

# International relationships and resilience of New Zealand SME exporters during COVID-19

**Citation:**

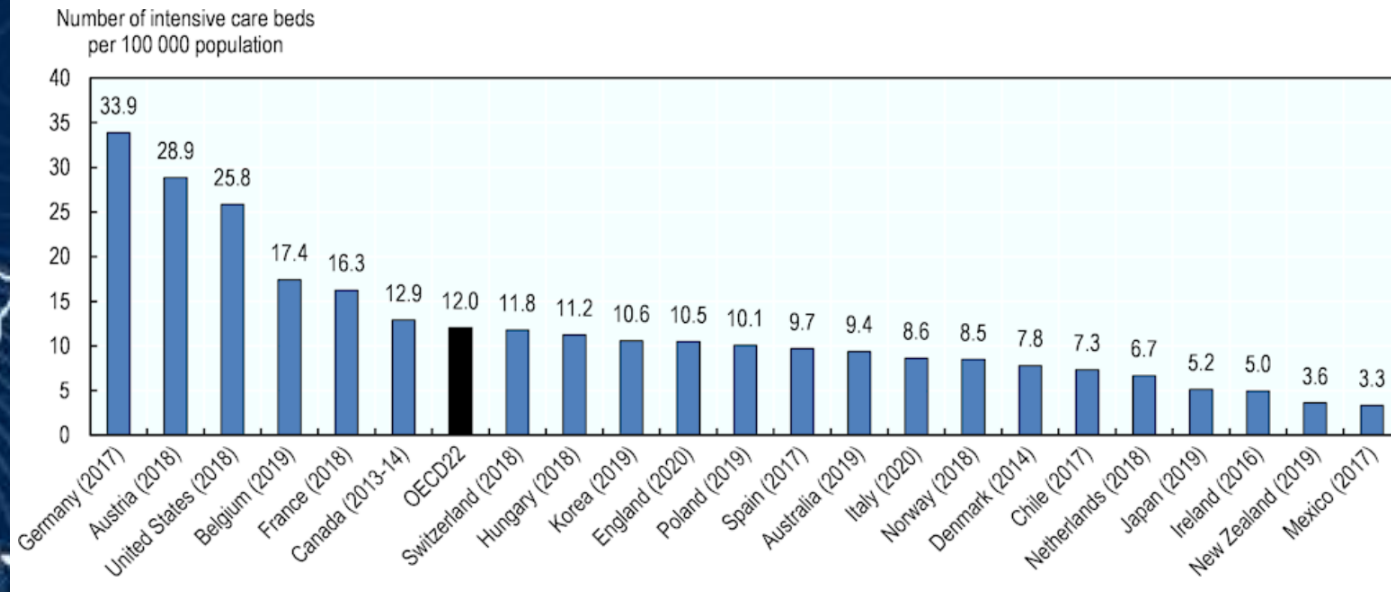
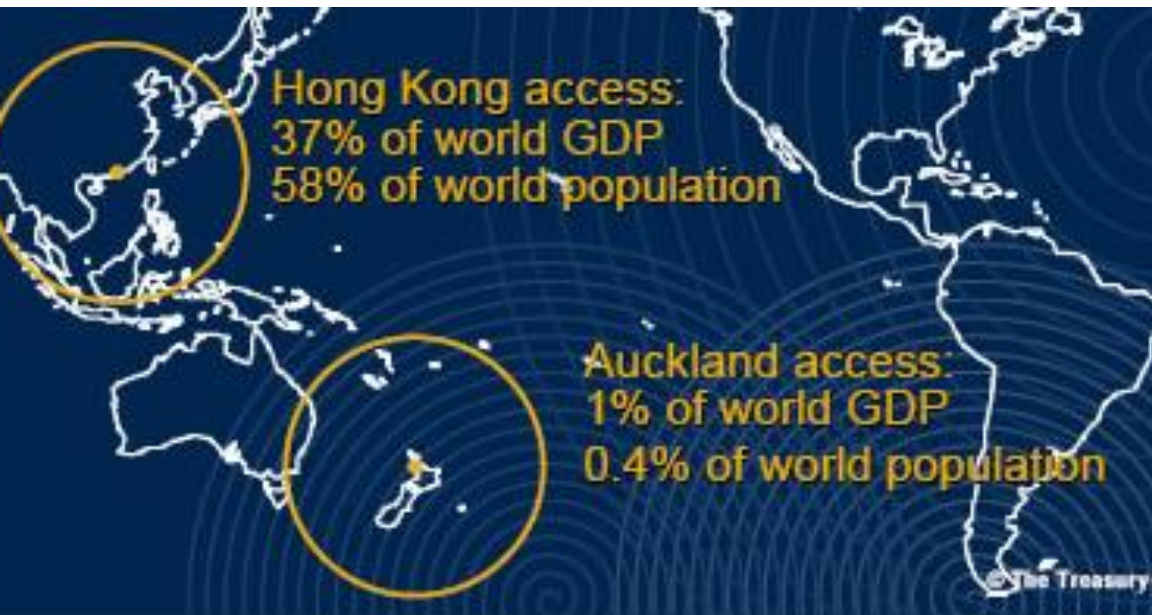
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# New Zealand context

1. Small, open and remote developed economy with (mostly) a developing country export profile
2. Health response: Responded hard and early; focus on well-being, kindness and empathy
3. Distance as a defining feature: Strong domestic recovery, stable goods exports, some problems in higher value add and services
4. New Zealand has done better than other liberal market economies



# Background and Data



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## Literature

- Network driven internationalization of SMEs – **how strong should network ties be? (Welter, 2012)**
- Strong ties are **good for learning** about opportunities in foreign markets and foster resilience (Johanson & Vahlne, 2009)
- But strong ties **might also blind** or expose the business to opportunism (Fiedler et al., 2017)
- Weak ties might be advantageous as they offer a wider **variety/diversity of knowledge** and the adaptability needed for innovation and resilience (Kurt et al., 2020; Uzzi, 1997)
- But weak ties **might break** during crisis

## Questions

(1) How have SMEs in New Zealand engaged with international network partners during the covid-19 crisis/ (2) What connection exists between SMEs' resilience and the way they have engaged with those partners?

## Data

- 17 interviews with 14 companies early in the pandemic
- Partial pattern-matching logic (Sinkovics, 2018)

# Resilience in international markets

<b>Positive market outlook (health food, pet food, skin care, health tech....)</b>	2 Declining market share & liability of outsidership	4 Growing market share
	1 Problem quadrant	3 Serendipitous opportunities
	<b>Weak pre-covid relationship</b>	<b>Strong pre-covid relationship</b>

# Lessons learned:

1. Reliance on strong personal relationship had some bad press as it might open the door to opportunistic behavior and suppress market learning (Fiedler et al., 2017)
2. Very difficult to turn weak relationships into strong relationships during crisis.
3. Weak relationship can mean that the door shut during crisis even if the crisis presents an opportunity.
4. The power of strong relationships in international business facilitate learning about serendipitous opportunities.



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**Thank you**

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