Business Networks in the Internationalization of B-to-B-Services: Empirical Findings and Framework

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***Abstract*—** This article aims at increasing the knowledge of business networks in the internationalization of b-to-b-services. The literature includes vast amount of knowledge of internationalization of a firm in general. A great deal of this literature is based on the concept of incremental stepwise internationalization process and empirical findings in manufacturing companies. So far, little knowledge exists of internationalization of b-to-b-services via business networks. Thus, there is a need to examine this are further. This article increases the knowledge by developing a framework which integrates the drivers and the process of internationalization of b-to-b-services. The drivers include both general drivers of services internationalization, as well as internationalization drivers from company's domestic or international network. The process includes special characteristics of internationalization of b-to-b-services, decision to enter to foreign network, advantages and challenges of network approach, and ways of establishing relationships in foreign networks. The framework is based on literature analysis and empirical findings.

***Keywords*—**Internationalization, b-to-b-services, networks.

I. Introduction

INTERNATIONALIZATION refers to the process by which firms both increase their awareness of the direct and indirect influences of international transactions on their future, and establish and conduct transactions with other countries [1]. The early research on internationalization of firms was based on the idea of incremental internationalization, and later expanded into born global and network approaches. Notably, little knowledge exists of internationalization of b-to-b-services. This paper aims at extending the knowledge by developing a framework of internationalization of b-to-b-services through business networks. This article is based on an extensive literature analysis, and an empirical study.

This article has the following structure. First, this it discusses the internationalization process, and focuses on incremental internationalization and born global firms. Then, it discusses the nature of business networks, and the special characteristics of internationalization of b-to-b-services. After that, it pays attention to business networks in the context of internationalization. Next, it describes the empirical method of this study. Then it brings forward the empirical findings. Next, it proposes a framework which integrates the drivers and the process of internationalization in the context of b-to-b-services. After that, it draws the final conclusions.

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II. Internationalization Process

Next, two different approaches to internationalization are discussed. Incremental internationalization is discussed first. This approach has its origins in the 1970's and it dominated the early research of internationalization. Much of the literature dealing with incremental internationalization is based on research among large manufacturing companies. Then, this section discusses born global companies. The born-global research stream started in the 1990's. A great deal of of the knowledge in this area stems from findings among companies characterized by high technology, small size, unique products and processes, utilization of IT, and special culture that enable them to succeed in the international market.

A. Incremental Internationalization

The early research of internationalization was based on incremental models, which suggest that internationalization of a company is an incremental stepwise process [2, 3, 4, 5, 6, 7, 8, 9]. Johanson and Vahlne's model is one of the most cited incremental models of internationalization [10]. Their model describes an incremental, sequential progression from export through knowledge agreements to foreign direct investment as the firm increases its understanding of a market [11]. The model illustrates how managerial learning drives internationalization. Also, it captures manifestations of the process in terms of market selection and the mechanism used to enter foreign markets [12].

Johanson and Vahlne's model suggests that internationalization of a company includes four stages. They are

(a) no regular export activity,
(b) selling vial agent,
(c) sales subsidiary, and
(d) production subsidiary [13, p. 24-25].

The model also suggests that a company internationalizes it activities through a process of gradual commitment of resources to a particular host country. Two types of mechanisms acting in a self-reinforcing way, govern this process of gradual commitment, namely knowledge and commitment. The future acquisition of knowledge is shaped by ongoing operations which, in turn, are shaped by past knowledge development. Once a foreign market entry mode is chosen, these mechanisms drive the firm to move gradually along a particular path as the scale of operations increases. Initial commitments accumulate over time, and lead the firm to reap increasing rewards from sticking to a particular path. In this process, the firm eventually changes to a higher commitment mode of operation in response to a richer knowledge of the local environment and a lower perceived risk, which contributes to further knowledge development and resource commitment.[14] The model also suggests that initial internationalization activities are targeted to "psychically close" markets. "Psychically close" markets refer to those of having similar culture, language, political systems, and trade practices. Then, following initial expansion with low risk, indirect exporting to similar markets, firms improve their foreign market knowledge. Over time and through experience they increase foreign market commitment. They expand to "psychically distant" markets. This enhances market knowledge and leads to further commitment, which includes equity investments manufacturing and sales operations.[15]

Johanson and Vahlne's model was developed in the context of large Swedish manufacturing companies, and it represents a classic and popular approach to internationalization of companies. However, the application of this model has been found inadequate in several contexts [16]: in services [17], for high technology firms [18], and for multinational corporations [19].

B. Born Global Firms

Instead of incremental stepwise process of internationalization from a company that operates solely in the domestic market into a one that has production abroad, "born global"-concept offers an opposite approach. Born global companies are those that, from or near founding, obtain a substantial portion of total revenue from sales in international markets [20, 21, 22]. In other words, born global companies are strongly oriented in committing their resources in the international activities and generating foreign sales. They are business organizations that, from inception seek to derive significant competitive advantage from and sale of outputs in multiple countries [23]. Unlike the traditional pattern of businesses that operate in the domestic market for years and gradually evolve into in international trade, born global companies begin with relatively borderless view of their markets and develop the strategies needed to achieve international marketing goals at or near the firm's founding [24].

Knight and Cavusgil proposed a model describing antecedents to international performance in born-global firms. Knight and Cavusgil's model is founded on the following ideas [25]. The international performance of born globals is based, firstly, on *organizational orientations*, which are embedded in the firm's culture, and secondly, on *generic strategies*. Organizational orientation is further influenced by international entrepreneurial orientation and technological leadership. Generic strategies, on the other hand, are based on differentiation, focus, and cost leadership.

International entrepreneurial orientation. This refers to innovative approach to international markets, and proactive competitive posture in international markets. Entrepreneurial orientation gives rise to certain processes, practices, and decisions making activities associated with successful entry into new markets [26]. Born globals are smaller and younger, and they tend to lack the substantial resources of a traditional multinational enterprise. However, as being more entrepreneurial, they may be more inclined to create and activate strategies which maintain and improve international performance.

Technological leadership. This refers to the extent of the firm's position at the leading technological edge of its industry, as well as the use of advanced technologies in its products, methods, and other outputs. Born global companies typically have a high technological competence in their industrial or product categories. Communication technologies enable inexpensive and instantaneous information exchange between buyers and sellers located around the world [27, 28]. Technology allows the seller to segment customers into very narrow global market niches and to efficiently serve the specialized needs of buyers worldwide [29, 30, 31, 32].

Differentiation. Born-global companies emphasize the importance of having relatively unique products and offerings from those of rival firms. Firms can apply various approaches for achieving differentiation. This strategy is applied most successfully when the firm differentiates along several dimensions simultaneously.

Focus. Born globals attempt to serve a specific target market very well, operating more effectively and efficiently than competitors who compete more broadly. This is achieved by better meeting the needs of a specific target market, or through lower costs in serving this market, or both.

Cost Leadership. This refers to competing on the basis of low production, marketing, and administrative costs, which allow the firm to charge lower overall prices. Achieving cost leadership usually requires favorable access to basic inputs, operating at high production levels, mass marketing, high market share, or obtaining other advantages related to economics of scale. [33]

III. BUSINESS NETWORKS

A business network refers to a set of two or more connected business relationships, where each exchange relation is between business firms that are conceptualized as collective actors [34, 35]. It is a set of connected actors performing different types of activities in interaction with each other [36]. A network consists of nodes and links. Nodes are positions occupied by firms, households, strategic business units inside a diversified concern, trade associations, and other types of organizations [37]. Links are relationships between actors. The nature and function of a business network depends on the single relationships as well as on the web of relationships [38]. If networks are viewed from a perspective of a single relationship, then a network can also be called as a "secondary function" of a relationship ([39, p. 3]. The boundaries of a business network are often fuzzy, and cannot be defined exactly [40].

Networks are evolving organisms and their dynamics is caused by the fact that actors, relationships, needs, problems, capabilities, and resources change over time [41]. A single member entering, positioning, repositioning, or exiting from the network causes changes to the entirety [42]. The relationships in a business network are typically continuous over time, rather than being composed of discrete transactions [43, 44].

The function of a network can be understood in terms of its activities, resources, and actors. The activities in two different relationships can complement each other, if they are part of the same activity chain. On the other hand, they can also be in competition. Resources used, accessed, or exchanged in one relationship can complement or compete with those used, accessed, or exchanged in another relationship in which the organization is involved. Actors can use the existence of complementary or competitiveness in their relationships in different ways in interacting with each other. This has the potential to create not only triangular relationships, but also a complex entity involving many more participating organizations linked to each other.[45]

Four types of networks have been identified: internal, vertical, intermarket, and opportunity networks. The purpose of internal networks is to reduce hierarchy and open firms to their environments. Vertical networks aim at maximizing the productivity of serially dependent functions by creating partnerships among interdependent skill-specialized firms. Intermarket networks aim at leveraging horizontal synergies across industries. Opportunity networks are organized around customer needs and market opportunities, and designed to search for the best solutions to them.[46]

Management of a business network includes marketing, technology transfer, information exchange, accounting and finance, as well as public and interpersonal relations [47]. The most important dimension of change in business networks concerns the development of activity links, resource ties, and actor bonds in relationships. A company can facilitate and create changes in networks by novel connecting of ties, resources, and bonds [48]. Developing a network strategy includes determining

(a) what is the strategic situation to be analyzed?,
(b) upon which actors to focus?,
(c) who determines the nature of the relationships?,
(d) what part in the network does each actor play?, and
(e) what leverage and what steering potential does each actor have? [49].

Network management includes four basic levels which are

(a) industries as networks level
—involving network visioning;
(b) firms in networks level
—involving net management,
(c) relationship portfolios level
—involving portfolio management; and
(d) exchange relationship level
—involving relationship management [50].

It also suggested that, management in business networks includes network pictures, networking, and network outcomes. Network pictures refer to the views of the network held by participants in that network. They are the basis for the actors' perceptions of what is happening around them and of actions and reactions in the network. Networking includes all of the interactions of a company or individual in the network. Multiple network outcomes are continuously produced by networks, and the nature of network outcomes can be understood in terms of three dimensions. These dimensions are actors, activities, and resources.[51]

Management of a business network can also be approached in terms of a key network which is a defined subnet, a defined set of access points to a larger unlimited network. The value received by the focal company, does not have to be created entirely in the key network; its creation is mobilized or received through the key network.[52]

IV. Internationalization of B-to-B-Services

This section discusses internationalization of b-to-b-services. In general, GATS agreements (General Agreement of Trade in Services) [53, 54], free trade blocks [55, 56], and information technology [57, 58, 59, 60, 61] drive internationalization of services. Information technology in this context, to the large extent, refers to web-based e-services [62, 63, 64, 65].

Few studies exist on internationalization of b-to-b-services. According to O'Farrell and Wood [66] as well as O'Farrel, Wood and Zheng [67], internationalization and country choice of b-to-b-service firms is characterized by the following aspects. Foreign market entry decisions are constantly under review and subject to change, influenced by the prior and on-going experience of companies in both domestic and overseas market. Moreover, for some business service firms, like engineering consultancy for example, particularly those operating on a project-by-project basis and involved with large turnkey contracts, the foreign country choice decision may be fundamentally derived as a by-product of the winning of a specific project contract. Also, foreign market development may reflect and affect wider corporate restructuring processes. These may be by companies themselves in their home market, or their operations in other foreign countries. Furthermore, foreign market choice may also reflect and affect interfirm corporate relationships, particularly between service firms and their established clients. Moreover, the majority of business service companies do not make an explicit international market decision: by restricting their consideration to the merits of a proposed order, they effectively conflate the two decisions into one. When an ad hoc order arrives, the majority of business service firms evaluate the proposed project on its merits in relation to their current domestic activities and capacity to respond. Thus, according to O'Farrell and Wood, as well as O'Farrel, Wood and Zheng (ibid.), the decision making related to internationalization of a b-to-b-firm is found to to be considerably unsystematic and ad hoc.

Roberts suggests that business service firms internationalize through various stages [68]. Roberts identified the following five stages in the internationalization of b-to-b-service firms:

(1) provision of services to domestic clients only (no exports),
(2) provision of services to foreign clients in the domestic market (domestically located exports),
(3) provision of services to foreign markets through embodied service exports, transhuman exports and wired exports,
(4) establishment of a presence through which to deliver a service largely produced in the domestic market (intra-firm exports), and
(5) establishment of service production facility in the overseas market.

However, the number of stages through which firms pass, and the length of time spent in each varies. Business service firms may skip some of the stages, or they may become international in one step through merger or acquisition. In addition to stages of internationalization, Roberts (ibid.) reported on the following findings. Business service firms use several methods for providing the service in the foreign market. Export and foreign direct investments are important, however firms also use joint ventures, franchising agreements, and reciprocal arrangements. The most common ways in which business services are exported are through domestically located exports and transhuman exports. Methods of exportation which incorporate face-to-face contact are more popular than embodied services exports (report, letter, video, ..) and wired services exports (telephone conversation, telecommunications data transfer, ..). The international activity of smaller b-to-b-service firms tends to be confined to exportation. Larger firms, on the other hand, tend to use a variety of forms of internationalization. In the majority of cases, the overseas presences are established as more than just a delivery system, and are actively involved in the production and provision of services to the market. Moreover, according to Roberts (ibid.), the level of internationalization in terms of overseas turnover and employment will increase as the firm's domestic turnover and employment levels increase.

Coviello and Martin found that both firm resources as well as external stimuli influence internationalization decisions of b-to-b-service firms [69]. Firm resources entail

- specialized, knowledge-based nature of services,
- professionals with international experience,
- networks of formal and informal relationships,
- desire to minimize and spread risk,
- changes in organizational structure, and
- increased management experience.

External stimuli cover

- lack of domestic growth due to competitive domestic market,
- government trade initiatives,
- host government regulations,
- client requirements and client following,
- foreign market size and growth rate, and
- geographic location.

Indeed, they (ibid., p. 50) found that the major demand that stimulates internationalization is generated from networks of relationships, both formal and informal as well as technical and social.

According to Fernández, foreign direct investments in b-to-b-services are comparatively more important than in other services [70]. Reason for the heterogeneity is due to the specificity of business services as some activities have low involvement of goods and have a great deal of interaction between producers and customers. Also, ownership of intangible assets is worth more in services since competition is made on the basis of quality rather than price. Enterprises possessing these internal resources find it advantageous to internalize these intangibles by establishing foreign affiliates overseas.(ibid.)

V. Business Networks in Internationalization

The role of networks in internationalization of firms is discussed next. As noted earlier, a business network is a set of connected actors interacting with each other.

Johanson and Mattson introduced their classic network approach to internationalization of a firm [71]. Their work has functioned as a starting point and inspiration for many later studies on the role of business networks in internationalization. Thus, their approach is characterized in the following. According to Johanson and Mattsson's network approach to internationalization, when the firm internationalizes the number and strength of the relationships between different parts of the business network increases. The business network is composed of firm's relationships with various actors, such as customers, distributors, suppliers, competitors, and government. The activities in the network enable the internationalizing company to form relationships which help to gain access to various external resources and markets. The firm internationalizes by creating and maintaining relationships with counterparts in other countries. This can happen in terms of

(a) international extension,
(b) penetration, or
(c) international integration and coordination.

International extension means establishing relationships with counterparts in countries that are new to the firm. *Penetration* refers to increasing commitment in already established foreign networks. *International integration and coordination* means integrating firm's positions in networks in various countries and coordinating activities.[72]

Johanson and Mattsson proposed also a framework for understanding internationalization and networks. This matrix-type of framework includes two dimensions: degree of firm internationalization and degree of market internationalization. Four different alternatives are shown in the matrix: the early starter, the lonely international, the late starter, and the international among others.

Early starter is a firm that has no or few relationships to foreign actors, and their competitors do not have such relationships either. Only indirect relationships may exist, for example through the firm's customers or suppliers. If the company has no indirect relationships, it has to start from scratch. This includes identifying potential partners and developing relationships with them. This may happen, for example in business exhibitions, with help of the country's commercial attachés or embassies. Establishing international relationships may be difficult since the industry and the market environment, including customers, is not internationally oriented.

The lonely international is a firm which has gained international experience of its own. However, market environment, in other words customers, competitors and other network partners, has a domestic focus. The firm itself is highly internationalized, but the market is domestically oriented. The company may establish new relationships in new markets or penetrate deeper into present ones by strengthening its relationships to the present partners on the country. The internationalization process is not easy since the market, the operating environment, is not very international. Still, compared to the early starter, the lonely international has the advantage of having plenty of earlier experience in foreign markets. Thus, it has better chances to break into foreign domestic networks. If the firm is the first to do so in the target country, it has the first mover advantage.

The late starter operates in the market environment which has already internationalized and competitors and other actors have established relationships to foreign partners. However, the firm itself has remained domestically oriented, and has only indirect relationships to foreign network via its suppliers, customers, and competitors. The late starter has a disadvantage, since its competitors have already built their network connections, and it is hard to enter in such an established network. This may be the case, particularly in the market with close psychic distance. Thus, the late starter may have to attempt entering into more distant markets.

The international among others is a highly internationalized company in the market where all the other actors have internationalized as well. Thus, it is quick in establishing international operation in a new target country. To succeed, it needs to coordinate the activities in different markets. Also, it needs to deepen the relationships in various markets. Moreover, it can increase its competitive strength through reorganization of value network, exploiting economies of scale, and standardizing activities.[73, 74, 75, 76]

Indeed, a number of other studies have also addressed networks in internationalization. Coviello and Munro developed a model of internationalization process that integrates the stage- and network perspectives, so that network relationships may function as accelerator in the stage model [77]. Chetty and Holm found that networks can help firms to expose themselves to new opportunities, obtain knowledge, learn from experience, and benefit from the synergistic effect of pooled resources [78]. Blomstermo, Eriksson, Lindstrand, and Sharma found that firms that have diverse market experiences and that are in a new foreign expansion situation particularly find their network experiential knowledge useful [79]. Ojala found that when firms enter psychically distant markets, they are more likely to first select the target country and the entry mode without any influence of network partners [80]. Then they start to develop new relationships or utilize existing relationships to achieve the market entry. Consequently, a market entry and entry mode choice to a psychically distant market is more of a consequence of strategic reasons than that of initiation by network relationships. Meyer and Skak showed the importance of partner-country-specific knowledge in the international networks [81]. They (ibid.) also found international entry to be driven by a high degree of serendipity.

VI. Method

The empirical method of this study is based on in-depth interviews and qualitative analysis.[82, 83, 84, 85, 86, 87] The data used for the theory development of the present article is part of a larger empirical material gathered from companies in the machinery and equipment manufacturing industry developing service offerings to their customers. The empirical material deals with several aspects of industrial b-to-b-services, one of them being business networks in the internationalization of b-to-b-services. The overall data in hand included 37 interviews of senior executives in 30 companies. However, the empirical findings reported in this study emerge from the interviews in three companies. Indeed, these companies provided particularly fruitful data in the interview concerning to the collaborative business networks in the internationalization of b-to-b-services. The services dealt with in these interviews were product services. Product services relate to physical products. Maintenance and repair are typical examples of product services. Each interview was conducted according to a semi-structured interview protocol. In many interviews, however, several new and interesting themes emerged which were not on the list. The interviews were tape-recorded and transcribed. The data were analyzed in terms of systematic coding and categorization of descriptions and statements given by the interviewees in order to develop a synthesis which grasps these empirical evidences.[88, 89, 90, 91]

VII. Empirical Findings

The following findings related to business networks in the internationalization of b-to-b-services emerge from the present empirical material. The findings deal with the drivers and process of internationalization, as well as advantages and challenges in using business networks in the internationalization of b-to-b-services.

Drivers and process of internationalization of b-to-b-services. The important driver of internationalization is clearly the demand and opportunities from customers. Two such drivers stem from the present empirical data. Firstly, the process of internationalization often happens by following customers that are currently served domestically to abroad. For example, the service company takes care of the maintenance of a paper mill on domestic basis. Once the paper manufacturer starts their production in a foreign country, they ask the maintenance service company to serve them in abroad as well. Secondly, the empirical material shows that, another typical driver for internationalization of b-to-b-services is a new customer abroad buying a tangible product, but requiring product related service in order to do the buying decision. For example, the new customer in a foreign country wants to be sure that there will be maintenance service available for the equipment before they decide to buy it.

Advantages in using collaborative networks in the internationalization of b-to-b-services. Two important advantages of using collaborative networks in the internationalization of b-to-b-services emerge from the present empirical data. Firstly, serving international customer typically requires local presence in the foreign country. In most cases, providing service from the original domestic location is not a suitable option. Establishing a new partner network abroad, or entering into an existing foreign network, offers potentially a rather quick, efficient and effective way to deliver the service in foreign countries. Often, only a close presence with customers can guarantee the required level of service quality. In the maintenance, for example, the speed of service is often a critical quality factor. Indeed, if there are customers in several distant countries, it may be totally impossible to serve them without a proper partner network. Secondly, the network partners in foreign countries know better the local circumstances and understand the culture. The technical knowledge is important in providing b-to-b-services. However, services almost always include human interaction between service a provider and customer. Thus, in addition to technical knowledge, interpersonal and communication skills are important for good quality and customer experience. This is importantly affected by cultural knowledge.

Challenges in using collaborative networks in the internationalization of b-to-b-services. The following two challenges in using collaborative networks in the internationalization of b-to-b-services stem from the present empirical material. Firstly, it may be challenging to formulate a clear strategy for how to use networks in the internationalization of services. A company may have very different approaches in different countries. For example, in some countries the distributors of the physical products also take care of the related product services, such as maintenance. In other countries, there are agents. In some cases the agents operate under the name and brand of the product manufacturer. In other cases, they operate under their own independent name. Clearly, developing a sound and solid strategy for how to use collaborative networks can be a challenge. Secondly, if the company providing the b-to-b-service is a small one, penetrating or establishing networks in foreign countries is a major challenge. If the customer is a very big company, this is an even greater challenge. Indeed, the size difference between the service company and its customer; a small b-to-b-service company serving a large multinational company abroad, is a big challenge.

In *summary*, the empirical findings are as follows.

- Drivers and process of internationalization of b-to-b-services
  - Following existing domestic companies to their foreign locations and serving them abroad
  - Internationalization of services required by foreign customers in order to buy physical product
- Advantages in using collaborative networks in the internationalization of b-to-b-services
  - Establishing new or entering into existing foreign networks offers an efficient and effective way to deliver the service in foreign countries
  - The network partners in foreign countries know better the local circumstances and understand the culture
- Challenges in using collaborative networks in the internationalization of b-to-b-services
  - Formulating a clear and solid strategy for how to use networks in the internationalization of services
  - The size difference between service company and its customer; a small b-to-b-service company serving a large multinational company abroad

VIII. Framework of Internationalization of B-to-B-Services through Business Networks

Based on the earlier literature analysis as well as findings of the empirical study, a framework of internationalization of b-to-b-services via business networks is proposed (Fig. 1). This framework illustrates both the drivers and process of internationalization of b-to-b-services via business networks. The first version of this framework, introduced by Ojasalo [92] was conceptual, and the present article extends it based on the empirical findings reported here.

Drivers of internationalization of b-to-b-services include general drivers, as well as internationalization drivers from company's domestic or international network. General drivers of services internationalization include GATS agreement, free trade blocks, and information technology. The agreement is based on the idea of rationalization of service activities at international level through services trade liberalization. Free trade blocks drive internationalization of services through bigger markets and increased opportunities. Internationalization drivers from company's domestic or international network include various needs, opportunities and pressures coming from the firm's customers, distributors, supplies, and competitors, as well as from government. Those coming from customers include following existing domestic customers abroad as they internationalize, as well as needs of new customers abroad.

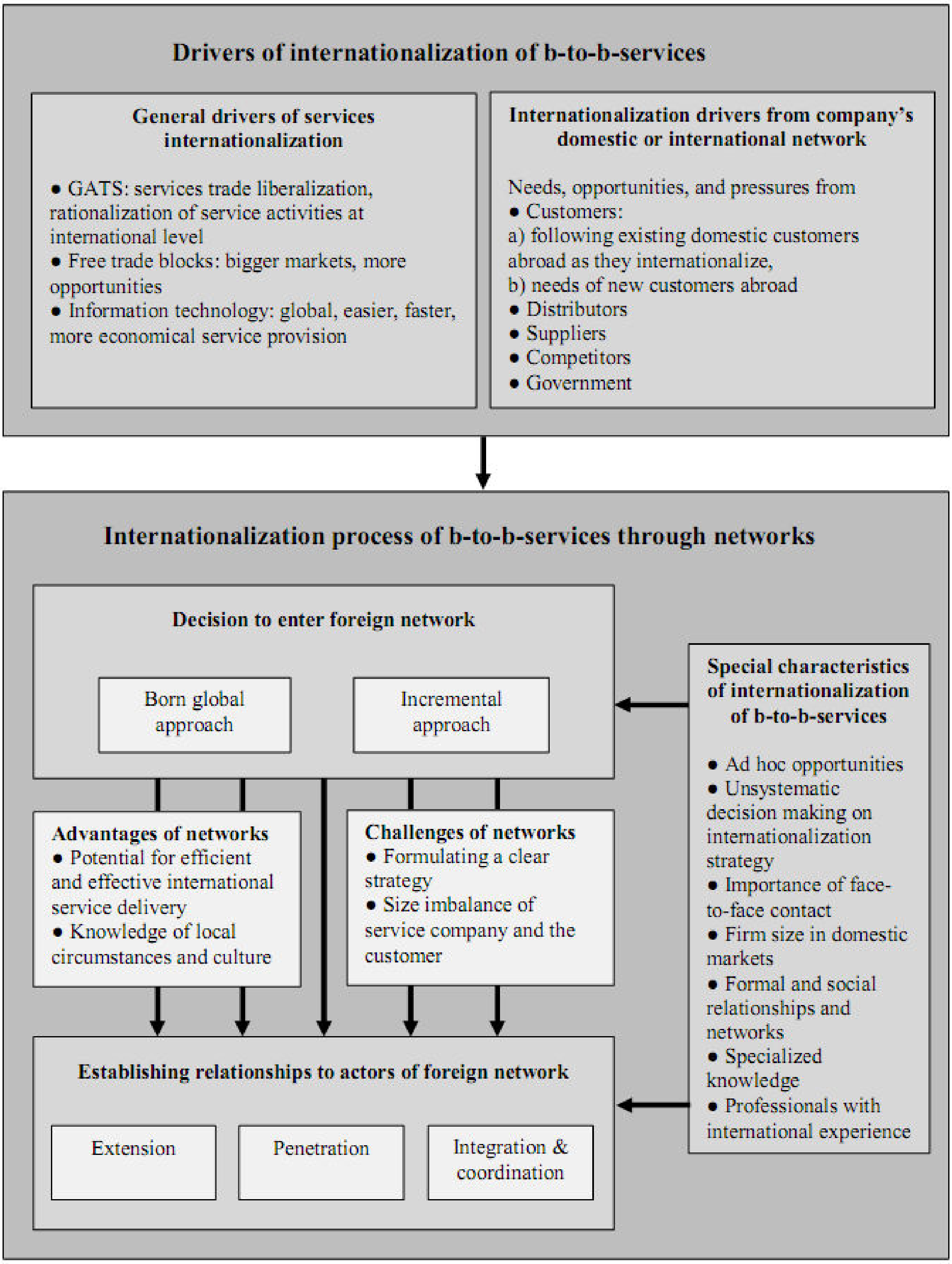

Fig.1 Internationalization of b-to-b-services through business networks

Internationalization process of b-to-b-services via networks consists of the decision to enter to a foreign network as well as establish relationships to the actors of the network. Decision to enter to a foreign network includes determining the foreign network, in other words the foreign market. It also includes deciding the timing, speed, and approach of internationalization. The approach may be the born-global or incremental internationalization approach.

Using network approach in the internationalization includes certain important the following advantages. Establishing new or entering into existing foreign networks offers an efficient and effective way to deliver the service in foreign countries. Also, the network partners in foreign countries know better the local circumstances and understand the culture. Using network approach in the internationalization includes challenges as well. Firstly, formulating a clear and solid strategy for how to use networks in the internationalization of services may be a challenge. Secondly, if the company providing the b-to-b-service is a small one, penetrating or establishing networks in foreign countries is a major challenge. If the customer is very big company is even greater challenge.

Extension, penetration, or integration and coordination strategies are available for establishing relationships to the actors of the foreign network. International extension means establishing relationships with counterparts in countries that are new to the firm. Penetration refers to increasing commitment in already established foreign networks. International integration and coordination means integrating firm's positions in networks in various countries and coordinating activities. Both the decision to enter foreign network as well as establishing relationships to actors of the foreign network is influenced by the special characteristics of internationalization of b-to-b-services. They include ad hoc opportunities, unsystematic decision making on internationalization strategy, importance of face-to-face contact, firm size in domestic markets, formal and social relationships and networks, specialized knowledge, and professionals with international experience.

IX. Conclusions

This article proposed a framework of internationalization of b-to-b-services through business networks. It contributes to the literature by integrating the drivers and the process of internationalization of b-to-b-services. There was a clear need for new knowledge in this area, since little earlier knowledge exists of networks in the internationalization of b-to-b-services. The model was based on an extensive literature analysis, as well as findings from an empirical study.

Finally, the following ideas can be suggested for further research. The role of social media could be examined in the context of using information technology in facilitation of internationalization of b-to-b-services. Also, the varying roles (service provider, customer, competitor, etc.) of the same actors in different foreign networks need more research.

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