

The Research on the Relationship between Network, Resources Acquisition and Born Global Company's Internationalization – Based on Case Studies from China

Junjie Zhang^{1,2} & Rongyao Chen¹

¹ Xuri Business School, Donghua University, Shanghai, China

² Business School, Jiaying University, Jiaying, China

Correspondence: Junjie Zhang, Business School, Jiaying University, 56th South Yuexiu Road, Jiaying 314001, Zhejiang, China.

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Abstract

Based on social network theory and RBV theories, the paper adopts cross case studies research method to analyze how network relationship facilitates born global companies to acquire resources in their internationalization process through three Chinese born global company case studies. The research indicates that born global company's network relationship built up in internationalization process can be classified into domestic strong ties, domestic weak ties, foreign strong ties and foreign weak ties in line with network ties' strength and geographic dispersion. Those four types of network ties play very important as well as differentiated roles in Chinese born global companies' internationalization process.

Keywords: networks, resources acquisition, born global company

1. Introduction

Network relations are considered as one of the most important factors that influence new venture's internationalization process in international entrepreneurship research (McDougall and Oviatt 2000; Jones et al. 2011) Comparing with large company's international activities, small and new ventures need to depend on network relations and personal contacts in their internationalization process due to their constraints in financial resources, human resources, etc (Oviatt and McDougall 1994; Manalova et al. 2010). Network relations are conducive to formulate internationalization strategies for new ventures, and provide information, resources and contacts needed to expand overseas market, facilitate new venture to find out business partners (Mainela and Puhakka 2009). Previous international entrepreneurship literature has focused on the research of network relations' influences on new venture's internationalization and has viewed network as one of four necessary conditions for born global company's emergence, survival and development. However, extant research is still deficient in the following aspects: first, different types of network's influence on born global companies is still under research, contrast to domestic new ventures, networks of born global companies are extended in geographic locations, the question of what different roles of network embedded domestic and abroad have played in born global internationalization needs further analysis. Second, research about different types of born global networks is deficient in comparative studies. Especially, in recent years, phenomenon of overseas returnees returning their homeland to set up firms is more and more common. Comparing with domestic entrepreneurs, overseas returnee entrepreneurs have competitive advantages in knowing more about international market and international business operation. Thus, does any difference exist in utilizing different types of networks to facilitate firms internationalization between born global company set up by entrepreneurs with international background and others without international background? If some differences exist, what exactly are those differences? All those questions need to be more intensively studied.

Due to above research deficiency and gap, the paper selects three born global companies in China as case studies

based on social network theory and resource based view (RBV) perspective. Among them, one company is set up by an entrepreneur who does not have any international background, the other two companies are set up by overseas returnee entrepreneurs who have international education and working experiences. By applying multiple case study research method, the paper conducts a comparative analysis about the network type, feature and how they facilitate born global companies to acquire resources. Relative to previous research, the thesis expands Granovetter classification of strong and weak ties' application in born global company research (Granovetter, 1973), which would be constructive in better understanding about nature and features of born global company's network and knowing about strong and weak network ties' influences on born global company's internationalization, and push forward network perspective's application in international entrepreneurship research. In practice, the founders of born global companies would constitute network combination selectively according to their own situations. What government needs to do is not only supporting enterprise to join more international trade exhibitions or fairs but also helping them to set up more platforms to build up network relations for effective international activities.

2. Literature Review about Networks and Born Global Companies

2.1 Network Relations' Influence on Born Global Companies

Before the 1990s, contemplations about the internationalization of SMEs often concluded with discussions about how size limitations and newness often hampered these firms' internationalization (Coviello & McAuley, 1999). During the 1990s, however, more and more researchers started to report that certain SMEs became international rapidly despite the obstacles in their way (e.g., size and resource limitations) (Madsen & Servais, 1997). The studies about these so-called born global firms typically belong to the research field of international entrepreneurship. This field combines ideas from international business research, which has often focused on established multinational companies, and entrepreneurship research, which has primarily focused on venture creation and the management of SMEs within the domestic context. A current working definition of international entrepreneurship states that "international entrepreneurship is the discovery, enactment, evaluation, and exploitation of opportunities—across national borders—to create future goods and services" (Oviatt & McDougall, 2005). There is evidence to suggest that networks are particularly important for born global firms, given their resource constraints (Coviello & Munro 1995). Born globals tend to be vulnerable because they are frequently dependent upon a single product which they commercialize in lead markets first, regardless of where their markets are situated geographically. These firms often seek partners who complement their own competencies in these lead markets developing effective networks (Johanson & Mattsson, 1988; Oviatt & McDougall 1994; Madsen & Servais 1997; Coviello & Munro 1997). A number of researchers have argued that networks contribute to the success of born global firms by helping to identify new market opportunities and contribute to building market knowledge (Coviello & Munro 1995; Chetty & Campbell 2004). Other ways in which networks contribute to success have been explored. For example, Ritter and Gemünden (2003) sought to examine the characteristics of the company and its association with network competence, and the ability to establish and maintain networks. Jarillo (1988) and Chetty and Holm (2000) examined and categorized the born global firm's position in a network. Studies by Ritter and Gemünden (2003) and Chetty (2003) also investigated the development of knowledge-intensive products through networks. Others (Rasmussen et al. 2001; Andersson & Wictor 2003) examined the role of the entrepreneur in the developing network relationships. Moen et al (2004) identified the role of industry networks in the market entry forms and market selection of small software firms. Harris and Wheeler (2005) focused on the role of personal relationships of young entrepreneurs in internationalization, highlighting the origin of relationships, often outside a business context, and their impact on strategy as well as on market knowledge and access. Aspelund, et al. (2007) finds that actors that cooperate complement each other through their resources and that they are tied together through their activities. He claims that "close, regular and extensive interaction and exchanges with customers and third parties have enabled each of the firm in his study to win and retain important customers over the years". Sasi and Arenius, P. (2008) argue that cross-border activities with suppliers, customers and competitors should be arranged to maximize value creation. They also claim that "customer value is increasingly created through collaboration with partners and suppliers, there is a growing need for integration between the units responsible for these critical cross-boundary relationships". Further, they suggest that it is possible to create value beyond established competitors. Value can be achieved together with partners, both upstream and downstream in the company value chain. Customers' needs for better products comparing with those of competitors will create value for companies. Coviello and Cox (2006) add that the company's network is a resource for generating social capital, which can be used for the acquisition and development of resources. Networks and relations seem to be more important for company development. Kontinen, T and Ojala, A. (2011) conclude thus: "The influence of co-opetitive relations on the

exploration and exploitation of international opportunities within SMEs identified in their study emphasizes the importance of taking co-opetitive relations as a potential source of international opportunities into considerations, both in practice as well as in future research”.

2.2 Born Global Company Network Relation's Source and Choice

Andersson S. (2000) have viewed that entrepreneur's personal networks are the most crucial factor of born global company's internationalization strategy, especially those entrepreneur's personal ties beyond formal business environment. By comparing different sources of network, Mika and Kirpalani deemed that global partners' network through cooperation with multinational enterprises are more important channel than the Internet (Mika, Kirpalani, 2004). Chetty and Patterson's research has indicated how firms use existing mature network to create new networks in international market (Chetty S, Patterson A, 2002). According to Chinese companies' characteristics, Shenggang Ren and Ze Lin proposed that small and medium enterprises had better choose to set up network relations with multinational enterprises in industrial cluster, take advantage of multinational enterprise's business network to accelerate their own internationalization pace (Shenggang Ren, Ze Lin, 2006).

2.3 Strong Ties and Weak Ties

Currently, there is no universal and strict definition and operating measures about strong ties and weak ties, the strength of relationship ties are basically classified according to the degree of time invested, emotion, intimacy, trustworthiness and reciprocity. Strong ties always refers to ties of actors interact with high frequency and support each other in emotion, partners' interaction generally has features of reciprocity and retribution, such as network composed of relatives, classmates, friends and other intimate cooperator or stakeholders, while weak ties are mainly ties like acquaintance, they are obviously weaker than strong ties in interaction time, emotion strength, intimacy and reciprocity. Thus, Chinese scholar Xiaotao Yao (2008) has measured the strength degree of ties by classifying relatives, intimate contacts, general acquaintance and other ties. Yanjie Bian (2011) viewed strong ties as intimate teachers, classmates and colleagues and weak ties as preliminary acquaintance. Based on above research outcomes, the paper has also proposed measuring approaches of strong and weak ties, that is: the extent of intimacy of interviewee has mentioned, for example, friends, colleagues, classmates and cooperative partners who have intimate ties each other are regarded as strong ties; the extent of time and energy invested, for example, frequent contacts with governmental officials and key customers belong to strong ties, while regularly attending some exhibition to maintain the relationship are known as weak ties.

2.4 Born Global Company Network Relations' Development and Influential Factors

Ritter and Gemunden summarized that there are four factors influence born global company's network competence: resource acquisition, network orientation of human resource management, integration of communication structure and openness of corporate culture. (Ritter T, Gemunden, 2003) Since the position of network is very important for company's internationalization process, Johanson and Vahlne have placed particular emphasis on experiential learning in network organization, they deemed network relations are gradually developed by company's learning from each other and larger investment in relationship management (Johanson, Vahlne, 2003). Chetty and Holm discussed how companies use their business network in internationalization process based on dynamic perspective, they analyzed networks as role of bridges connecting different companies (Chetty, Holm, 2000). Sullivan and Weerawardena believed that born global company's founder and founding management team play very important roles in network capability establishment process, since network capability is path dependent (Sullivan, Weerawardena, 2006). Network capability is mainly build up and nurtured by entrepreneurs and founding team. Coviello analyzed born global company's network dynamic development mechanism, Prashantham and Dhanaraj took Indian companies in software industry as example, analyzed social capital's dynamic influence on new venture's internationalization, illustrated to entrepreneurs with global connection such as founders with overseas or MNE working experiences, how international social capital would decline or replenish as international activities evolve (Prashantham, Dhanaraj, 2010).

From above literature review we can find that networks are very crucial to born global's international development, scholars have made lots of progress in born global phenomenon research, however, some areas still have potential to be further analyzed: 1. Although networks have been widely recognized as factors which are very influential in born global company's internationalization, current research still has to do more in analyzing born global company's network development characteristics, especially about the comparison of overseas returnee entrepreneur's networks and domestic entrepreneur's networks. 2. Although most of extant research indicated that born global networks facilitate firms' internationalization, the question of how different types of

network influencing born global companies' resources acquisition is still not very clear.

3. Research Method – Case Studies

3.1 The Reason for Choosing Case Studies Research Method

We have preferred a qualitative approach in our research in order to understand early internationalization of the case firms under investigation and the concepts included in our investigation are comprehensive which can be highly associated with qualitative data. The narrow and more focused research topic under our investigation is an extension and highly related to earlier studies which are based on the network approach. The multiple case study strategy chosen for our thesis to comprehend the early internationalization is another influence derived out from the earlier studies. The case study approach enables the researcher to get a broad and comprehensive view of a single case and depending on the purpose of study, a multiple case study research method is conducted with the aim of leading to more vigorous results. In this thesis, three case firms are selected for our research. This multiple case study strategy helps to compare the different case firms and also makes it possible for researcher to understand a complex subject under study (Bryman and Bell, 2007). To fulfill the purpose of our research, we find it to be the most suitable research strategy because this strategy fits in and match the objective of our thesis and it has also been adapted by previous scholars within this specific area of research (Ojala, 2009; Zain and Ng, 2006) Eisenhardt (1989) describes the case study research as a strategy that may involve one or more cases to create theoretical constructs, propositions and/or midrange theory from case-based empirical evidence. Case studies are rich descriptions of a particular phenomenon that is typically based on different sources of data (Yin, 1994). The basic idea of case study is to develop a theory by recognizing patterns of relationships among constructs within and across cases and their inherent logical arguments. The theory-building process occurs via recursive cycling among the case data, emerging theory, and extant literature (Eisenhardt and Graebner, 2007). Vissak (2010) emphasizes the importance of case study for comprehension of complex phenomena such as the internationalization and the management of multinational enterprises. Previously the case study method has been applied in numerous areas of international business (IB) research, for example, "Uppsala model" introduced by Johanson and Wiedersheim-Paul (1975) is based on four Swedish cases. Perren and Ram (2004) also emphasize the importance of qualitative methods in small business and entrepreneurship research and argued that the case study method in small business research is gaining importance. Stake (2003) confirmed that case study has become one of the most common ways to conduct qualitative research. This is also in line with Leonard-Barton (1995) who emphasizes that the phenomenon to be researched determines the terms of its investigation. Coviello (2005) advocates the case study approach as an appropriate approach to study entrepreneurial networks because it can provides an insight into social dynamics both the firm and the owner managers over time.

3.2 Data Collection

Based on theory consideration, the paper selects appropriate types of enterprises, the case study's selection initially target small and medium sized companies with foreign sales and export business in China, most of them are engaged in manufacturing industry. Then we choose a directive case study according to convenient, easy to access and geographical proximity standards. Based on directive case's deep interview and analysis, we succeed in obtaining rich materials and designing more focused questions for later case study interview. For born global company's operation definition, scholars basically adopt the standard of reaching certain extent of internationalization within certain period of time. Contingent on different country, industry, the time standard is about 2-10 years, the lowest percentage of foreign sales among firm's whole sales should reach about 5% - 25%. While according to Knight's definition, the paper selects firms with foreign sales ratio not less than 25% within 3 years of foundation as the criteria of born global companies. Since the purpose of research is mainly inducing theory rather than calculating frequency, case study's selection needs to meet specialty and typicality. Besides, multi-case study and design would formulate better theoretical framework, while single case study looks like more about telling a story. Therefore, the paper selects one born global company founded by domestic entrepreneur and two born global companies founded by overseas returnee entrepreneurs as case studies for deep analysis.

According to Yin's guidance, the paper uses multiple evidence channels, except for analyzing related industry document, company's website, some reports, interview group conducts semi-structured interview with case company's founders and top management members who are closely involved in company's founding to ensure the accuracy of information acquired. In order to reach structural validity and conduct comprehensive analysis to each case study, the paper uses triangulation method to collect information from different sources that means first hand materials of interviews about entrepreneurs of Chinese born global companies and second hand materials including company's internal published documents and organization website information. All those

data are collected to prove and extend evidence materials.

4. Chinese Born Global Company Case Studies

4.1 Individual Case Study

(1) Company A

Company A was founded in 2001, the company's development has gone through from plastic accessories to digital television, the company has grown as a manufacturer of LCD television, plasma television, DVD player, HIFI and other digital players. In 2003, Company A invested in research and manufacturing of LCD TV, and the ratio of export has maintained more than 90 %, its international activities are mainly conducted through OEM arrangement to enter in European market. In 2008, Company A's sales has reached 0.2 billion Yuan, in 2010, Company A's digital TV turnover has exceeded 0.5 billion. Till now, company A has developed into a national key high technology enterprise focusing on digital TV, RFID technology in China. At the foundation stage, Company A is a plastic producer which provide domestic TV manufacturer with plastic external packing and accessories, due to its long time of business transaction with TV manufacturers, Company A has established intimate network relationship with people in charge of TV manufacturers, and those networks have facilitated company A's business mode and industry transition from plastics to digital TV, in initial founding stage, Company A's core R&D technician come from its intimate partners' introduction and recommendation. While Company A's international sales channels are accessed by regularly joining various electronic exhibitions domestic and abroad every year, such as Hong Kong, Shanghai, Coron of Germany, Las Vegas electronic consumption exhibition, Guangzhou import and export fair, etc. In virtue of joining exhibition, Company A's ultra-thin LCD TV product range successfully attract foreign buyers' order in western countries by products' high technology and customized offering. At the same time, industry association like China mechanical and electronic chamber of commerce and visual association support Company A in exhibition booth arrangement, project and patent negotiation. In return, Company A regularly attend activities organized by industry associations to maintain that weak ties, and by that way, Company A is also able to obtain industry and market expansion information as well as firm reputation through industry association's referrals. Since Company A is one of very rare Hi-tech firms engaged in LCD industry, Suzhou municipal government took the opportunity of establishing Mexico economic & trade cooperative zone to provide Company A with support in setting up a plant in Mexico including project negotiation, land delineation, factory building up, license application, contract signing, etc. Besides, Suzhou municipal government also endorse for company A in factory land acquirement, fund raising, tax preference, enterprise image promotion, etc. In order to keep pace with technology advancement at international level, Company A set up its R&D centers in Shanghai and Suzhou, it has also formed Industry - Academy - Research cooperation with several top universities and institutes in China, which facilitate knowledge creation and cutting edge technology cultivation.

(2) Company B

Company B is an enterprise dedicated in telecommunication operating platform's research and development, the firm was founded by several professional personnel engaged in IT and telecommunication industry who have worked in America for very long time. Mr. Wu, Company B's founder and CEO once worked as a product manager in a high-tech company in United States, his working experiences enable him to accumulate rich technological knowledge, product development experiences as well as market expansion experiences, and have also brought him plentiful of network relationships. Company B's strengths mainly lie in its strong R&D and innovation capability, comparing with its rivals such as Hitachi or Cisco, Company B's product enjoys competitive advantages in cost performance, encoding and decoding, high speed cross ocean transmission and interactive real-time transmission. In 2010, Company B was awarded as one of hundred scientific-innovation SMEs in the annul meeting of China's SMEs entrepreneurs. Company B's founding team are composed of founder's former colleagues and friends who once worked in America, which has also strengthened Company B's venture capital raising capabilities. Company B's founding capital is mainly from venture capital in U.S. With the help of foreign lawyers, Company B gradually established sound corporate governance structure. The reason why Mr. Wu choosing Nanking to set up his firm lies in consideration of his undergraduate studying experience in Nanking University (located in Nanking city, Jiangsu province), he has lots of classmates and friends in Nanking, which provide him with abundant human capital. Besides, Mr. Wu recons that he is not quite familiar with China's business operating mode, institution and legal environment because he has not been in China for many years. Thus, he believes that he needs to build up intimate relationship with local partners to acquire local knowledge, information and local partners' support and trust. Mr. Wu also joins local overseas returnee association composed of people who have studied or worked abroad, he believes that the association

will enable him to exchange and share experience, thoughts and information with other overseas returnee entrepreneurs by maintaining that weak ties. Company B's customers are mainly in America and Europe, its foreign market sales channels are dependent on host country's local partners, in American market, due to founders' long working experiences there, sales channels are dependent on founders' previous personal network relationship, the company also employs people in host countries as product manager. In European market, Company B relies on venture capital investor's network to build up sales channels. Since Company B's founder and his team have many years of working experiences in related industry, the international market information are mostly from their previous experiences. Besides, Nanking municipal government has provided very favorable policies toward high-tech overseas returnees entrepreneurs in housing, land and taxes, which are very attractive to new founding firms by overseas returnee entrepreneurs.

(3) Company C

Company C was established in 2005, company's founder has more than 10 years of working experiences in IT industry in US, and he made the decision to return China to set up his own company because he believes there is great commercial potential for domestic internet service industry. Company C's main business is offering mobile phone rental service to foreigners who come to China for short time sightseeing or business activities. Based on mobile phone and internet's connection, Company C's product not only provides basic telecommunication service but also GPS positioning, scenic spots routes, weather forecast, real-time foreign currency exchange service, the company took full advantage of 2008 Beijing Olympic games and 2010 Shanghai Expo to boost its market share. Currently, Company C has set up sales and logistics centers in Beijing and Shanghai, build up sales team in US and UK, formed cooperative alliance with more than 200 travel agencies in China. The founder chose Guangzhou to set up his own company due to several considerations: first, the founder actually is a native of Guangzhou, he is quite familiar with social environment and cultural atmosphere of Guangzhou, he also has very good social networks in Guangzhou, the founder graduated from Guangdong University, thus, he has lots of former teachers, classmates and friends in Guangzhou, which provides him with high quality human resources. Company C's founding capital is partly from the foreign company which he once worked, other capital is from some American Angel Funds. Its mobile phone rental business's foreign expansion relied on founder's personal social network established in America for many years. The network includes friends, colleagues, venture capitalists, foreign travel agent, foreign visa service company, airport and credit card service company, etc. in addition, its mobile phone rental service has extended original telecommunication and boarding information to promote local culture based on the mobile phone platform, which has attracted local government's attention, since culture promotion is just needed by local government's culture development strategy, that's also the reason why local government is willing to provide fund for its periodical results. Meanwhile, due to the status of overseas returnee entrepreneur, Guangzhou municipal government also provides favorable policies about taxes, land, house rental, etc. There are several mature mobile phone manufacturers in Hangzhou and Guangzhou, they played the role as OEM contractors for world famous mobile phone brands, which enables Company C to obtain good quality mobile phone with low cost.

4.2 Summary of Multi-case Study Analysis

Based on three company case studies analysis, a brief summary has been reached as stated in Table 1.

Table 1. A brief summary of three company case studies analysis

	Company A	Company B	Company C
Domestic Network	Strong ties with partners, local universities and government, to gain technology of digital TV Manufacturing, human capital and government support for international expansion; weak ties with local companies and industry associations company gain TV manufacturing accessories support and industry reputation	Domestic strong ties are conducive for company to gain excellent human capital, institutional environment and business operating knowledge; domestic weak ties with local overseas returnee association and government are conducive for company to communicate business running knowledge and information with partners	Domestic strong ties are helpful for the firm to get excellent human capital, weak ties with domestic government and companies are helpful for company to obtain local government policy resources and related accessories support

		and obtain local government's resources	policy
Foreign Network	Company access flat TV market information, product and technology development tendency by foreign weak ties built up through attending industry exhibition and getting customer feedbacks, set up manufacturing plant in foreign countries, build up strong ties with host country firms to get familiar with host country's market environment and institutional environment	Foreign strong ties provide company's international activities with market channel resources and cooperative partners; foreign weak ties provide company's international activities with market channel resources and financial resources	Foreign strong ties provide company's internationalization with market channel resources; foreign weak ties provide company's internationalization with market channel resources and financial resources

4.3 Case Study Research Propositions

- (1) Three different types of network relations have played very crucial roles in Chinese born global companies' internationalization

In extant international entrepreneurship research, more attention has been placed on born global company's foreign network ties, in fact, domestic network ties are also playing important roles in new founded venture's internationalization. Thus, the paper classifies network ties into strong ties, weak ties, foreign ties and domestic ties according to ties' strength and geographic locations. Putting both classification criteria together, the paper identifies four types of network ties: foreign strong ties, foreign weak ties, domestic strong ties and domestic weak ties respectively. Among them, foreign strong ties and foreign weak ties come from relations established in new venture's internationalization process or established by entrepreneur's foreign working experiences; and domestic strong ties and weak ties come from born global company's connection with domestic enterprises, organizations and individuals. All those different types of network ties are playing very important roles in born global company's internationalization.

- (2) Different types of network ties are playing differentiated roles in born global company's internationalization

To entrepreneurs with domestic background, their deficiency lies in lacking of foreign study, work and living experiences, thus, foreign strong ties and weak ties are particularly important to them. Eriksson viewed international market entrance knowledge includes: international business knowledge (knowledge about foreign market customers, competitors, distribution channels, etc); foreign institutional knowledge (knowledge about foreign business laws, regulations, cultural norms, etc.); international knowledge (knowledge about formulating and implementing internationalization strategies) (Eriksson et al., 1997). Foreign strong ties would bring companies more in-depth international business knowledge, institutional knowledge and market knowledge, since those tacit knowledge and information can only be obtained through long-time intimate contacts between partners, strong ties are more conducive to acquire foreign business knowledge and institutional knowledge, which is particularly important when companies enter high psychic distant foreign markets. Besides, those strong ties would bring client resource and expanded market channels, which would increase born-global company's internationalization depth. Foreign weak ties such as attending industrial exhibitions or maintaining relationship with foreign customers through keeping communication with them would help Chinese born global companies to access the explicit knowledge and information about the latest development of the industry and technology, and foreign weak ties would facilitate born global companies to access more new market opportunities, market information and customer resources, which would further Chinese born global company's international market expansion. Domestic strong ties such as intimate R&D cooperative relations with home country's universities and scientific institutes would enhance Chinese born global company's technology strength. Domestic weak ties such as relations with industry associations and supporting companies in the value chain would be conducive for Chinese born global companies to know about industry development tendency, gain industry support, reputation and government policy resources, thus we reach following propositions:

Proposition 1: To Chinese born global company's founder with only domestic background, foreign strong ties are conducive for company to acquire international market's tacit knowledge, foreign weak ties are conducive

for company to acquire explicit knowledge and customer resources for international expansion

Proposition 2: To Chinese born global company's founder with only domestic background, domestic strong ties are conducive for companies to acquire tacit technological knowledge and government policy resources, domestic weak ties are conducive for companies to acquire industry reputation resources and industry complementary support.

To Chinese born global company's founder with international background, since those founders have foreign study, work or living experiences, international business knowledge and institutional knowledge are not their deficiency, because long time foreign working and living experiences enable them to own rich international market knowledge. Comparatively speaking, foreign strong ties and weak ties built up through entrepreneurs' long-time foreign working experiences can not be matched by entrepreneurs with only domestic background. Those strong and weak ties include colleagues, companies once worked, venture capitalist, angel fund, consulting agents, etc. strong ties such as colleagues and companies once worked would bring Chinese born global company professional human capital and customer resources. Weak ties such as venture capitalists and consulting agents would help Chinese born global company to access more sources of fund, new customer resources. To those companies, domestic strong ties such as previous classmates and teachers provide suitable professional human capital for new company's setting up; to entrepreneurs who have long been working and living in foreign countries, domestic strong ties would help them regain domestic business running tacit knowledge and techniques, more rapidly adapt to domestic business environment. Domestic weak ties such as relationship with domestic company, overseas returnee associations and government would be helpful for Chinese born global company to communicate business knowledge and information with companies of similar background, establish company's reputation and gain government's support. Thus, we can reach following propositions:

Proposition 3: To born global company founders with only international background, foreign strong ties are more conducive for companies to acquire foreign human capital and financial resources, foreign weak ties are more conducive for companies to acquire foreign customer resources.

Proposition 4: To born global company founders with only international background, domestic strong ties are more conducive for companies to gain domestic professional human resources and management expertise; domestic weak ties are more conducive for companies to gain industry supporting facilities, government policy resources and enterprise reputation resources.

5. Conclusions

The paper tries to disclose underlying contents of different types of Chinese born global company's network relations and the influence mechanism of network relations toward resources acquisition of Chinese born global companies' internationalization. The research indicates that born global companies' network can be classified into domestic strong ties, domestic weak ties, foreign strong ties and foreign weak ties according to strength and geographic dispersion. Those four types of network ties have played very important roles in born global company's internationalization. Meanwhile, the research also implies that there are underlying differences in born global company with domestic background and international background. And different types of network relations have different influences on resources acquisition in internationalization process. Therefore, the research would contribute to more in-depth understanding about traits of born global company's networks and the influence mechanism of different types of networks on resources acquisition in Chinese born global companies and their international activities.

While in managerial practices, the conclusion of the paper has insightful implication for founders of Chinese born global companies. Founders need to selectively constitute network combinations based on their own situations. For example, to Chinese born global company founders without international background, they can build up weak ties with international industry association, foreign related enterprise and research institutes by regularly attending all kinds of international exhibition and forums due to their deficiency of international network relations, which would be more conducive to gain explicit knowledge and information about industry and technology development tendency. While strong ties connection with foreign partners are more helpful for company to grasp foreign tacit management and social institutional knowledge; building up domestic strong ties are more helpful for company to gain tacit technology knowledge and home country government policy resources for internationalization. To Chinese born global company founders with international background, domestic network ties are their disadvantages, therefore, building up domestic strong ties would offer professional human resources and other related domestic business running tacit knowledge and skills; weak ties connected with industry association, government would promote new venture's reputation's establishment, and

obtain industry supporting facilities and related government policy resources.

In future's research, large amount of samples are needed to further test the paper's propositions, that's the way of further exploring different types of network ties influence mechanism towards Chinese born global company's resources acquisition. Besides, future research also needs to analyze different types of network ties' effects on organizational learning, international market entry mode and company's international performances, the question of how different types of network ties evolving in Chinese born global company's internationalization process is also needed to probe into for more understanding about networks development and influence mechanism.

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