

# Social Network as a Strategic Resource by Dr. Bhubate Samutachak

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This study is based upon two major theories: the Social Network Theory of the Sociology and the Resource-based Theory of the Strategic Management. The main purpose of the study is to test whether social network contributes to export performance of Thai exporting SMEs in the food and agricultural products industry.

The hypotheses are divided into two parts. The first part is the testing of the social network's characteristics, as prescribed by the Resource-based theory. The second part is the testing of the impact of social network on export performance.

In this study, social network is represented by three components: centrality, proximity, and expressiveness. Centrality is the number of person with whom SMEs's owners are in contact, to enhance their export performance. Proximity is the frequency of contact and expressiveness is the closeness of the relationship. These three components are hypothesized, in this study, as having the four characteristics of the strategic resources as prescribed in the Resource-based theory. These four characteristics are heterogeneity, imperfect imitability, imperfect substitutability, and imperfect mobility. In testing the impact of social network on export performance, both objective and subjective export performances are used.

The study is in the survey research category. A questionnaire is developed as the instrument to collect data. The sample is the small- and medium-sized enterprises, in the food and agricultural products industry, which are currently exporting their products. The questionnaire is developed from the literature review and is refined by the information gathered from the in-depth interview sessions with 5 SMEs' owners. The revised questionnaire is then used to collect the data from 487 SMEs. The usable 111 questionnaires were returned, accounted for 22.79%. The collected data was analyzed by the simple regression techniques to derive the conclusion of the study.

The results of the study, which are derived from the testing of 7 hypotheses, shows that social network has the characteristics of imperfect substitutability and imperfect mobility, but not heterogeneity and imperfect imitability. Therefore it cannot be categorized as a strategic resource, according to the Resource-based theory. However, the results reveal that social network has a positive relationship with export performance. Centrality and the interaction effect between centrality and expressiveness show a significant relation to export performance. However, proximity in this study fails to act as a moderator of the relationship between centrality and export performance.

The statistical result leads to the conclusion that SMEs should pay attention not only to the business functions, in order to increase export performance, but also to the people they should know. Size and diversity of the network contribute to network efficiency as they conjugate varieties of useful resources and necessary information. Closeness is also vital to the success of exporting activities as it facilitates the transfer of the resources and information into the firms.

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Student's signature

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Advisor's signature

Academic year 2000

Co-advisor's signature