest employment average and the third rank after Kayseri and Istanbul due to the distribution of exportation in Turkish furniture market (TOBB, 2014). While Kayseri and Istanbul mostly hosted medium and large scale furniture companies, Bursa-Inegöl region greatly hosted small and medium-sized ones. Because the survey aimed to search internationalization process of SMEs in the furniture industry, that's why the research is conducted in this region.

RESEARCH METHODOLOGY

As discussed previously little attention has been devoted to the internationalization process of furniture firms in Turkey. As a result, the main purpose of this study has been to explain this process, and thereby fill the gap by providing a better understanding of the phenomenon. Therefore, in order to fulfill this aim, the purpose of this research would mainly be exploratory. According to prior knowledge and theories, an explanatory research is adopted to explain casual relationships between cause and effect (Yin, 2009). However, this research does not aim to explain what caused Turkish furniture firms to choose a specific pattern of internationalization, rather it intends to explore and describe what patterns of internationalization used by companies when they entered into foreign markets. Therefore, the research would be also descriptive to some extent, but not explanatory. By using exploratory elements, which are the interview with furniture companies' owners and the review of the related literature, the study tries to draw a better picture of the internationalization process of Turkish furniture enterprises.

The qualitative research approach was adopted because it is appropriate when the researchers have no previous understanding of the phenomenon (Bogdan & Taylor, 1987). As a results, through qualitative approach researchers can achieve a closer observation of

behavior of a firm (Firestore, 1993), discover the true inner meaning and new knowledge about it (Zikmund & Babin, 2010), and thereby describe, decode, and translate a certain naturally occurring phenomenon in the social world (Van Maannen, 1983). Coveillo (2005), argue that when examining the network relationships, a qualitative research approach is most relevant because it provides a deeper understanding of the phenomena. According to Silverman (1993), there are four major qualitative methods: observation, analyzing texts, interview, and recording and transcribing. Three of them include analyzing texts, semi-structured interview, and recording and transcribing were used for the current research.

The selected qualitative research approach provided a deeper understanding of the internationalization process by helping the authors to gather data about how Turkish furniture companies entered into international markets and about how some related factors such as networks relationships impacted their internationalization. Both primary and secondary data collections methods were used to meet more accurate answer for the research question. First, research started by reviewing and collecting secondary data about internationalization process of the firms from related journals, websites, and books. Then, primary data was collected by conducting face to face semi-structured interview with owners and managers of six Turkish furniture firms which already had a presence in international markets. The gathered data from the interviews and the complementary data extracted from the secondary resources enabled the authors to identify, understand and analyze the internationalization process of these SMEs within the international markets.

It would be superlative to use the whole population in every type of research to gather data, however, often it is not possible because of some restrictions. In practice, external factors such as time or financial resources may limit the collection of information (Robson, 2002). Because of above-mentioned restrictions, this study applied convenience sampling technique for selecting eligible furniture companies. Dörnyei (2007) argues that convenience sampling is a type of nonprobability sampling where members of the target population meet certain practical criteria such as easy accessibility, geographical proximity, availability at a given time, or the willingness to participate. Therefore, convenience sampling includes gathering data and information from those members of the population who are accessible to provide it conveniently (Sekaran, 1992). In that case, researchers often plan the sample size in advance (Eisenhardt, 1989). Eisenhardt (1989), suggests that four to ten cases are enough to provide material for analysis. As a result of above discussion, six Turkish furniture firms were targeted that geographically were close and accessibility to the owners of those companies was convenient. These case studies were selected according to the following criteria: (1) Turkish furniture SMEs which are located in Bursa-Inegol zone. (2) Those Turkish furniture SMEs which are already

internationalized and have a presence in foreign markets. The firms are Kenderler Orman Ürünleri, Alan Mobilya, Eral Mobilya, Pianta Koltuk, Saka Mobilya, and VA Home.

The research is based on information gathered from a sample of six Turkish furniture SMEs (Table 1). Interviews were conducted with the owners and managers of these six firms. Owners are the most relevant source of information for the researched area since they are directly involved in decision making regarding the export activities of firms. Respondents' length of work in the furniture companies varies from 7 to 19 years which show this fact that they had enough experience to satisfy the aims of this study. They are in order 9, 18, 19, 8, 12, and 7, for Kenderler Orman Ürünleri, Alan Mobilya, Eral Mobilya, Pianta Koltuk, Saka Mobilya, and VA Home managers. The numbers of full-time employees for mentioned SMEs are 23, 140, 28, 35, 65, and 30, respectively.

Table 1: Profile of Six Furniture SMEs

Name Of The Firm	Kenderler Orman	Alan Mobilya	Eral Mobilya	Pianta Koltuk	Saka Mobilya	VA Home Furniture
Sector	Timber Furniture	Furniture	Furniture	Chair	Home Furniture	Furniture
Respondent's Length of Work	9	18	19	8	12	7
Respondent's Position	Owner & Manager	Owner & Manager	Manager	Owner & Manager	Owner & Manager	Owner & Manager
Number of Full-Time Employees	23	140	28	35	65	30

Source: Interview (2016)

ANALYSIS AND DISCUSSION OF FINDINGS

Network Relations Type: The six furniture companies had some relationships with domestic and foreign distributors, suppliers, agent, and customers. Those relationships were mainly built based on their personal relationships. The second way that enabled Turkish furniture firms to access to the foreign network was being a member of a local association. Four from six companies were a member of IMOS (Inegol Mobilya Sanayicileri Dernegi) include Alan Mobilya, Eral Mobilya, Pianta Koltuk, and Va Home. Another association was ICCI (Inegol Chamber of Commerce and Industry) that Kenderler, Alan, Eral, and Saka firms had a membership (Table 2). There are other important local unions which firms participated such as Inegol Young

Businessmen Association, Istanbul Exporters Union, Industrial Trade Center of Turkey, and Independent Industrialist and Businessmen Association.

According to the owners and managers of six furniture SMEs, they made their personal relationships mostly by meeting their foreign counterparts in the international furniture fairs or exhibitions. They all agreed that presence in those fairs was essential for their marketing development and their growth in the foreign markets. The manager of VA Home Company believed that many travels to different countries also helped him to build more relationships with foreign partners. In addition, owners of Pianta Koltuk and Alan Mobilya argued that they used consultancy firms and trade companies to create a connection with foreign partners (Table 2). Therefore, they utilized a third party such as brokers who connect buyers and sellers to facilitate the building of the relationships with international markets.

The manager of VA Home Company argued that he had some strong personal relationships with domestic and foreign partners before the firm foundation. Five other firms, however, created the relationships in networks after their first internationalization (Kenderler Orman, Alan Mobilya, Eral Mobilya, Pianta Koltuk, Saka Mobilya). Besides, Kenderler and Alan firms only maintained their relationships in the first markets where they entered with no growth to other international markets. Therefore, it seems that the psychic distance was a more important factor for the establishment of firms' international operation than the network relationships at the first of their internationalization process, at least for five from six firms. However, four companies' managers (Eral Mobilya, Pianta Koltuk, Saka Mobilya, VA Home) argued that network relationships have been very useful for the growth of their firms in other foreign markets in the rest of their internationalization process (Table 2). On the other hand, manager of Alan Mobilya stated that the network relationships helped the firm to gain more growth rate in the first markets but not in the other international markets.

According to the owner of Pianta Koltuk, the most important advantage of network relationships was that they could assure annually economic growth of the firm. VA Home firm's owner argued that access to the valuable information about markets, customers' needs and desires have been significant benefits of networks for the firm development. The owner of Eral firm shared the same opinion that the business relationships provided them significant information and knowledge about new foreign market opportunities. According to the manager of Saka Mobilya, the firm could learn more about the types of products which are more profitable for export through network relationships. Therefore, in that way, they could produce goods based on customer's needs and desires and thereby reduce the risk of presence in foreign markets.

The manager of Alan firm argued that Turkish furniture firms by becoming a member of an association or a union could access to network information more easily. Otherwise, according to the manager of Kenderler Company, it was difficult for them to reach information provided by associations. Another benefit was that members by attending in the association could keep informed themselves about the international exhibitions and fairs that were held in different countries. According to the manager of VA Home firm, unions sometimes send members to different international fairs as well. In this way, companies are able to facilitate their marketing process and find more foreign partners.

Coviello (2006), and Johanson and Mattsson (1988) argue that the firm's decision regarding which foreign markets to be entered is strongly influenced by networks. However, it is interesting that managers of six case studies argued that their internationalization decisions are not necessarily influenced by associations or networks. Kenan kender owner of Kenderler Orman said that the firm internationalization decision is not influenced by associations. Five other furniture firms' managers also argued that associations do not influence their decisions necessarily, but they may change their decision based on the information provided by associations or unions. This is in line with the findings of Ojala (2009) that discusses that the decision for entering the distant market is a result of the firm's own strategic reasons rather than influenced by networks.

Findings illuminate that through networks the Turkish furniture companies could access to valuable information and knowledge about markets, customers' need and desires, and new foreign market opportunities (Brown & Butler, 1993; Johanson & Mattsson, 1988; Coviello & Munro, 1995; Johanson and Vahlne, 2003). Besides, they could guarantee annually economic growth of the firm, and learn about various international furniture fairs or exhibitions that are held in different countries. Presence in those fairs helped firms' managers to meet their international counterparts and establish personal relationships with them or engage in new networks of business relationships. According to Johanson and Vahlne (2009), information is told only to network insiders which confirmed by the owners and managers of six case studies that without becoming a member of an association or a union, they could not reach information provided by them easily.

As a result of all above discussions, companies take part in networks based on their personal relationship or by becoming a member of an association. All companies are the member of at least one union which they think have helped their companies to find more opportunities in foreign markets, facilitated their marketing, and provided useful information about what kind of product they produce for example in different seasons. Besides, some furniture SMEs also utilized a third party such as brokers who connect buyers and sellers to

facilitate the building of the relationships with international markets. Therefore, the results demonstrate that Turkish furniture SMEs used the three types of network relationships which are formal, informal (Ojala, 2009; Coviello & Munro, 1995), and intermediary where there is no direct contact between the seller and the buyer (Ojala, 2009; Chetty & Holm, 2000; Oviatt & McDougall, 2005).

Development of Network Relations: Turkish furniture SMEs developed their international relationships both in the passive and active way. The personal relationships of managers and owners of SMEs built mostly by meeting their foreign counterparts, agents, distributors, or customers in the international furniture fairs. Sometimes initiative is taken by furniture managers as the sellers that called active networking and sometimes the relationship started by a foreign supplier, intermediate, importer, or customer that is called passive networking (Ojala, 2009; Johanson & Mattsson, 1988). The VA Home firm's manager also built active relationships by traveling to various countries and meeting foreign agents. According to Oviatt and McDougall (2005) and Coviello (2006), networks are very important for the initial stages of internationalization, especially for SMEs. However, findings of this study indicate that five sample cases created their relationships in the networks after their first internationalization. Only one firm that started its internationalization right from the inception already had some personal relationships with networks. On the other hand, findings show that network relationships had a significant influence on the growth of four Turkish furniture companies in the sample study include Eral Mobilya, Pianta Koltuk, Saka Mobilya, and VA Home firms. The furniture managers argue that they aim to make more and stronger relationships by attending in new networks and by increasing their share in the foreign markets. Therefore, based on the network approach they believe that the cooperation is much more efficient than the competition, and thereby it is better for companies' development to share their capabilities and resources (Johanson & Johanson, 1999).

Internationalization Types based on Network Theory: According to the findings gained from internationalization process of six Turkish furniture firms, it is realized that, although the concept of psychic distance was a significant issue in the internationalization of six furniture firms, but none of them followed the traditional models of internationalization. However, the revised model of Uppsala and Born Globals or International New Ventures (INVs), which are based on network relationships can be applied to four furniture firms (VA Home, Saka Mobilya, Pianta Koltuk, and Eral Mobilya). These findings highlight more the role of business networks relationships in the internationalization process of Turkish furniture firms. According to Johanson & Vahlne (2003), the main difference between gradual internationalization models, such as the original Uppsala

model (Johanson & Wiedersheim-Paul, 1975), and the network model is that the network model is not gradually progressing in nature which is confirmed by findings of this study.

Furthermore, according to the network theory of internationalization six Turkish furniture firms can be distinguished among four different internationalization situations (the early starter, the lonely international, the late starter, the international among others) as follows: Kenderler Orman and Alan Mobilya are in the late starter situation, because these firms are not enough globalized, while the market environment is highly internationalized. They only maintained their relationships in the first markets where they entered with no growth to other international markets. They should try to cooperate and coordinate with more international agents and specialize their products more and more to find a better position within the networks. Four other companies (Eral Mobilya, Pianta Koltuk, Saka Mobilya, and VA Home) can be placed in the international among others condition because network relationships have been very useful for the growth of their firms in the foreign markets. At first, these four firms had no strong position in the network, therefore, they began internationalization by going to the countries with more proximity to Turkey in terms of language, culture, and geographical distance. Then when they found better and stronger position in the networks they went further away from markets, where they would see more opportunities such as Germany, France, Austria, swiss, and etc. Even though the four mentioned furniture firms are not highly internationalized as much as the markets are, however, at least in compare to other two investigated furniture SMEs in this study, it can be claimed that these four firms can be categorized in the international among other classification. These four firms can use their positions in one net for building bridges over the other nets if the lateral relations within the firm are strong (Johanson & Mattsson 1988).

Table 2: The Role of Network Relations on Internationalization Process of Six Furniture SMEs

Name of The Firm	Kenderler Orman	Alan Mobilya	Eral Mobilya	Pianta Koltuk	Saka Mobilya	VA Home Furniture
Member of an Association	ICCI; Some other	IMOS; ICCI; Some other	IMOS; ICCI; Some other	IMOS; Some other	ICCI; Some other	IMOS; Some other
How built network relationships?	International fairs	International fairs; Brokers	International fairs	International fairs; Brokers	International fairs	International fairs- Travels to Different Countries

When built network relationships?	After first Internationalization	After first Internationalization	After first Internationalization	After first Internationalization	After first Internationalization	Before first Internationalization
Role of networks for firm growth	Not important	Important for growth in the first markets	Very important	Very important	Very important	Very important
Networks advantages	Knowledge about fairs; Access to Information	Knowledge about fairs; Access to information	Knowledge about fairs	Knowledge about fairs; Assure annually growth	Knowledge about fairs; Access to information	Knowledge about fairs; Access to information
Association's influence on manager's decisions	Nothing	Not necessarily	Not necessarily	Not necessarily	Not necessarily	Not necessarily

Source: Interview (2016)

CONCLUSION AND SUGGESTIONS FOR FURTHER RESEARCH

This study investigated the role of networks in the internationalization process of Turkish furniture firms in a sample of six case studies located in the Bursa-Inegol region. So far, little attention has been devoted to the internationalization process of firms in Turkey, especially the role of network relationships in this process. One study conducted by Erdil (2012) through examination of secondary data from 1980 to 2010 about internationalization behavior of Turkish firms argue that “It seems that Turkish firms, in their internationalization process, use their network in addition to learning from existing export markets and market knowledge”. However, the study does not provide enough evidence for the claim.

According to the findings of the study, it can be concluded that network relationships have had a significant influence on the growth of four from six investigated Turkish furniture SMEs in the international market. Through networks the furniture SMEs could access to valuable information and knowledge about markets, customers' needs and desires, learn about new foreign market opportunities, guarantee annually economic growth of the firm, and learn about various international furniture exhibitions that are held in different countries. Results demonstrate that companies engage in networks based on their personal relationships or by

becoming a member of an association. Associations or unions provide market opportunities for the furniture firms. Besides, some furniture SMEs also utilized a third party such as brokers for connecting with international customers. Therefore, survey results demonstrate that Turkish furniture SMEs used all three types of network relationships: formal, informal, and intermediary.

Turkish furniture SMEs developed their international relationships both in the passive and active way because sometimes they started process of building relationships and sometimes they were asked to engage in networks by foreign agents or brokers. Among four different types of internationalization (the early starter, the lonely international, the late starter, the international among others) two firms can be classified in the late starter situation because these firms are not enough globalized, while the market environment is highly internationalized. Four other companies can be placed in the international among others because network relationships have been very useful for the growing of their firms in the foreign markets and finding better network position within the market that is highly internationalized.

The scope of this study is limited to the internationalization process of six Turkish furniture firms located in the Bursa-Inegol zone. However, it is recommended that further research should be carried out to strengthen existing knowledge on the subject matter: A more comprehensive research is needed that will involve more sample cases. The purpose of this survey was exploratory with a focus on a qualitative research methodology. However, other and more detailed researches can be conducted by taking more case studies with quantitative approach. Since quantitative research can cover more furniture firms, it would be interesting to make a comparison between the results of those studies and findings of the current study. It would also be a good idea to categorize companies based on the size and then study their internationalization process to find out whether the theories can explain the behavior of firms with a different size or not. For instance, further research can search differences between the internationalization process of small and large firms in different industries. Besides, this survey is conducted on furniture SMEs in Turkey, a developing country. In a developed country the internationalization process of SMEs may differ. Moreover, in any other industry, the same research may reveal different results. So it would better to repeat this survey on SMEs operating in other industries, in developed countries, and in under-developed countries. The results will provide a better explanation for internationalization process of SMEs based on network theory.

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