

**NETWORKING AND EXPORT PERFORMANCE: THE
CASE OF THE KENYAN, AGRI-BASED EXPORT
ORIENTED SMALL AND MEDIUM ENTERPRISES**

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Abstract

The study examined the influence of networking on the performance of agri-based export oriented SMEs in Kenya. A survey was conducted on 96 agri-based export oriented SMEs using a questionnaire. Descriptive statistic results confirmed that business links abroad, international trade fairs, membership to trade organizations with mean scores of 4.38, 4.2, and 4.12 respectively were important to networking. Further, local business links and local trade fairs with mean scores of 3.82 and 3.66 respectively, influenced networking to a great extent. An Analysis of Variance (ANOVA) on a sample of 96 SMEs revealed a positive relationship between SME Networks and Export performance of agri-based SMEs. The findings confirmed that networks influence the performance of SME in agri-based export in Kenya. It could also be deduced that networking through domestic and foreign links as well membership to export organizations has a great influence on the performance of agri-based export oriented SMEs.

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1.1 Background Information

Small and Medium Enterprises (SMEs), engagement in the international trade through exports is one of the fastest-growing areas of the global economy (Anderson & Floren, 2008). It's now acknowledged that participation of the SMEs in the export market is now becoming "more a matter of survival rather than a matter of choice" (O'Cass & Julian, 2003). This phenomenon could be attributed to the SMEs networks locally and abroad (Matthias & Sascha, 2007; Lou, 2003; Urban & Shaw, 2010). Scholars observe that network ties are avenues through which SMEs obtain knowledge and information on international business and for identifying foreign exchange partners, which affects initial exporting and subsequent export performance (Ellis, 2000; Ellis & Pecotich, 2001; Sharma & Blomstermo, 2003; Yeoh, 2004; Haahti et al., 2005). It has also been argued that Social networks help firms in overcoming competition, cooperating in setting prices or policies, and in mobilizing resources (Ruzzier et al., 2006). Local networking may help firms overcome export barriers, (Leonidou et al., 2002) while, horizontal relationships, such as membership in a professional association and inter-firm collaboration, are important subtypes of network resources and provide access to informational resources. (Lavie, 2006).

1.2 Statement of the problem

Despite the benefits associated with networking in export performance, the phenomenon has been generally ascribed to developed economy contexts (Petruzzellis, & Gurrieri, 2008). Many studies conducted within the emerging economies have focused on challenges to survival and growth of the SMEs (Matanda, 2008; Mbithi, 2008 and Jaffee, 2003). Hence, the low involvement and poor performance of SMEs in the export market as observed by Gençtürk & Kotabe (2001) and Vellema, (2005) as not yet been understood due to the limited information available. While this could be attributed to an aggregate of many factors for example deficiency in information, poor quality management technologies and lack of institutional support amongst others (Gençtürk & Kotabe 2001; Humphrey, 2005; Vellema, 2005), there was a need to confirm the influence of networking contribute to the poor performance of SMEs in the export market and specifically the agri-based export oriented SMEs.

1.3 Objectives of the Study:

The general objective was to study networking as a determinant of Export Performance for agri-based SMEs in Kenya. The focus was on the influence of domestic links, foreign and membership on export networks and the ultimate influence of networks on export performance.

1.4 Research Hypothesis

Ho1: Social Networks (X_1) (Foreign contacts; local contacts) have a positive influence on the performance of Agri-based export oriented SMEs.

2.0 Literature Review

2.1 Networking Theory

Claridge, T. (2004), defines social networks (SN) as “the goodwill available to individuals or groups and should be developed and managed, because it could be used to enable mode changes (Chetty&Agndal, 2007). Scholars arguing in support of the SN posit that, the network relations enable SMEs to access new, different and abundant resources, including export information, both locally and abroad(Matthias &Sascha, 2007; Urban & Shaw, 2010). It thus, challenges the need for prior accumulation of financial and human resources for SMEs to venture into the export market as postulated by the resource, gradual and knowledge based theories. Since, these are provided for in a collaborative activity of the SMEs that makes it easier for SMEs to enter the international market than if it was acting alone (Johanson and Vahlne 2009).

This “network-building” is a central element behind the propensity of SMEs to internationalize, as well as behind their international performance (Lu & Beamish, 2001). Business networks also speed up the internationalization process of these types of firms (Oviatt& McDougall, 2005). Indeed, new ventures that achieve instant internationalization have tended to demonstrate higher levels of strategic pro-activeness in networking (Coviello, 2006).Bruton *et al.*, (2003) suggested that network-related factors should play an important role within the context of SMEs export marketing decisions and performance and that NS is entrepreneurial since, it is associated with the entrepreneur’s orientation in forming associations with other stakeholders. Hence, the choice of markets for SMEs is shaped by the networks they are embedded in (Moen *et al.*, 2002).

In fact, Johanson and Vahlne (2009) argue that in the 21st century, exporting firms incur more costs in the process of forming and sustaining of business networks essential for access and ultimate performance in the foreign markets. The application of NS theory in this study is consisted with prior studies (Wheeler & Harris, 2005). Moreover, Ghauriet *al.*'s (2003) confirmed the importance of network theory to SMEs performance in the export markets. In line with the objectives of this study, the influence of social networks (local and foreign network linkages, membership to export associations) on export performance of agri-based export oriented SMEs in Kenya were explored.

2.2 Empirical studies

2.2.1 Social Networks

Claridge, T. (2004), defines social capital as “the goodwill available to individuals or groups. Chetty&Agndal (2007) suggest that social capital should be developed and managed, because it could be used to enable mode changes, since the information acquired through social capital may enable an enterprise to switch mode more quickly.

2.2.2 Domestic Networks

Relationships created through domestic networks may be a driving force for entering into foreign export markets, (Ellis, 2000). Zhou et al. (2007) demonstrated that firms can use domestic-based networks to effectively facilitate internationalization. In countries with low levels of institutional development, the need to be part of a social network may be critically important to conducting business (Bruton, *et al.*, 2005; Peng&Zhou, 2005). Welch et al (2008) further pointed out that social networks can provide critical information and contacts that entrepreneurs use to gain access to foreign markets. Yiu et al, (2007) suggest that exporting firms and particularly small and medium enterprises may find it difficult to secure loans in international capital markets and have to rely on domestic banking systems. Henry and. Chung, (2012) confirms that small and medium export orientated firms need domestic networks for instance government intervention through controls, regulations or subsidies. While, Xinming, &Yingqi, (2013), argue that institutional support and networks at the home front helps firms discover opportunities, secure resources and gain legitimacy essential for venturing in to the export market.

2.2.3 Foreign Networks

Empirical studies have documented the role of foreign networks in export performance (Ellis, 2000). Key, contributions of foreign networks as documented include amassing knowledge of international markets, access to international markets and improving performance, (Ellis, 2000). The resource base perspective suggests that through foreign networks firms can gain an array of benefits ranging from access to resources for instance knowledge and information and advice from other members in the network, to referral, trust and solidarity, (Lavie, 2007; Li&Zhou, 2010). Xinming, &Yingqi, (2013), argue that well-networked firms possess resources and capabilities to interact with external actors and are able to collect and evaluate information and knowledge about current and future customer demand, marketing and technologies, plans and capabilities of competitors and changes in the nature of the business environments. It's further argued that, firms can overcome the obstacles inherent in distant markets through a range of benefits associated with foreign networks including cooperation, information sharing, acquisition of knowledge of international market opportunities, advices and experiential learning (Acquaah, 2007; Matthias &Sascha, 2007).

Xinming, &Yingqi, (2013), have argued that network linkages are effective for sourcing and transferring knowledge that leads to competitive advantage. Inter organizational networks are thus, thought to enhance the survival and capabilities of organizations by providing opportunities for shared learning, transfer of technical knowledge, legitimacy, and resource exchange (Park &Luo, 2001). Similarly, when the regulative domain of the host country is unfavourable to foreign investors, multinational enterprises may mitigate threats and gain market legitimacy by joint venturing with local partners (Yiu& Makino, 2002).

Further studies suggest that the greater the environmental uncertainty and turbulence, the more entrepreneurs must rely on their social ties (Peng&Zhuo, 2005). Mursali (2012) and Kiss& Danis (2008) suggested that social network may have direct, positive effects on the speed of new venture internationalization, but the relative strength of these effects likely depends on a country's level of institutional development. Establishing network relationship with relevant organization may transfer information and knowledge and then enhance firms' survival and capabilities (Park &Luo, 2001). Peng&Zhuo, (2005) confirmed that the impact of social capital on organizational performance is higher for smaller firms and firms in low-growth industries.

2.2.4 Membership to Trade Organizations

Xinming, & Yingqi, (2013), posits that, networks through membership to organizations increases the firm's capabilities to generate market intelligence, to respond to international markets via personal ties and referrals efficiently and effectively and to reduce information asymmetry and the uncertainties associated with international operations. Yiu et al (2007) confirms that, Links with domestic trade associations and professional bodies can provide intelligence on different markets and access to those markets for international operations. Similarly, networks through membership to organizations bring in advice and experiential learning related to international operations the experiential learning can both lower the risks and uncertainties inherent in export markets and further reduce information acquisition costs (Ellis, 2000). Sengupta, Castaldi & Silverman, (2005) argue that, most SMEs start out by serving the domestic market and gradually move into exports and that there is a general reluctance to get involved in exporting due, in part, to a lack of export-specific knowledge and information. The knowledge and information can be sourced through membership to organizations Sengupta, et al., (2005).

3.0 METHODOLOGY

A survey was conducted using a closed ended questionnaire on a sample of 96 agri-based export oriented SMEs from a population of 196 SMEs. The sample size represented a 50% of the population and was higher than the minimum recommended sample size of 30 for a normally distributed population (Kothari, 2004). A response rate of 64% was achieved and thus was adequate for analysis.

The study sought to collect qualitative data on links to foreign markets, domestic links and membership to professional exporting organisations and their influence to the social networks and ultimately the export performance. The study further obtained quantitative data on export market performance terms of profits, sales volume, and market channels for determination of the correlation between the networks as an independent and export performance as a depended variable. The data was analysed for descriptive statistics to determine and describe the respondent's opinions. A multivariate regression model and Analysis of Variance were used to test for correlation amongst the networks and export performance.

4.0 RESULTS AND DISCUSSIONS

4.1 Response Rate

Results on response rate are as shown in Table 4.1 below

Table 4.1: Response Rate

Response	Frequency	Percentage
Responded	61	64
Not responded	35	36
Total	96	100

Table 4.1 reveals that 61 respondents representing 64% of the 96 respondents returned the filled in questionnaire. Prior scholars observe that a response rate above 50% is adequate for analysis (Kothari, 2004). Hence, 64% response rate was high above the 50% minimum threshold and therefore acceptable for analysis of the current data.

4.2 Social Networks as a determinant of Export Performance

The study aimed at establishing the influence social networks export performance of agri-based export oriented SMEs in Kenya. This was measured by investigating; member of export association, business links abroad before start of export, business links locally before start of export, SMEs attendance of local trade fairs, chance of attending international trade fairs and factors influencing social networks.

4.2.1 Membership to Export Associations

Results on Membership to associations are as indicated in Table 4.2 below

Table 4.2: Member of export association

	Frequency	Percent
Yes	57	93.4
No	4	6.6
Total	61	100

The results as represented in Table 4.2 confirmed that an overwhelming 93% majority of the respondents were members to export associations. Studies by Ellis (2000) confirm that many exporting SMEs start by being members to export associations. Yiu et al, (2007) in support of the findings observes that SMEs use domestic trade associations and professional bodies to obtain intelligence on different markets and access to those markets for international operations. Thus membership to export association is a vital link to export markets. The study has therefore established that a large number of the SMEs in the agri- business have enrolled as members of to export associations.

4.2.2 Local Business Links

Results on local business links are as indicated in table 4.3 below

Table 4.3: Business links locally before start of export

	Frequency	Percent
Yes	55	90.2
No	6	9.8
Total	61	100

Results in Table 4.3 indicate that a majority 90% of the respondents had local business links. The findings are consisted with prior empirical findings (Brown and Bell, 2001). The two scholars aver that, SMEs have local network relationships which if leveraged appropriately, lead to joint efforts that are synergistically efficient in exploiting opportunities in the international markets.

4.2.3 Business Links Abroad

Table 4.4 below show the results on business links abroad

Table 4.4: Business links abroad before start of export

	Frequency	Percent
Yes	32	52.5
No	29	47.5
Total	61	100.0

Result in table 4.4 show that majority 53% had business links abroad while; a minority 47% did not have links abroad. Yiu et al, (2007) in support of the findings, posits that business partners abroad enhance communication between the SMEs of foreign country and the host country and thus, help expand on export markets.

4.2.4 Attendance of Local Trade Fairs

Table 4.5 displays results on the attendance to local trade fairs

Table 4.5: SMEs attendance to local trade fairs

	Frequency	Percent
Yes	59	96.7
No	2	3.3
Total	61	100

Table 4.5 shows that an overwhelming 97% majority of the respondents had attended local trade fairs. Prior studies by Terziovski, (2003) in support of these findings argue that local trade fairs facilitate the forming of new competences as well changing the SMEs entrepreneurial vision. Moreover, the annual international fairs in Kenya titled “agriculture shows” are biased toward agriculture products and are inexpensive (ROK, 2009). This informs why a majority of the respondents attend the local trade fairs.

4.2.5 Attendance to International Trade Fairs

Results on attendance to international trade fairs are as indicated in table 4.6

Table 4.6: Attendance to international trade fairs

	Frequency	Percent
Yes	36	59.0
No	25	41.0
Total	61	100.0

Results on attendance to international trade fairs reveal that a majority, 59% had attended international trade fairs while, 41% had not. Terziovski, (2003) in support of the findings

observes that international trade fairs offer the SMEs an opportunity for networking with foreign experts vital for improved export performance. The international trade fairs also help enhance the entrepreneur’s knowledge on export market requirements (Westhead, *et al.*, 2002). Hence, the need for entrepreneurs to attend such fairs as exhibited by 59% of the respondents.

4.2.6 Factors Influencing Social Networks

Results on the dimensions of Social networks are as shown in Table 4.6

Table 4.7: Factors influencing social networks

	N	Minimum	Maximum	Mean	Std. Deviation
Membership to export association	61	1	5	4.13	.903
Business links abroad	61	1	5	4.38	.083
Local business links	61	2	5	3.82	.885
Local trade fairs	61	1	5	3.66	.981
International trade fairs	61	1	5	4.20	.302
Valid N (listwise)	61				
			Total	20.19	5.154
			Average	4.038	1.0308

Results on the dimensions of Social networks ranked business links abroad, attendance to international trade fairs and membership to export association with mean scores of 4.38, 4.20, and 4.13 first, second and third respectively. Implying that these three components affected the social networks very highly and hence, the export performance of the agri-based export oriented SMEs in Kenya. Indeed the ranking strongly links up with results in tables (4.2), (4.4), and 4.6 which suggest that 93% of the respondents were members of export associations, 53% had business links abroad while 59% had attended international trade fairs. The three constitute a major link to foreign markets as compared to the local business links and local trade fairs and therefore offered a rich experience in export markets. The findings have been empirically supported by Brown and Bell, (2001), Mina, (2010), Yiu et al, (2007), Terziowski, (2003)

and Westhead, *et al.*, (2002). These scholars aver that international experience accrued through business links and international trade fairs offers networks critical expanding on export markets.

The study therefore infers that business links abroad with a mean score of mean = 4.38 influence influences the social networks highly and hence the export performance of the agri-based export oriented SMEs.

4.3 Export Performance Measurement

The study further sought to determine the export performance levels of the agri-based SMEs in terms of marketing channels, sales volumes, and profits for the last five years after start of exporting. The results of the business linkages versus market channels, export volumes and export profits are as shown in table 4.8

4.3.1 Business linkages versus marketing channels and average export volumes

The results on the marketing channels exported to by the respondents are as shown in table 4.8

Table 4.8 shows that the number of business links abroad was equal to the number of export marketing channels attained. It's evident from table 4.8 that the higher the business links the more the number of marketing channels. It's also confirmed that only 15(32.3%) had managed to achieve between 5 and 10 market channels. These results seem to contradict the preceding findings on respondent's business links abroad as suggested by 52.5% and 59% attendance to international trade fairs. Nor can they be explained by the 93% membership to export associations. Naturally, it would have been expected that the SMEs should have had many export links within the five years in the export market. While the results support SMEs network linkages with corresponding increase in market channels the limited growth could be explained on the SMEs part to expand but concentrate on a few export markets.

Indeed this view draws support from the reports of the Kenya Produce Exporters Association of Kenya (FPEAK, 2005) which strongly indicates that the major consumer of the agri-based products from Kenyan is the European Union (EU) characterised by few auction markets (Okello *et al.*, 2007). Therefore, the business links abroad coupled with regular attendance to international fairs abroad could have been used by the SMEs to strengthen and maintain the few export market channels. Moreover, Kenya's agri-horticultural export expansion was greatly

aided by the country's preferential duty-free access to EU markets under the Lome Agreement, which lapsed in 2008 (FPEAK, 2009). Consequently, the agri-exporting SMEs from Kenya have now to contend with the stiff competition from other producers like Cote d'Ivoire, Morocco, Zimbabwe, South Africa and Cameroon (FPEAK, 2009).

However, the forgoing discussions notwithstanding, reaching out to more than one export marketing channel by over 67% of the agri-based export oriented SMEs is a big achievement when resource and institutional constraints are taken in to account (Mwangi, 2009). Hence, while business links abroad and attendance to international fairs may have helped create strong business networks challenges of compliance to Private Standards (PVS) GLOBALGAP introduced in 2003 to exporters of fruits, flowers and vegetables designated for the EU market has forced many to go slow in the export market (Mwangi, 2009). Hence, the networks have only helped maintain a few export markets.

4.3.2 Business linkages versus export volumes (Metric Tonnes) for the last five years

Evidence from Table 4.8 on business linkages, export channels and export volumes show that the average export volumes in metric tonnes increased with the number of market linkages and market channels. 8.2% of the respondents with only one linkage and one marketing channel were only able to export an average of 10 per annum, while those with from 6-10 linkages made export sales of 60 to 80 tonnes per year. The findings suggest the higher the market networks the higher the export volumes and vice versa. The findings are consistent with prior studies (Yiu *et al*, 2007). Who posits that SMEs ability to engage in relevant networking activities, such as participation in trade fairs, membership to social and professional organizations can provide critical information and contacts that entrepreneurs use to gain access in to foreign markets. In support of the findings Coviello, (2006), posits that enterprises that achieve positive export performance tend to demonstrate higher levels of strategic pro-activeness in networking.

4.3.3 Business Linkages versus export profits

Results in table 4.8 further suggest that export profits increased with number business linkages abroad, and the number of export channels. Respondents with business and export channels greater than 5 reported profit increases of 30% to 50% within the five years of exporting. On the other hand, SMEs with low business links recorded profit increases of 5% to 20%. This could be explained on the context of increased export volumes with increase in number of market links

and marketing channels. This illustrates the importance of network linkages and export performance when measured in terms of export profits. A number of scholars have led support to the findings of the current study. Yang, Yiyum&Zafar(2003) in support of the findings, illustrated a positive and significant relationship of both domestic and foreign networks to EP when measured in terms of export profits. Other scholars in support of the findings include Basly, (2007) and Wheeler (2005).

Table 4.8: Business Linkages Versus: EC: EV& EP

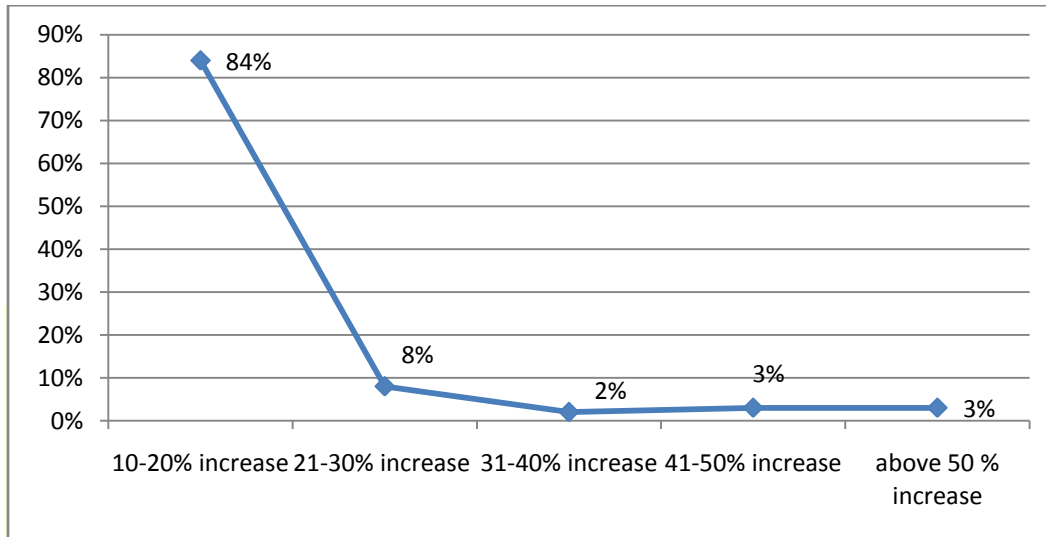
BLA	EC	EV	EP	FR	%
1	1	10	5	5	8.2
2	2	30	8	22	36.1
3	3	40	15	10	16.8
4	4	40	20	9	14.8
5	5	55	30	4	6.6
6	6	60	30	3	4.9
7	7	70	40	3	4.9
8	8	70	40	2	3.3
9	9	70	40	1	1.6
>10	10	80	50	2	3.3
Total				61	100

Key: BLA-Business Links Abroad, EC- Export Channels, EV-Export Volumes, EP-Export Profits, FR-Frequency.

4.5.8 Export Profits Increase over the Last Five Years

The results in Fig 4.1 were drawn to support the findings in Table 4.8 on export profits. The results confirm that 3% of the respondents had increases of 50%. Apparently, these were SMEs with higher numbers of marketing channels and a bigger number of marketing links. All in support of more networks better export performance in terms of profits.

Figure 4.5: Export profits increase over the last five years



4.6 Tests for Hypothesis: Ho1:

Ho1: Suggest that Social Networks (X₂) (Foreign contacts; local contacts) have no positive influence on the Export performance (EP) of the agri-based export oriented SMEs. To investigate this hypothesis, predictor HC was regressed against the dependent variable Export (EP). The results of the regression analysis and further application of Analysis of Variance (ANOVA) F-test are as indicated in Table 4.9

Table 4.9: Model Summary on performance of Export Performance of agri-based export oriented SMEs: Social Networks

Model

Model	R	R Square	Adjusted R	Square Error of the Estimate	Std.
1	.791 ^a	.625	.623	.08362	

ANOVA^b

Model	Sum of	df	Mean	F	Sig.
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		Squares		Square		
1	Regression	1.690723	1	1.690723	241.7715	.000 ^a
	Residual	0.41958	60	0.006993		
	Total	2.110303	61			

Coefficients

Model	Coefficients			
1	B	Std. Error	Sig.	
	(Constant)	.202	.036	.000
	SME Networks	.729	.047	.000

4.6.1 Interpretation and discussions of results for the Regression of NS against EP

Results in Table 4.9 above, show that when the predictor Social Networks (SN) was regressed against the dependent Variable Export Performance (EP) the coefficient(R) was 0.791. The results suggested a strong and positive relation between the predictor SN and export performance (EP) as the dependent variable. This implies that a change in EP can be explained by Social Networks. The results of the regression analysis further show that the coefficient of determination $R^2 = 0.625$. This means that 62.5% variation in the Export performance (EP) of the agri-based export oriented SMEs could be explained by Social Networks (SN). Hence, the results confirm that Social Networks could predict for 62.25% of export performance amongst the agri-based export oriented SMEs in Kenya.

An analysis of Variance (ANOVA) to test for significance of the relationships between SN and EP, indicates that the p-value=0.00 is less than $p=0.05$. The results suggest that the predictor variable NS is significantly related to the dependent variable (EP) at 5% risk level. The results of the β -coefficient, $\beta = 0.729$ is greater than 0. This further confirms that the relationship between the predictor SN and the dependent variable EP is highly significant at 5% risk level. A further test on the beta coefficient of the resulting model, the constant $\alpha = 0.202$ is significantly greater than 0, since the p value $p = 0.000$ is less than $p= 0.05$. This implies that the constant could to some extent influence the results in the regression table 4.22

The hypothesis Ho1: Suggest that Social Networks (X_2) (Foreign contacts; local contacts) have no positive influence on the Export performance (EP) of the agri-based export oriented SMEs. Results in table 4.22 however, confirm a positive and significant relationship between the predictor NS and the dependent variable EP. Consequently, the null hypothesis that NS has no positive influence on EP is rejected and the alternative hypothesis that NS has positive influence on EP is accepted. The results imply that the model $Y = \beta_0 + \beta_1 X_1 + e$, is significantly fit and further confirm that the relationship between SN and EP is strong and statistically significant at 95% confidence level.

A number of scholars have led support to the findings of the current study. Yang, Yiyum & Zafar (2003) in support of the findings, illustrated a positive and significant relationship of both domestic and foreign networks to EP. Other scholars in support of the findings include Basly, (2007) and Wheeler (2005). Kiss & Danis (2008) also suggested that social network may have direct, positive effects on the speed of new venture internationalization, but linked it to the country's level of institutional development.

The findings further draw their support for the Social Network Theory, which suggest that social capital should be developed and managed as it enables the enterprise switch mode more quickly (Chetty & Agndal, 2007). Pursuance, to Social Networking Theory, Coviello, (2006), posits that enterprises that achieve positive export performance tend to demonstrate higher levels of strategic pro-activeness in networking. Urban & Shaw, (2010) further, observe that the Social Network linkages may be especially important to SMEs from emerging economies as they enable enterprises with relatively weak internal resources to access complementary resources and capabilities within the wider network. Moreover, network-related factors play an important role within the context of SMEs export marketing decisions and performance (Bruton *et al.*, 2003). Based on the findings of the study and further support from empirical studies the current study infers that Social Networks could predict for 62.5% of Export performance (EP) of the agri-based export oriented SMEs in Kenya.

Conclusions

The purpose of this study was to investigate on the influence of networks on the export performance of the agri-based SMEs in Kenya. The study confirmed that an overwhelming 93% majority of the respondents were members to export associations, a majority 90% of the respondents had local business links while majority 53% had business links abroad. The results further suggest that an overwhelming 97% majority of the respondents of the respondents had attended local trade fairs and while 59% had attended international trade fairs.

The study findings further confirmed that business links abroad, attendance to international trade fairs and membership to export association with mean scores of 4.38, 4.20, and 4.13 influenced the social capital very highly and hence the export performance. The three components were found constitute a major link to foreign markets as compared to the local business links and local trade fairs and therefore offered a rich experience in export markets.

The findings further confirmed that the marketing channels, export volumes and export profits were linked to number of business links abroad. This was a confirmation of the linkage between Social Networks and export performance. It was further confirmed that there exists a strong, positive and linear relationship between the Social Networks and Export performance of the agri-based SMEs and that Social Networks could explain for 62% of the variation in export performance of the agri-based export oriented SMEs in Kenya. The relationship was statistically significant at 95% confidence level. The findings have been empirically supported by Brown and Bell, (2001), Mina, (2010), Yiu et al, (2007), Terziovski, (2003) and Westhead, *et al.*, (2002). These scholars aver that international experience accrued through business links and international trade fairs offers networks critical expanding on export markets.

From the findings of the study it can be inferred that social networks manifested through business links abroad, local business links attendance to international trade fairs as well as membership to exporting associations has a great influence on the performance of agri-based export oriented SMEs in Kenya.

Recommendations

The study has confirmed that Social Networks manifested in international business links, membership to associations and attendance to international trade fairs has a great influence of the export performance of agri-based export oriented SMEs in Kenya. It is therefore imperative that the agri-based export oriented SMEs establish strong business links, and be affiliated to exporting organisations. Support from the government is also required to help in building up formal business links especially through the Ministry of trade, the Fresh Produce Exporters Association of Kenya (FPEAK) the Horticultural Crops Development Authority (HCDA), Export Promotion Council, Kenya (EPC, K) and any other institution involved in international business.

A further research to determine the moderating effect of other variables particularly institutional factors is also recommended to determine the full potential influence of the social networks. This was a cross sectional survey and therefore the results may have errors due to age differences of the SMEs, for example older SMEs may had better networks. Another survey based on clusters of years (1-5, 6-10) is highly recommended to build on homogeneity and thus reduce errors.

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