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ASTON UNIVERSITY

**MARKETING RESOURCES OF ACTIVELY  
INVOLVED EXPORTERS**

Ioannis A. Angelis

Doctor of Philosophy

March 2009

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**Thesis Summary**

The purpose of this dissertation is to examine the impact of the market orientation and market based resources of actively involved exporters and their distributors on export venture performance.

Previous literature in marketing channels has examined the effect of the market orientation of suppliers and their distributors on supplier-distributor relationships, mainly in a domestic context, as well as the impact of the quality of their relationship on business performance in domestic and international contexts. However, there is little, or no research that focuses on the interplay between the relevant marketing resources, such as market orientation, proactive market orientation, selling, pricing, reputation, market innovation, and other of an export venture and their distributor, and consequently on export venture performance.

This dissertation is mainly a quantitative study using a mail survey among Greek exporting firms in various industries. The final sample comprised of 190 exporting ventures. The survey instrument was enhanced through open interviews with export venture managers and their respective distributors and was pre-tested with a small-scale dyadic survey. Survey data were analysed using structural equation modelling.

The main research objective was to assess the impact of marketing support resources, namely market orientation and proactive market orientation, and market-based resources of an export venture and its distributor on export performance. In addition, the relationship of marketing support resources of the export venture and those of the distributor was examined. In part, some of the relationships examined are a migration of traditionally domestic theory (Hooley et al. 2005), to an exporting context, testing whether there are differences in the relationships in a different context.

This study generates new marketing theory, as it addresses the relationship of proactive market orientation and market orientation on marketing resources in an exporting context. Also, it contributes to the resource-based view, marketing, and export business literature, as findings indicate that high levels of export venture proactive market orientation lead to distributors with high levels of market orientation. In line with findings of domestic context research, the proactive market orientation of the venture renders its market orientation statistically not significant. In addition, there is a significant and positive relationship between export venture and distributor marketing support resources and their respective market based-resources. Further, the impact of the export venture market-based resources on venture performance is not significant and it is fully mediated by the market-based resources of the distributor.

**Keywords:** Exports, Proactive Market Orientation, Marketing Resources, Export Venture Performance



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# Chapter 1. Introduction

## *1.1 Background*

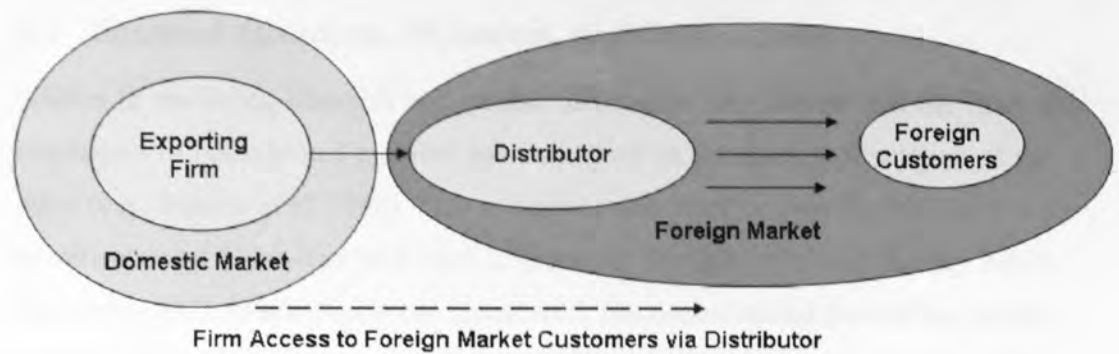
Worldwide, most companies are now selling to, using materials or equipment from, or competing with products from other nations. National and regional economic health and growth have become increasingly dependent upon export sales as an engine of growth and as a source of foreign exchange necessary for the import of goods and services.

Most companies would prefer to concentrate on domestic rather than foreign markets, because of their greater familiarity with their own environments and of the desire to avoid trade regulations and currency exposure. However, there are compelling reasons that lead them to trade: Use of excess capacity, cost reduction, greater profitability (discrimination pricing), and risk spreading.

The value of export trade exceeds \$7.5 Trillion annually, accounting for more than 10% of global economic activity (I.M.F. 2007). The continuous lowering of barriers to trade, investment, and access to capital markets, through multilateral agreements and increasing local integration, e.g. European Union and NAFTA, has enabled many companies to expand their exports.

A company's choice of entry mode to a foreign market depends on different factors, such as the ownership advantages of the company, location advantages of the foreign market, and internalization advantages of integrating transactions within the company. In addition to these advantages, companies also consider the degree of fit with their overall strategy.

This dissertation develops and tests an export marketing strategy conceptual model of actively involved exporting ventures, their distributors, and their marketing resources. Whereby actively involved exporters, we mean exporters that make use of agents and distributors located in the export market of interest, as shown in Figure 1.



**Figure 1 Exporting Firm Access of Foreign Market using Agent/Distributor**

Distributors usually seek exclusive rights to specific sales territories, but constitute a mode of relatively low-cost foreign market entry when compared to franchising, Joint Ventures, and Foreign Direct Investment. Actually, the distributor takes the title of goods, i.e. owns the inventory he carries, and represents the manufacturer in the sales and service of these products. In return for his capital investment, he usually seeks exclusivity of supply and the sales territory, as well as a reasonable turnover rate of the products handled.

In other words, the exporter is responsible for producing a product of interest and relevance to foreign customers, and the distributor becomes the marketing and selling arm that is necessary for effective and efficient product delivery. However, successful product delivery requires both channel members to take into consideration customer needs, and competitor actions in their day to day operations. Although the exporter and its foreign distributor are dependent upon each other, they are also separated by ownership, geography, culture and law (Albaum et al. 2002).

Export distribution channels are of interest to this dissertation, not only because they are complex, but also because a market oriented distribution channel intertwined with resources brought by both members can be a source of competitive advantage. The search for the factors that contribute to competitive advantage has been a never-ending quest both for academia and business practice.

## *1.2 Research Questions, Objectives, and Contribution*

Studies in marketing channels and market orientation have shown that the market orientation of one channel member has an impact on the market orientation of the other (e.g., Siguaw et al. 1998). That is because one member uses the other as point of reference of behaviour and tries to improve through imitation (Kelley 1965; Shibutani 1955). In addition, more recent work has demonstrated that classic market orientation has to be considered together with proactive market orientation, where the first addresses current market needs and the later addresses latent ones (Narver et al. 2004). However, does this relationship hold in the same way in the context of an exporting channel? What is the impact of the market orientation of an export venture, responsive or proactive, on the market orientation of its distributor?

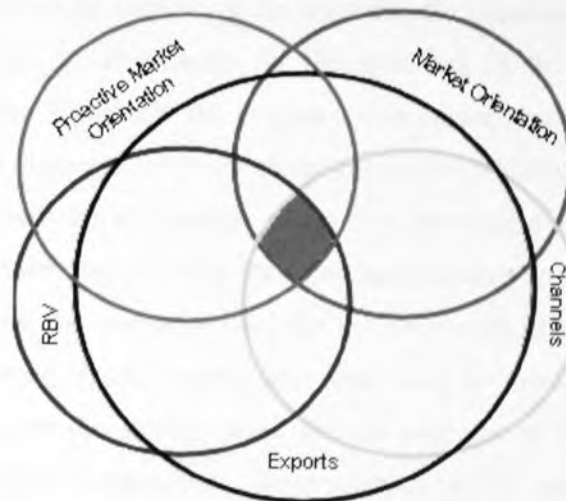
In addition, both domestic and export channel focused studies have shown that a market oriented supplier/export venture contributes to the quality of the relationship between the channel members (Nguyen et al. 2007; Siguaw et al. 1998). A good relationship that possesses relational rents contributes to superior performance relative to competitors (Dyer and Singh 1998; Hunt and Morgan 1995). Furthermore, recent work in domestic firms has demonstrated that possession of a highly market oriented culture, by a firm, leads to improved elements of organizational responsiveness mainly expressed in the form of resources that can be deployed in the market place (Hooley et al. 2005; Hult et al. 2005). Does however the market orientation of either channel member affect the resources possessed by each channel member and deployed in the market place? Do the resources of the export venture affect, in any way, the resources of the distributor that operates in a foreign country and sells a specific product?

Finally, one of the basic arguments of the resource based view of the firm (RBV) is that resources (assets and capabilities) that are valuable, rare, and difficult to substitute and imitate are a source of competitive advantage. Consequently, firms in possession of such resources can enjoy performance superior to their competitors (Amit and Schoemaker 1993; Barney 1991; Penrose 1959). While the impact of resources on either competitive advantage or firm/venture performance has been investigated and results corroborate the argument just mentioned (Hooley et al.

2005; Kaleka 2002; Morgan et al. 2004; Morgan et al.), the impact of resources possessed by both channel members on the supplier/venture performance has received scant attention. Therefore, the following questions are justified: What are the critical resources in an export channel? Do the resources of both channel members in an exporting channel affect the export performance of a venture?

The proposed study aims at providing evidence to fill in the literature gaps identified above and explained in more detail in the Literature Review Chapter. More specifically, through a survey of 190 actively involved Greek exporters, this study aims at answering the following questions:

- Do higher levels of proactive and responsive export venture market orientation lead to higher levels of distributor market orientation?
- Do higher levels of market orientation for the venture and distributor lead to higher levels of their respective market-based resources?
- Do higher levels of venture market-based resources lead to higher levels of distributor market-based resources?
- Do higher levels of venture and distributor market-based resources lead to higher levels of export venture performance?



**Figure 2 Theoretical Positioning of Dissertation**

In part, this study examines relationships already investigated in a domestic context (Hooley et al. 2005) and tests to see whether there are differences in an exporting context. It also extends marketing theory by looking at the impact of market orientation and proactive market orientation together, on export performance.

Theoretically, this study is at the intersection of different theories and contexts as shown in Figure 2. The theoretical contribution is mainly at that intersection of Marketing Orientation, Resource Based View, Marketing Channels, and Exports. This study contributes to market orientation and exports literature as it shows that a market oriented culture leads to higher levels of resources. It contributes to market orientation and marketing channels as it enhances the understanding of the effect of the market orientation of one channel member on the other, and the balance between responsive and proactive market orientation of the venture. It contributes to the RBV and exports as it explains that having a market oriented culture is an antecedent to having high levels of market-based resources. It makes a contribution to RBV and marketing channels as it shows that the level of resources possessed by the venture affects the level of resources possessed by the distributor and that the impact of these resources is fully mediated by the resources of the distributor.

### ***1.3 Dissertation Outline***

The report is structured in eight chapters. Chapter 2 reviews the literature related to market orientation, resource-based-view and marketing channel theories and links them with the exporting context. As an outcome, the literature gap and contribution are identified and the foundation for the synthesis of the conceptual model is provided. Chapter 3 presents the proposed conceptual model and the hypotheses made. Chapter 4 discusses the research design used to address the research problem. Chapter 5 discusses the exploratory phase that involved dyadic expert interviews and the key findings that allowed for some amendments to the conceptual model. Chapter 6 presents the measures used for the constructs of the conceptual model, and the small scale dyadic survey that was used to pre-test the questionnaire. Chapter 7 discusses the strategy used for the analyses of the data, the measure purification through confirmatory factor analysis (CFA) and hypotheses testing through structural equation modelling (SEM), in order to demonstrate convergent and discriminant validity, reliability, and nomological validity. Chapter 8 is a discussion of the findings of the analysis made in chapter 7 along with their implications. Chapter 9 is the concluding chapter that summarizes the contributions to theory and practice along with study limitations and proposals for further research.



## **Chapter 2. Literature Review**

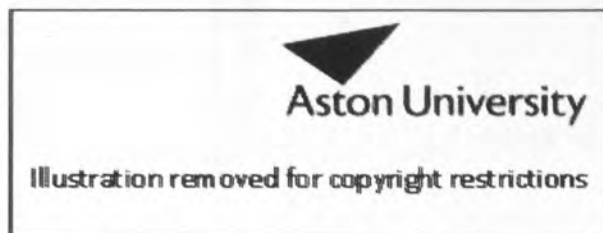
This section contains the review of literature of different strands of exporting and international business research and the key theories related to the conceptual model. First, the stages of export development are discussed. Second, the key theory of market orientation is discussed along with its relation to export operations and domestic export performance. Third, another key theory is introduced, namely, the Resource Based View (RBV) of the firm. Then, the link between market orientation and RBV is made. Once this link is established, the literature that attempts to explain the link between market orientation and export firm performance is discussed. A small parenthesis is made to allow the discussion of literature related to export performance. This parenthesis ends with export marketing strategy and the relational paradigm which allows the link with the next final section, which is market orientation and channel relationships explored both in a domestic and export context. The chapter ends with two figures, that summarize the contributions and gaps identified through the literature review, and concludes by bridging existing theory with newly proposed research. In order to assist the reader at each section of the literature review a small figure depicts the main theories involved and identifies the area of literature discussed as a grey shaded region.

### ***2.1 Degree of Export Development***

In the seventies, Johanson and Wiedersheim-Paul (1975), based on an empirical study of four Swedish exporters, concluded that the export decision process is done gradually and not in large investments. They also found that some expansion immediately outside of the national market preceded internationalisation. For example, by expanding first out of the nation state into the immediate neighbour country of Scandinavia, a Swedish firm could reduce its perceived risk and the overall uncertainty associated with selling in a new environment. It was exporting but within a region where language and cultural values were closer to its own. The two researchers proceeded to conceptually expand their conclusions by considering them applicable for firms in other countries. The paper concluded with a staged internationalisation model, called the "Uppsala school model," that comprises of the following four-stages: (i) no regular export activities, (ii) export via overseas agents/distributors, (iii) establishment of an overseas sales subsidiary, and (iv)



overseas production manufacturing (Johanson and Wiedersheim-Paul 1975). This model influenced subsequent research efforts to identify stages in the export development process (Ford and Leonidou 1991).

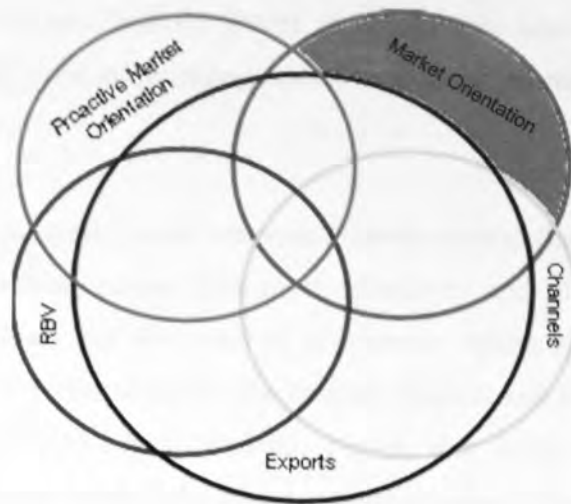


**Figure 3 Degree of Firm Internationalization as a Linear Process (Paliwoda and Thomas 2001)**

Exporting researchers have developed the exporting stage of internationalisation into more analytical stages and have identified different resources that are of significance for each exporting stage. In 1996, Leonidou and Katsikeas published a review of export development models. These models dealt with manufacturing firms, used the firm as a unit of analysis and more importantly considered export development as a continuous linear process, as shown in Figure 3. The export development literature is of interest to this study, because it attempts to describe the influence of each stage on different resources and vice versa the resources required, in order for a company to be able to achieve a desired exporting stage (Cavusgil 1984a; Cavusgil 1984b; Cavusgil and Naor 1987).

## ***2.2 Market Orientation***

The concept of market orientation is heavily influenced by the marketing concept and has made a significant contribution to marketing management and marketing strategy fields (Cano et al. 2004). The three main conceptualizations of market orientation are the behavioural perspective (Kohli and Jaworski 1990), the cultural perspective (Narver and Slater 1990), and the combined perspective (Deshpande et al. 1993).



**Figure 4 Market Orientation**

Kohli and Jaworski describe market orientation as the “organisation-wide generation of market intelligence pertaining to current and future customer needs, dissemination of the intelligence across department, and organisation-wide responsiveness to it.” According to the definition proposed by Kohli and Jaworski (1990), the first key element in market orientation is the generation of market intelligence. This relies on formal and informal mechanisms such as meetings and discussions with customers, trade partners, analysis of market studies and formal market research and so on. An important part of this element is that the generation of intelligence is not the sole responsibility of the marketing department; rather all functions have to make a contribution towards selecting information about customers and competitors.

This leads to the second key element, described by Kohli and Jaworski (1990), intelligence dissemination. A part of an organisation’s ability to adapt to market changes is how effectively it communicates and disseminates market intelligence among functional areas. This dissemination of market intelligence is important because it provides a common basis for coordinated actions by different departments (Kohli and Jaworski 1990).

The third key element of market orientation is responsiveness to market intelligence. The first two elements can produce no value if the organization is not able to respond to market intelligence pertaining customers and competitors.

According to Kohli and Jaworski (1990), all departments need to be responsive and this can take the form of selecting appropriate target markets and new product development.

Meanwhile, the culturally based behavioural perspective defines market orientation as the “organisational culture that most effectively and efficiently creates the necessary behaviours for the creation of superior values for buyers and, thus, continues superior performance for the business (Narver and Slater 1990).” Almost concurrently with Kohli and Jaworski, Narver and Slater (1990) proposed a conceptualisation that presented a different point of view to the construct of market orientation. Narver and Slater (1990) proposed that market orientation consists of three behavioural elements, namely customer orientation, competitor orientation and interfunctional coordination, and operationalised the construct in terms of employee behaviours. According to Narver and Slater (1990), the customer orientation element requires a sufficient understanding of the customer, in order to create products or services of superior value to them. The creation of value is achieved by increasing benefits to the buyers or customers while at the same time decreasing their costs. The attainment of this level of understanding necessitates acquiring information about the customers or buyers and comprehending the nature of the economic and political constraints they face. This helps to ensure that the company will be cognizant of the needs of its present and future buyers and can work to satisfy those needs.

The competitor orientation described by Narver and Slater (1990) means that the organisation understands the strengths and weaknesses of its current and possible future competitors, as well as their long-term strategies. The competitor orientation parallels the customer orientation in information gathering and includes a thorough analysis of the competitors’ technological capabilities, in order to assess their ability to serve the same customers.

The third behavioural component cited by Narver and Slater (1990), is interfunctional coordination, which is the coordinated utilisation of the company’s resources in creating superior customer value for its customers. Thus, anyone in the organisation can potentially create value for the buyer. This coordinated integration

of business resources is closely linked to the customer and competitor orientations. It draws on the information generated and through the coordinated use of company resources disseminates the information throughout the organisation. If interfunctional coordination does not exist, then Narver and Slater (1990) suggest that this must be cultivated by stressing the advantages inherent to the different areas in cooperating closely with each other. To be effective, all departments must be sensitive to the needs of all the other departments in the organisation.

Deshpande and Farley offered a conceptualization that combines both the cultural and behavioural perspectives mentioned above. In this perspective, they define corporate culture as a pattern of shared beliefs and values that drives the behaviour of employees through their understanding of that culture (Deshpande and Webster 1989). They also combine the above definitions of customer and competitor orientation into a new definition of customer orientation that encompasses multiple stakeholders such as owners, managers and employees with a focus on long-term profitability (Deshpande et al. 1993). Finally, they consider that a simple focus on information/intelligence processing, as defined by Kohli and Jaworski (1990), is “inadequate without consideration of the more deeply rooted set of values and beliefs that are likely to consistently reinforce such a customer focus and pervade the organization (Deshpande et al. 1993, p.27).”

Other researchers, as well, have advocated that a combination of the cultural and behavioural perspective matter for shaping firm performance. Hult et al. (2005), based on the resource-based view of the firm (explained later), argue that cultural elements can be important in achieving competitive advantage, but cannot be expected to shape performance directly. Rather, organizational responsiveness is a necessary antecedent to competitive advantage that needs to be combined with a market oriented culture (Hult et al. 2005, p. 26).

Numerous perspectives have been proposed as researchers endeavour to conceptualise market orientation (Lafferty and Hult 2001). The question whether market orientation is a specific set of values or a set of behaviours has not been clearly resolved (Day 1994). All conceptualisations share the notion that the consumer is central to the manifestation of market orientation and stakeholders

serve the needs and expectations of consumers (Mavondo and Farrell 2000). While there are some conceptual differences between the two constructs of Narver and Slater and Kohli and Jaworski, their operationalisations have a high degree of overlap (Cadogan and Diamantopoulos 1995). Recently, some researchers have advocated that market orientation is not a reflective construct rather a formative one, as changes in each dimension can reflect changes in market orientation (Cadogan et al. 2008). Nevertheless, it is not the purpose of this study to discuss the ongoing debate on the market orientation construct.

### 2.3 Proactive Market Orientation

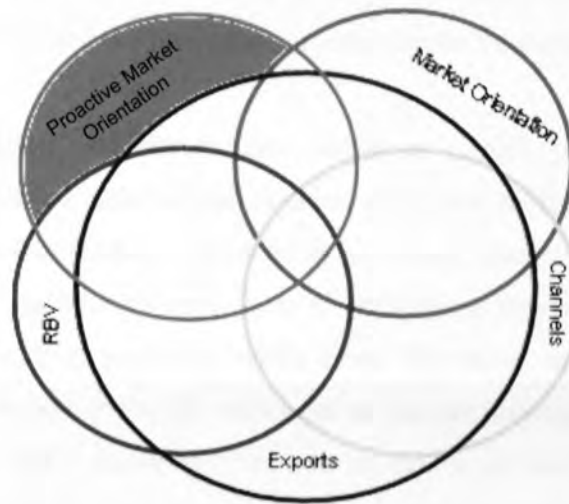


Figure 5 Proactive Market Orientation

In conflict with the marketing concept, Christensen and Bower examined the failure of leading firms and attributed many of these failures to the fact that companies may listen too carefully to their customers (Christensen and Bower 1996). They argue that, listening too carefully to customers' results only in marginal incremental product changes rather than more substantial improvements that might attract new customers. As a result, they conclude that leading firms often fail to replicate their initial market success not due to technological incompetence, but due to self-imposed straight-jackets created through slavishly following existing customers. The basic premise for this argument is that resource allocation decisions, that influence a firm's ability to innovate, are often made based on current, rather than future, customer needs. This position appears to argue against the basic marketing



concept, which suggests that firms should listen carefully to their customers, discover their needs and wants, and then seek to satisfy those needs more effectively and efficiently than competitors – firm behaviours encapsulated by the market orientation construct.

In response to the attack against market orientation, Slater and Narver (Slater and Narver 1998) argue that being customer-led and being market oriented are two different orientations that serve different purposes. More specifically, being customer-led is a short-term philosophy in which organizations respond to customers expressed needs, and being market oriented represents commitment to understanding and serving both expressed and latent customer needs and developing innovative solutions that produce superior value for the customers.

In addition to Slater and Narver, Jaworski et al. (2000), provide a defense by making the distinction that market orientation can be achieved by being market driven or by driving markets (Jaworski et al. 2000). They explain that a market driven company understands and reacts to preferences and behaviours of players within a given market structure, while firms that drive markets influence the structure of the market and/or the behaviour of market players. These authors state that they expect highly successful firms to be able to be both market driven and drive markets. Similarly, in a firm-customer interaction context, a paradox has been presented where firms need to maintain both tight and loose links with their customers (Danneels 2003). On one hand, Danneels (2003) states that tight coupling with customers “leads to better understanding of customers’ needs, closer tailoring of products and services, higher customer satisfaction, easier forecasting of demand, and closer relationships.” On the other hand, loose coupling with customers allows firms to remain flexible and open to seek wider opportunities and detect broader threats.

In continuation to the above line of defence, Narver and Slater introduced the argument that responsive market orientation, that has been introduced so far, can better serve expressed or current customer needs, but if a company wants to be able to serve latent customer needs and be very strong in new product development it should also possess proactive market orientation (Narver et al. 2004). Where “to



discover and satisfy the latent needs of customers is by definition, to “lead” them. Leading customers to their satisfaction implies pro-activity (Narver et al. 2004, p. 336).”

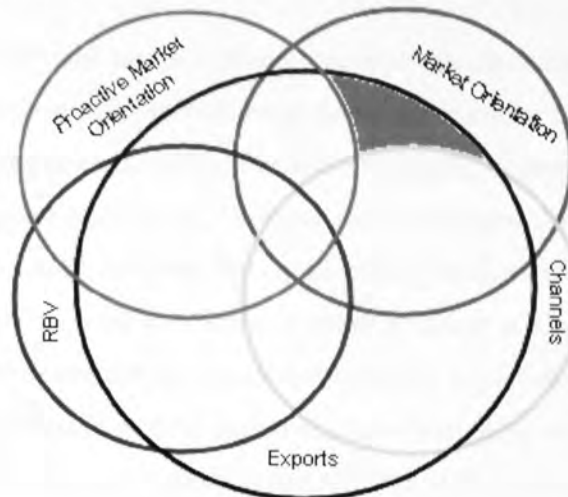
Studies on proactive market orientation are mostly focused on new product success. It seems from these studies that market orientation (responsive) (MO) and proactive market orientation (PMO) are statistically and conceptually related (Narver et al. 2004). Conceptually, there is an implicit assumption that PMO is complementary to responsive market orientation (Atuahene-Gima et al. 2005). On the one hand, responsive MO facilitates organizational learning about customer needs and safeguards against unnecessary risk taking, and on the other, PMO drives experimentation and relies on organizational learning to serve new and distant customer needs (Atuahene-Gima et al. 2005).

Statistically, when Narver et al. (2004) examined the effect of MO and PMO on new product success, they found MO and PMO to be positively correlated  $.579$ ,  $p=.01$ . In a stepwise regression, the addition of PMO rendered the effect of MO on new product success to become statistically not significant; the effect of PMO was highly positive  $.793$  and significant  $p=.01$ , and increased the overall explanatory power,  $R^2$ . In a subsequent study, Atuahene-Gima et al. (2005), found again that MO and PMO were positively correlated ( $.29$ ,  $p = .01$ ) and that PMO rendered the effect of MO on new product success (NPS) statistically non significant when considered together. More interestingly, they found that the effect of MO on NPS was U-shaped, i.e. subject to diminishing returns, and the effect of PMO on NPS was inverted U-shaped. The positive correlation and combination of inverted and U-shaped effects of MO and PMO suggests that, when MO is high PMO has to be low in order to achieve high NPS, and when MO is low PMO has to be high in order to achieve high NPS (Atuahene-Gima et al. 2005).

In contrast to the Market Orientation concept, PMO, has not received the same level of attention. Related studies are limited to the analysis of the impact of PMO on innovation as discussed above. Therefore, similar studies that explore key antecedents and the impact of MO on firm performance in different contexts have not been implemented yet.

## 2.4 Market Orientation & Exports

The export marketing literature provides a substantial amount of work that deals with market orientation and its application in exporting operations. In particular, the work by Cadogan and Diamantopoulos (1995; Cadogan et al. 1999; Cadogan et al. 2001a; Cadogan et al. 2002) on export market orientation is a seminal contribution in the field of exporting.



**Figure 6 Market Orientation & Exports**

Export market orientation builds upon the previous work of Kohli and Jaworski (1990) and (1993), and Narver and Slater (1990). Cadogan and Diamantopoulos synthesize the two constructs of Narver and Slater and Kohli and Jaworski, by considering that the activities implied by market orientation have to be carried out effectively and efficiently in an international environment by a coordinating mechanism. They consider elements that may hinder the process of intelligence generation, dissemination and responsiveness that are mainly related to international activities like foreign market experience, availability and quality of information, reliance on third parties, information load, purification and distortion, organizational complexity, rationale underlying response formulation, and human resource policies.

Initial development of the export market orientation (EMO) construct focused on the antecedents of export market oriented behaviour such as export experience, coordination, and dependence and the impact of EMO on export performance (Cadogan et al. 2002). Based on a survey of a sample of 206 U.S. firms, Cadogan et

al. (2002) found that export market oriented activities have strong positive impact on export performance regardless of environment competitive conditions and that export coordination and dependence were important for firms with strong export market oriented activities. Surprisingly, and contrary to export related theory and literature, export experience as an antecedent, with the exception of breadth of experience, had a negative association with export market oriented behaviour.

The construct of export market orientation was operationalised and a scale was validated using two samples of exporting firms one from the U.K. and one from the Netherlands (Cadogan et al. 1999). The scale originally contained by dimension, 11 items for intelligence generation, 18 items for intelligence dissemination, 17 items for responsiveness, and 24 items for coordinating mechanism, a total of 46 items. The scale was later revised to a lower number of items in Cadogan et al. (2001b), where the authors examined the key determinants of export market orientation such as, emphasis and commitment to export market orientation, export human resource systems, export experience, export structures, like formalization and centralization across different environmental settings of market dynamism, competitive intensity and competitive and regulatory turbulence. The hypotheses were tested on samples of Finish and New Zealand exporters for cultural invariance. The same scale was used in an article for Hong Kong exporters (Cadogan et al. 2006).

### ***2.5 Market Orientation as a Determinant of Domestic Firm Performance***

The notion that market orientation affects business performance is a matter of extensive research. The basic idea underlying the connection between market orientation and business performance, is that if a firm understands well its customer needs and possesses the organizational culture and interfunctional processes, that will allow the prompt and valuable satisfaction of those needs, then that firm can enjoy the benefits of superior performance, regardless of whether performance is expressed as a market or a financial metric.

Narver and Slater (1990) were the first to examine the link between market orientation and firm performance (return on investment) with positive results. For

example, this positive relationship was not always corroborated, either because it was assumed to be mediated by innovation (e.g., Han et al. 1998), or because it was rendered negative if measured after an economic crisis (e.g., Grewal and Tansuhaj 2001). Furthermore, the relationship can be contingent upon types of firm, i.e. manufacturing vs. service, and type of performance measures, where market orientation tends to be more highly correlated with performance for both cost based and revenue based performance measures for manufacturing firms (Kirca et al. 2005). In general, one can infer that “although a few studies report a negative or non-significant relationship, overwhelming evidence shows a positive relationship between market orientation and business performance... (Cano et al. 2004).”

## 2.6 *The Resource-Based View of the Firm*

The Resource Based View of the firm (RBV) sees companies as very different collections of resources (Amit and Schoemaker 1993; Barney 1991; Penrose 1959; Wernerfelt 1984). The development, acquisition, deployment and allocation of resources are based on the vision of the “entrepreneur.” Whereby entrepreneur it is meant the key decision maker, be it managing director, senior team, and/or CEO (Penrose 1959). By resources it is meant the combination of assets, tangible or intangible, and capabilities. In turn, if a resource possesses properties such as value, rarity, inimitability, and difficulty to substitute, then it contributes to achieving sustainable competitive advantage (SCA) (Barney 1991). By sustainability it is not meant longevity, but ability to survive attempts of imitation.

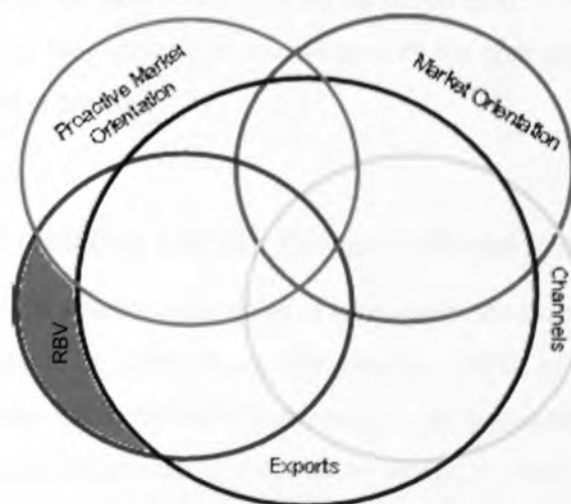


Figure 7 The Resource-Based View of the Firm

A resource is valuable when it allows either exploitation of opportunities, or neutralization of threats in a firm's environment, rare when it is idiosyncratic to a firm, imperfectly imitable when it is dependent upon unique historical conditions or its link with a firm's SCA is causally ambiguous, or socially complex.

Amit and Schoemaker suggest a list of eight criteria that resources must meet in order to be able to produce (SCA) namely, complementarity, scarcity, low tradability, inimitability, limited substitutability, appropriability, durability and overlap with strategic industry factors. Under complementarity, the combined value of the firm's resources maybe higher than the cost of creation and deployment. Conversely, the strategic value of resources declines to the extent that they are substitutes (Amit and Schoemaker 1993, p. 39). These various conditions and resource characteristics revolve around three issues: value, barriers to imitation and appropriability. The summary being that companies must guard against dissipation of value-added of their resources and that appropriability is the ability to turn value added into profit (Kay 1993).

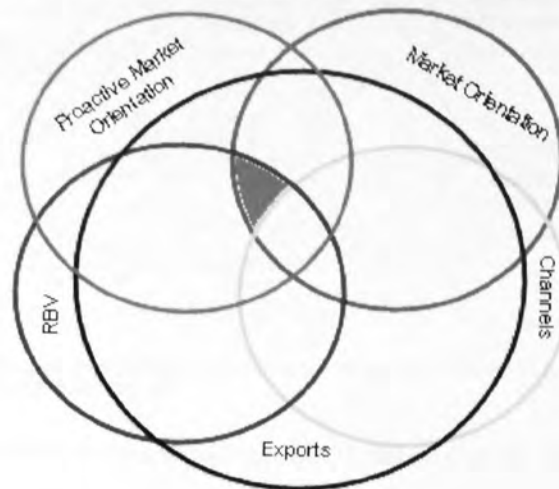
"As competitive advantage is one half of the positioning decision (the other being choice of target market), the resources deployed to create an advantage contribute directly to the creation of competitive position" (Hooley et al 2001). Sustainability of those positions will depend on the ability to protect individual resources as well as the position itself (Collis and Montgomery 1995). In other words, the competitive advantage is born by the assets and capabilities of the firm. In turn, the competitive positioning matches the competitive advantage with the appropriate market, or more specifically market segment.

### ***2.7 Market Orientation and the Resource-Based View of the Firm***

While the notion that market orientation is a resource has been argued extensively (Day 1994; Hooley et al. 2005; Hunt and Morgan 1995), in other words market orientation possesses tacit elements that render it as protected from competitors' imitation, there are two points of view as to where it "sits" in relation to other resources of the firm and firm performance. The first and more relevant to this research view is that, market orientation is an antecedent of different resources



which in turn, render superior services that translate to superior firm performance (Hooley et al. 2005; Hult et al. 2005; Olavarrieta and Friedmann 2008; Olavarrieta and Friedmann 1999). The second and most recent view is that, the market orientation and firm performance relationship is moderated by key resources, such as the ability of the firm to innovate (Menguc and Auh 2006).



**Figure 8 Market Orientation & the Resource-Based View of the Firm**

On the first point of view, Hooley et al. (2005), attempt to fill in the previously voiced gap in marketing strategy literature of resource (assets and capabilities) measurement (Srivastava et al. 2001). In particular they developed scales for market based and supporting resources (customer linking capabilities, market innovation capabilities, human resource assets, reputation assets) and assessed their impact on three elements of firm performance, namely customer, market, and financial performance. Most relationships hypothesized in this model were validated with the exception of reputation assets (Figure 9). The conceptual model presented in the same paper and its underlying hypotheses will constitute the foundation of the proposed research.





Illustration removed for copyright restrictions

**Figure 9 The Impact of Marketing Resources SEM Model adopted by (Hooley et al. 2005)**

This work stems from the logic that market orientation and the resource based view are reconciled and synthesised through competitive positioning. For example, the value of a particular resource may be extricated if matched to a specific market segment (Hunt and Morgan 1995). By taking into consideration customer needs, competitors actions and what the firm is good at, and matching that to the appropriate market segment/s (the essence of positioning) leads to competitive advantage and superior firm performance, Hooley et al. (1998a; 2001; 2005). This point of view and the above cited work has provided the backbone for the proposed conceptual model and research contained herein.

On the second point of view, market orientation is seen as a necessary, but not sufficient, resource to solely generate competitive advantage. Rather, it needs to be combined with other capabilities to create a complementary effect, such as organizational responsiveness, or a dynamic capability (Hult et al. 2005; Menguc and Auh 2006). This stance represents the complementary effect of the additional capabilities needed together with market orientation, as a moderator to the market orientation firm performance relationship, rather than a mediator.

The position that capabilities like innovation act synergistically with market orientation to contribute to superior performance is embraced by this thesis. However, it is assumed that this synergistic effect is better captured by taking the view that, such capabilities are mediators rather than moderators.

## ***2.8 Market Orientation as a Determinant of Export Firm/Venture Performance***

In line with the domestic business research in market orientation, similar research questions have been dominating the exporting literature such as, is there a link between market orientation and export performance? Is this link positive or negative? Is this link moderated by competitive intensity and/or regulatory turbulence? What is the impact of export market orientation on relationship attributes between exporters and their channel counterparts?

On the first question, following a search of key on-line databases using the key word *export market orientation*, a small sample of articles was retrieved which is outlined in Table 1. The databases searched include, JSTOR, Swetswise, EBSCOHost, EMERALD, and Proquest. Articles that had cited the articles found were investigated as well in the ISI Web of Knowledge. Eligible articles for the table below were ones that had hypothesized a direct association between export market orientation and export performance.

While the list of articles might not be exhaustive there is one common conclusion that can be drawn, which is that, in all cases there is a positive and significant association between export market orientation and export performance. Interestingly enough with the exception of Shoham (2000), that uses an abbreviated version of the Narver and Slater scale (5 items), the rest use either Cadogan's et al (1999) or Kohli and Jaworski's (1993) scales. Further, the majority of articles measures performance at the firm level and only one at the venture level.

| Study                    | IND | Country   | MO Scale | Perf. Scale | Level | Valence |
|--------------------------|-----|-----------|----------|-------------|-------|---------|
| (Shoham 2000)            | M   | Israel    | n/a      | X           | SBU   | +       |
| (Kwon and Hu 2000)       | n/a | Korea     | K        | O           | F     | +       |
| (Breman and Dalgic 2000) | X   | Dutch     | K        | S           | F     | +       |
| (Cadogan et al. 2002)    | X   | Finland   | C        | X           | F     | +       |
| (Rose and Shoham 2002)   | X   | Israel    | K        | X           | F     | +       |
| (Cadogan et al. 2003)    | M   | Hong Kong | C        | O           | F     | +       |
| (Kropp et al. 2006)      | X   | S. Africa | D        | X           | V     | +       |

**Table 1 Market Orientation Studies in an Exporting Context**

IND: Industry (M: Manufacturing, X: Mixed); MO Scale: (K: Kohli & Jaworski, C: Cadogan & Diamantopoulos, D: Deshpande et al.); Performance Scale: (X: Mixed, O: Objective, S: Subjective measures), Level of Analysis: (SBU: Strategic business unit, F: Firm); Valence: Association of MO with performance, reported if significant.

It is noteworthy that, when Cadogan and Sundqvist (2002) investigated the sample of Finish exporters for differences between service-based and product-based firms they found that, the product-based firms exhibited a higher and positive association with export performance to service-based firms. They also found that, for product exporters that “while export market orientation has a strong and positive impact on profit performance under conditions of low environmental turbulence, the strength of export market orientation (EMO) behaviour’s impact on profit performance becomes weaker as turbulence in the export environment becomes greater.” The findings were similar with an older study where, competitive intensity and technological intensity moderated the export market orientation performance relationship (Cadogan et al. 2003). Moreover, both author teams of Narver and Slater (Slater and Narver 1994) and Jaworski and Kohli (Jaworski and Kohli 1993) have claimed that the market orientation-performance relationship is not affected by market turbulence. The later authors, however, have found that this relationship does change in strength and direction under differing levels of environmental performance (Cadogan et al. 2002; Gray et al. 1999). Indeed, environmental turbulence and competitive intensity as moderators, are a re-occurring theme in domestic (Cano et al. 2004) and export (Cadogan et al. 2003; Cadogan et al. 2002) related market orientation studies, but the examination of such effects is beyond the scope of this study.



Figure 10 Exports

### 2.8.1 Determinants of Export Performance

There have been many studies published in the past 30 years on the determinants of export performance. For reviews see (Aaby and Slater 1989; Javalgi et al. 2000; Katsikeas 1994; Leonidou et al. 2002; Zou and Stan 1998). In turn, one can classify these determinants based on their theoretical underpinning into external and internal characteristics. Internal characteristics are justified by the resource based view of the firm (Barney 1991; Penrose 1959; Wernerfelt 1984), while external determinants can be justified by theories routed in industrial economics (Porter 1980).

### 2.8.2 External Characteristics

Through its history, export literature has mainly sought to verify the existence of relationships among firm attributes, firm performance and competitive advantage or the differences between exporting and non-exporting firms. As a consequence, exporting literature, with a few exceptions, has not investigated the influence of advantages or resources that can be utilized by the firm, but are outside the boundaries of the firm, as well as the relationship between resources, marketing strategy, competitive advantage, and performance. The international business literature comprises of certain attempts that address these issues but not for export specific activities, e.g. (Fahy 1998; Fahy 1997-1998; Fladmoe-Lindquist and Tallman 1997; Porter 1990). However, the exploration of these relationships is beyond the scope of the proposed research.

In the exporting literature, the literature that investigates the influence of *country specific resources*, either advanced or basic (Fahy and Smithee 1999; Fladmoe-Lindquist and Tallman 1997; Porter 1990), on firm resources, marketing strategy and competitive advantage is scarce. Isolated exceptions have looked into the effects of industry attributes such as, degree of technological orientation (Cavusgil and Zou 1994; Zou and Stan 1998), distribution system (Katsikeas 1994; Zou and Stan 1998), industry concentration (Javalgi et al. 2000; Zhao and Zou 2002), industry type (Javalgi et al. 2000), and competitive intensity in the foreign and local markets (Cavusgil and Zou 1994; Morgan et al. 2004), on export strategy or performance. The findings are not consistent and one cannot draw generalisable conclusions, due to the small number of studies addressing each attribute.

### **2.8.3 Internal Characteristics**

The relationship of internal characteristics and export performance has been extensively researched and can be further classified into:

(a) firm attributes, mainly categorical variables such as size (Aaby and Slater 1989; Bonaccorsi 1992; Cavusgil and Zou 1994; Javalgi et al. 2000; Zou and Stan 1998), firm location (Zhao and Zou 2002), age (Javalgi et al. 2000; Zou and Stan 1998), firm ownership (Javalgi et al. 1998) and (b) firm resources, such as assets and capabilities (Kaleka 2002; Morgan et al. 2004; Morgan et al. 2003).

#### **2.8.3.1 Firm Attributes**

Evidence on the relationship between firms' attributes and export performance is mixed. Kaynak and Kuan (1993) argue that, firm size and performance is still a controversial issue mainly due to differences in the ways of measuring size, such as total assets, number of employees, sales, and other.

In some cases, the exporting literature does not consider firm size to directly influence export performance. As noted by Axinn (1994) and by Zou and Stan (1998), it remains largely unclear whether the determinants of export performance are different between large firms and small or medium-sized firms. The resource-



based theory of the firm however, expects firm attributes and mainly firm size to have an indirect effect on performance, by influencing firm resources and firm strategy. If exporting at any stage is considered as an expansion activity for a firm, as implied by the export development and internationalisation models (Cavusgil 1980; Johanson and Wiedersheim-Paul 1975; Leonidou and Katsikeas 1996), then the lack of important types of resources that can be used for a new venture or expansion, can hinder the growth of the firm (Penrose 1959). Driven by Penrose's reasoning, one can rationally infer that larger firms have a larger pool of resources and therefore a higher probability of having slack resources that can be utilised for expansion.

There are few studies that investigate the effect of ownership type in exporting performance. Javalgi et al. (Javalgi et al. 1998) in a study of 19,385 manufacturing U.S. firms found that export activity differs significantly by firm ownership category. Privately owned firms are less likely to export than government-owned firms.

The theoretical foundation for the influences of age to company performance comes from the theory of organisational learning and knowledge. Among the first economic theorists to link knowledge with economics and management were Alfred Marshall, Hayek and Schumpeter, Edith Penrose, and Nelson and Winter (Nonaka and Takeuchi 1995). Penrose (1959) in particular, links managerial experience with managerial competence. Moreover, the link of firm age with propensity to export has been investigated thoroughly (Czinkota and Ursic 1991). The results. However, are mixed. Some studies indicate that younger firms are more interested in exporting activities than older firms. Conversely, other studies suggest that older firms are more likely to export than younger firms (Javalgi et al. 2000). While one study has claimed that the relationship between firm age and export propensity does not exist (Diamantopoulos and Inglis 1988).

### 2.8.3.2 Firm Resources

The resource-based view has also influenced marketing scholars in considering the importance of assets and capabilities that are market focused in the attainment of competitive advantage and superior company performance.

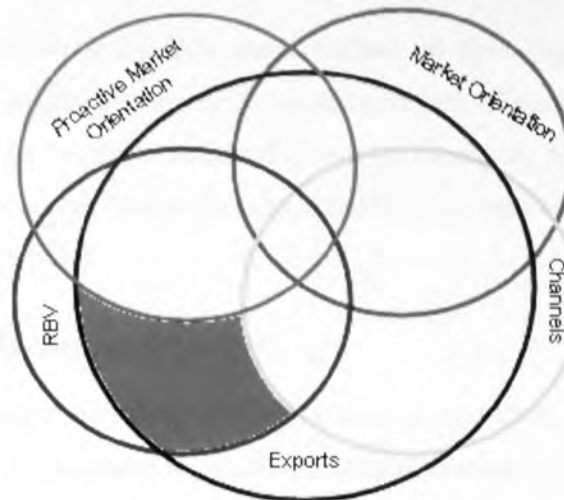


Figure 11 Exports & the Resource-Based View of the Firm

In the exporting field, the impact of several resources has been assessed on competitive advantage (Kaleka 2002), marketing strategy (product and promotion adaptation)-as a mediator between resources and export performance (Cavusgil and Zou 1994), and resources' impact on export performance, when mediated in series by generic strategy (price, product and service differentiation), and positional advantage (cost, product, service) (Morgan et al. 2004). Export performance was measured at the venture level (Cavusgil and Zou 1994; Morgan et al. 2004). The initial hypotheses were corroborated with testing and the authors encouraged further research on the same topics (Cavusgil and Zou 1994; Morgan et al. 2004). The publications above, also examined the impact of several moderators such as, international competence (experience with international operations) and export market competitiveness on marketing strategy with a positive impact (Cavusgil and Zou 1994) and also export market competitive intensity on positional advantage and export venture performance (Morgan et al. 2004). Resources examined were experiential, brand reputation, financial (financial strength), size (scale advantages), physical (spare capacity, modern technology), product development (adoption of new methods, development of new products for export customers), relational

(understanding customer, relationships with customers and distributor), and informational (ability to capture information about competitors and customers). However, cultural assets such as, market orientation for the venture and the distributor and their impact on other resources have been not investigated.

Morgan et al. (2004) argue that, most studies on firm export performance are "descriptive and largely a-theoretic," resulting to lack of comprehensive exporting theory that explains the determinants of export performance. Also, there seems to be a certain level of country bias on the above publications that have been conducted in either the U.S.A., or U.K.

## ***2.9 Export Marketing Strategy***

The topic of export marketing strategy elements and their influence on export performance has been subject to sizeable empirical research (Leonidou et al. 2002). According to Evangelista (1996), the influence of marketing strategy on export performance can be analysed from at least two perspectives, the marketing mix view and the interaction approach.

The marketing mix perspective involves dimensions such as, targeting/scope (what countries/segments to target and how many), product (quality, design, branding, customer service), price, distribution (channel intermediary, dealer support, delivery time), and promotion (personal selling, trade fairs, etc) (Leonidou et al. 2002). A certain emphasis on the elements of the product mix will determine whether the company wishes to standardize or adapt its offerings in the countries/segments it is targeting (Axinn et al. 1996). As a general note, export marketing literature uses the notion of market and country interchangeably (Axinn et al. 1996). This point of view has received substantial attention for different dimensions "[the] link between export marketing strategy and export performance has not yet been clearly established" (Leonidou et al. 2002). The literature that examines the relationship of export marketing strategy and competitive advantage is scant (Kaleka 2002; Katsikeas 1994). Many papers call for the measurement of environmental variables as moderators to the export marketing strategy performance. "There is a need to develop additional measures of strategic and environmental influences in export performance" (Bodur 1994) "The development and testing of an integrated model of

export performance therefore appears in order. The results obtained from many fragmented studies that abound in the literature today, including the present study, could very well contribute towards the development of such a model.” (Evangelista 1994). More recent findings recommend that industry characteristics and competitive intensity have an indirect effect on a firm’s ability to implement competitive strategy decisions to achieve positional advantage, but still the number of studies is small (Morgan et al. 2004).

The interaction approach perspective, is more applicable to industrial marketing and is based on the principal idea that along with the exchange of goods and services, between buyers and sellers, some other elements such as, information and social elements maintain and enhance business relationships (Evangelista 1996). This approach has received scant attention in the exporting literature (Styles and Ambler 1994). However, researchers have recently started to explore the impact of high quality exporter-importer relationships on export performance (Lages et al. 2005), as will be shown in the next section.

### ***2.10 Market Orientation and Channel Relationships***

In addition to empirical work trying to explain the market orientation firm performance relationship, other scholars have investigated the effect of market orientation in marketing channels and more specifically in dyadic relationships which are more relevant to this research.



**Figure 12 Market Orientation & Channel Relationships**

This research stream stems from the view that a healthy business relationship between channel members can be a source of competitive advantage and therefore contribute to superior firm performance (Morgan and Hunt 1999). Organisation boundaries are becoming harder to define and more permeable (Achrol and Kotler 1999). Dyadic relationships are affected by indirect/third party relationships that exist along, or behind the value chain continuum (Anderson et al. 1994).

A market oriented supplier, by definition, will engage in activities geared toward developing an understanding of the manufacturer's current and future needs, provide the best products and services, and is less likely to act opportunistically towards its manufacturer, therefore, contributing to a strong and healthy business relationship (Zhao and Cavusgil 2006). The majority of marketing literature that deals with market orientation in channels has focused on the impact of market orientation on relational elements or the impact of control mechanisms on market orientation. The few studies that exist show that, market orientation of the supplier is positively related to trust (Zhao and Cavusgil 2006) and relationship satisfaction (Sanzo et al. 2003a). Hernandez-Espallardo and Arcas-Lario (2003) show that, the presence of authoritative mechanisms such as, formalization and participation, have a positive effect on market orientation in asymmetrical channel partnerships. Whereas Langerak (2001), in a very interesting model shows that, the market orientation of Dutch manufacturers positively affects the customer and supplier



oriented behaviour of their sales persons and buyers respectively that in turn have a positive impact on the trust and satisfaction with customer/supplier relationship and manufacturer performance.

The above cited research considers as market orientation as the primary input of the supplier. There is scant research in domestic marketing channel literature that considers the market orientation of both partners present in a channel relationship.

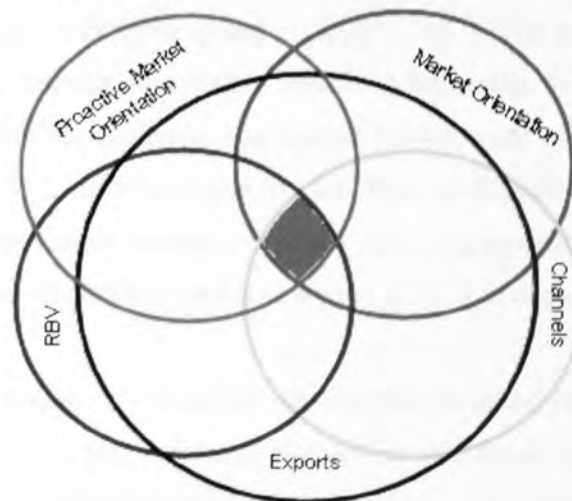
The first article by Steinman et al. (2000), focuses on analyzing the perception gap of suppliers and customers about the suppliers actual (what it actually is) and normative (what they would like to be) market orientation in two different settings, U.S.A. and Japan. Steinman et al. (2000), through interviews of dyads of managers in customers and suppliers, found that the perception of customers and suppliers differ for both the actual and normative views of the suppliers market orientation for the Japanese and U.S.A. samples, with the Japanese gap being smaller. They also found that the longer duration of the relationship between supplier and customer the smaller the actual and normative gaps. This finding is encouraging, as longer standing relationships could be attributed to success and therefore the perceived gap could be smaller for successful business relationships. It is also in congruence with market orientation that has a long-term perspective (Narver and Slater 1990).

The second article by Siguaw et al. (1998), is of primary interest to this thesis. In their work, Siguaw et al., in a domestic channel setting, used dyadic data to examine the effect of distributor and supplier market orientation, as well as, distributor relational elements such as trust, cooperative norms, and commitment on each other, as well as, on the satisfaction of the distributor with its financial performance. The main finding, of relevance to this thesis, was that there is a positive and significant impact from the supplier's market orientation to the distributor's market orientation, from the distributor's perspective. In other words, "distributors benchmark their own market-oriented behaviours to those of their suppliers...In this case, suppliers may be able to establish the market orientation norm in distribution channels and influence the way their distributors treat customers through the way the suppliers treat their distributors; in other words through modelling behaviour (Siguaw et al. 1998, p.106)."

The third article by Sanzo et al. (2003b), explores the effect of buyer market orientation on the effectiveness of the communication as perceived by the buyer working with the supplier. Using a sample 141 Spanish industrial firms and measuring market orientation with a mixed (subjective and objective measures) scale, they found that the buyer's market orientation positively affects the effectiveness of the communication in the channel, as well as, the affective commitment between the two. In the same year, Sanzo et al. (2003a) publish another similar article that examines the effect of a mixed market orientation scale on the effectiveness of communication in a channel, in a sample of 174 Spanish industrial firms. The relationship was positive and statistically significant once again from the buyer's perspective.

### ***2.11 Market Orientation, Exporting Channels, & RBV***

Similar research has appeared in an exporting context. Exporting firms are exposed to a plethora of environments that are sometimes not very well known to them. Physical distance, cultural differences, and access to local market knowledge are some of the challenges exporters need to overcome. Channel theory suggests that, the relationships shift away from transaction focused arrangements towards close, relational partnerships, where firms are strongly committed to each other and effectively coordinated their export activities (Cavusgil 1998).



**Figure 13 Market Orientation, Export Channels & RBV**

In particular, the exporter-distributor partnership can be visualized as functional outsourcing. The distributor's primary response function is tied to movements in the consumer functions, marketing/sales specialist, while the exporting firm's primary response functions are tied to its technology, product/production specialist, and thus constitute a vertical network organization (Achrol 1997). In an exporting context, firms may choose to create and maintain a trading relationship with a foreign distributor instead of integrating vertically. Therefore, distributors provide cheaper access to foreign markets than other more developed forms of internationalisation, such as subsidiary or joint venture formation (Albaum et al. 2002). In addition, the export venture-distributor partnership may be a domain for resource creation, exchange or synergy (Morgan and Hunt 1999).

While the exporting firm controls the core benefit/product and the actual product (styling, packaging, features, quality, brand name), it relinquishes the elements of the augmented product (installation, delivery and credit, warranty, after sales service) to the distributor (Kotler et al. 2002). Therefore, the exporting firm reaches the customer through the distributor, thus affecting its customer linking capabilities (Day 1994). The dyadic relationship between the exporting firm and the distributor can have a significant effect on the exporting ventures performance (Rosson 1982) and may also be a source of sustainable competitive advantage (SCA) as it may exhibit isolating mechanisms due to its complexity if managed correctly (Jap 2001; Katsikeas and Dalgic 1995; Narus and Anderson 1987). The main argument being that, if a strong exporter-distributor dyadic relationship is complemented by flexibility, coordination, exchange and mutual development of resources, then this provides the ability to firm managers to "integrate, build, and reconfigure internal and external competencies to address rapidly changing environments (Teece et al. 1997, p.516)," something which can be a source of SCA in exports.

In this literature review, we focus on articles that examine the effects of market orientation in channels that are more relevant to this thesis. Racela et al. (2006) using of a sample of 388 exporting strategic business units from 279 Thai exporters, tried to explain the effect of the exporters' market orientation on the dependence, cooperation and relationship distance of the exporters with their distributor and the impact of those elements with export performance. To measure export market

orientation they used Kohli and Jaworski's (1993) scale and to measure export business unit performance they used objective and subjective measures. Their finding, which is of great interest to this thesis, is that high levels of exporter market orientation were negatively linked with high levels of dependence of the exporter with their distributor and that high levels of dependence with the distributor were negatively linked with export performance.

This is contrary to the expectation that stems from channel theory that claims that the stronger the relationship the higher the potential for a competitive advantage generating relationship. The answer could be in the operationalisation of their Dependence construct, where the items reflect mostly elements of product development related information exchange. Table 2 demonstrates the items used by Racela et al. (2006). It is highly possible, therefore, that while the exporter might not be dependent upon the distributor for product related information, they are on other more complex and more important elements such as, market related knowledge on customer needs and competitors' action, which should be positively linked with the exporters' market orientation.

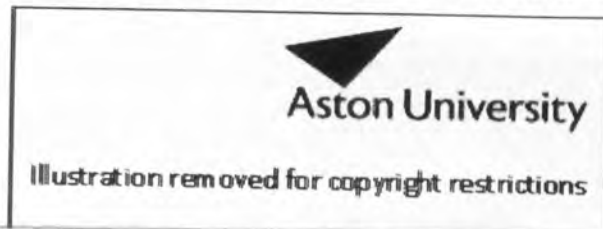


Table 2 The Dependence Scale by Racela et al. (2006)

The second article examines the impact of market orientation in an exporting environment on relational elements and is based on 283 Vietnamese firms (Nguyen et al. 2007). The authors hypothesize that the exporter's market and learning orientations are positively linked with the quality of the relationship with their distributor, and in turn, relationship quality with export firm performance. All hypotheses were corroborated with positive and significant associations. Market orientation was measured with the Narver and Slater scale and export firm performance with objective and subjective measures.

## *2.12 Export Literature and Level of Analysis*

It seems that there are two streams of literature that use two different levels of analysis, the export venture (e.g., Cavusgil and Zou 1994; Morgan et al. 2004; Morgan et al.; Morgan et al. 2003; Zou et al. 2003; Zou et al. 1998) and the firm levels (e.g., Aaby and Slater 1989; Cadogan and Cui 2004; Cadogan et al. 2006; Cadogan et al. 2003; Cadogan et al. 2001b; Cadogan et al. 2002; Diamantopoulos and Schelgelmilch 1994; Kaleka 2002; Katsikeas 1994; Katsikeas et al. 1997; Katsikeas et al. 2000; Katsikeas and Morgan 1994; Keng and Jiuan 1989; Myers et al. 2002; Piercy et al. 1998; Styles 1998; Styles and Ambler 1994; Zou and Stan 1998) respectively. Where an export venture is defined as the focused activities of a firm related to the exporting of a single product to a specific country.

The main argument for using the export venture as a level of analysis is that exporting firms use multiple export ventures and therefore, the performance of the firm is the sum of the performance of the ventures. Therefore, by reducing the focus of analysis to an exporting venture, key factors such marketing capabilities, positional advantages, and specific product-country performance can be tapped and understood more clearly. However, if one is interested in understanding isolated export venture-distributor dyads, i.e. the performance of the venture through a specific distributor, using the venture as a level of analysis presents the opportunity for a small level of bias, as the performance of the venture might be a result of exporting the same products of the same country but through an additional distributor present in the same country.

The level of analysis in this study is the export venture. While the opportunities for bias, as discussed above, are clearly understood, they are considered an inherent limitation of the research design of this study and their potential confounding effect, as inferior to the value provided by the clarity of focus when investigating aspects such as export venture market orientation and marketing resources.



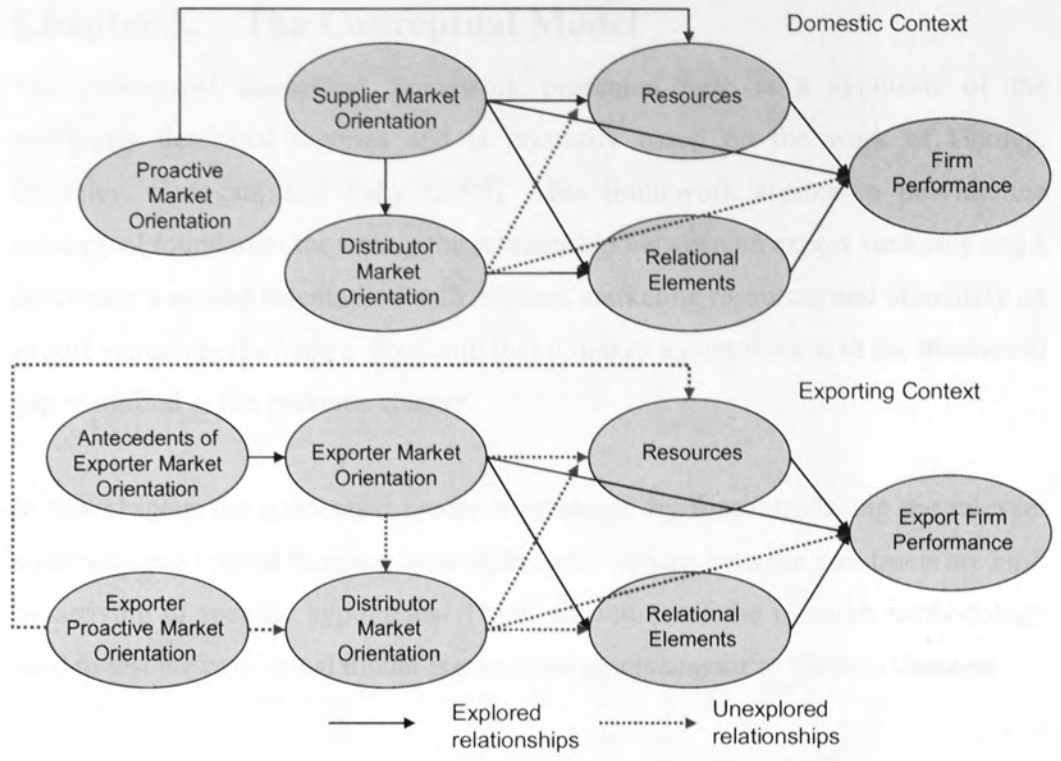
### *2.13 Conclusions of Literature Review*

In the previous section, articles on market orientation in both domestic and exporting contexts have been discussed. The basic relationships have been described in such a manner that one can identify the gaps presented by the unexplored relationships and their relevance to this dissertation. Figure 14 shows the unexplored effects in the exporting channel and domestic marketing literature at a macro level. The conclusions that can be made from this analysis can be summarised as follows:

- In the domestic marketing channel context the market orientation of the supplier and the distributor have been found to be positively linked with the dyadic relationship from the distributor's perspective (Siguaw et al. 1998). Also, there is a positive and significant association between the supplier's market orientation and the distributor's market orientation (Siguaw et al. 1998). In the exporting literature the effect of the distributors' market orientation on export resources and export performance has not been considered.
- The interplay between proactive and responsive market orientation in a channel setting and its impact on the distributor's market orientation has not been looked at, neither in domestic, nor an exporting context.
- The fine balance that needs to be kept between MO and PMO, in order for MO to complement PMO into serving latent and distant customer needs (Atuahene-Gima et al. 2005), is very interesting and relevant for exporting ventures that constantly try to serve either new customers by entering a new market, or distant customers. The effect of PMO has not been investigated in any exporting study.
- In addition, the impact of the market orientation of both channel members on their respective resources has received scant attention mainly in domestic studies.
- In both domestic and international settings, the impact of the resources possessed by the supplier/export venture on the resources possessed by the distributor has been ignored.

- Finally, the impact of the resources possessed by both channel members on export venture performance, with the exception of random resources has also not been investigated.
- The perceptions between customers and suppliers differ for both the actual and normative views of the suppliers' market orientation, but the perceptual gap is smaller as the duration of the relationship between the two increases (Steinman et al. 2000). This finding is encouraging as longer standing relationships could be attributed to success and therefore the perceived gap could be smaller for successful business relationships. Figure 14 shows the unexplored effects in the domestic context channel marketing literature, at a macro level.
- With the exception of one (e.g., Nguyen et al. 2007), the rest of export related articles have used either the Cadogan (Cadogan and Diamantopoulos 1995; Diamantopoulos and Souchon 1999) or the Kohli and Jaworski (Kohli et al. 1993) scales to measure export market orientation. Therefore, most have focused on the behavioural side of market orientation and have not investigated the cultural side.
- The work presented by Hooley et al. (2005) has not been investigated in an exporting environment. It is proposed that this work, or a close variant to it, is tested in an exporting field to assess how the support and market-based resources from the export venture and the distributor contribute to export venture performance.

Concluding, the exporting literature was investigated in order to understand what influences exporting firm performance and exporting marketing strategy, and to identify conceptual and empirical gaps. Other fields such as, marketing strategy and corporate strategy, were investigated in order to see whether the gaps identified in exporting have been addressed. The synthesis of their conceptual and/or empirical findings with exporting theory is the foundation of the conceptual model that is presented in the next chapter and the reason why this dissertation is important.



**Figure 14 Explored and Unexplored Relationships in domestic and export contexts related in Market Orientation, RBV, and Marketing Channel literature**

### **Chapter 3. The Conceptual Model**

The provisional theoretical framework presented here is a synthesis of the previously described theories and is primarily based on the work of Hooley, Greenley, Cadogan, and Fahy (2005). This framework aspires to provide the conceptual foundation for testing the relationship between an export venture's and a distributor's market orientation, with relevant marketing resources and ultimately on export venture performance. By doing that it makes a contribution in the theoretical gap identified in the previous chapter.

In this chapter, the conceptual model is presented by first introducing the relevant constructs and related theories. Second, the associations between constructs are built by arriving to specific hypotheses. Third, an outline of the research methodology used to test the conceptual model is presented as a precursor to the next chapters.

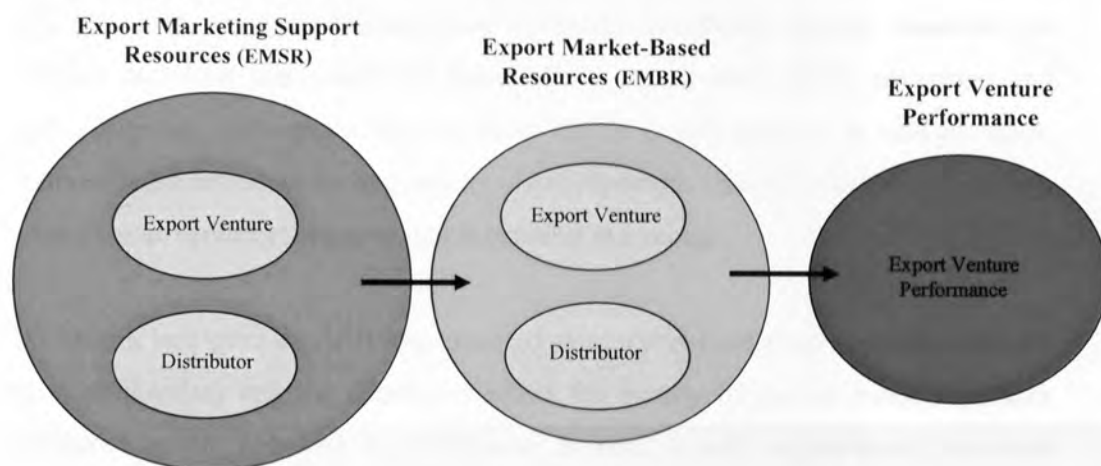
Companies have many strategies when entering foreign markets. A company's choice of entry mode to foreign market depends on different factors, such as the ownership advantages of the company, location advantages of the market, and internalization advantages of integrating transactions within the company (Dunning 1988).

Ownership advantages are specific assets, international experience (Aaby and Slater 1989), and the ability to develop differentiated products (Katsikeas 1994), to name a few. Location advantages of the market are a combination of market potential and investment risk. Internalization advantages are the benefits of holding on to specific assets or skills within the company and integrating them into its activities rather than licensing them or selling them (Dunning 1988).

Exporting allows and requires more management control and influence but does not provide marketing control, because the exporter is farther from the consumer and often must deal with independent distributors abroad that control most marketing functions (Agarwal and Ramaswami 1992).

In other words, exporting firms seek collaborative arrangements with distributors to gain access to distributors' resources and together create an efficient and effective channel that can meet customer needs (Das and Teng 2000; Eisenhardt and Schoonhoven 1996; Harrison et al. 2001; Lambe et al. 2002).

As graphically depicted in Figure 15, the focal point of this conceptual model is the synergistic and complementary interplay between the marketing resources of exporting ventures and distributors and how this interplay provides superior performance for the exporting venture.



**Figure 15 Higher level conceptual model**

In line with other export research articles (e.g., Cavusgil and Zou 1994; Kaleka 2002; Morgan et al. 2004), the level of analysis is the export venture making use of distributors. By export venture, it is meant that the focus is on the activities of firms in a single product or product line exported to a specific foreign market (Cavusgil and Zou 1994; Morgan et al. 2004).

According to the resource-based view of the firm, superior resources (assets and capabilities) contribute and/or generate and/or sustain competitive advantage that translates into superior firm performance (Barney 1991; Penrose 1959). Advantage generating resources are those that possess the combined traits of being valuable (Barney 1991), rare (Barney 1991), inimitable (Amit and Schoemaker 1993; Barney



1991; Dierickx and Cool 1989), and whose value can be appropriated by the organization (Collis and Montgomery 1995).

Therefore, *Export marketing resources* can be defined as any asset or capability that can be deployed by the export venture to create value in its export markets (Hooley et al. 2005). In a similar manner with Hooley et al (2005), we seek to distinguish between *export market-based resources* and *export marketing support resources*.

While export *market-based resources* can be immediately deployed in the market place to create or sustain a competitive advantage, *marketing support resources* are support activities that contribute indirectly to export competitive advantage and hence superior performance (Hooley et al. 2005). Export support, as well as export market-based resources for actively involved exporters, can be further classified into own (export venture) resources and distributor resources.

As shown in Figure 16, it is hypothesised that export marketing support resources both of the firm and the distributor affect the quality of market based resources deployed by the firm and the distributor. In turn, export market-based resources produce superior performance in terms of market performance, customer performance, and consequently financial returns (Hooley et al. 2005; Zou et al. 1998).

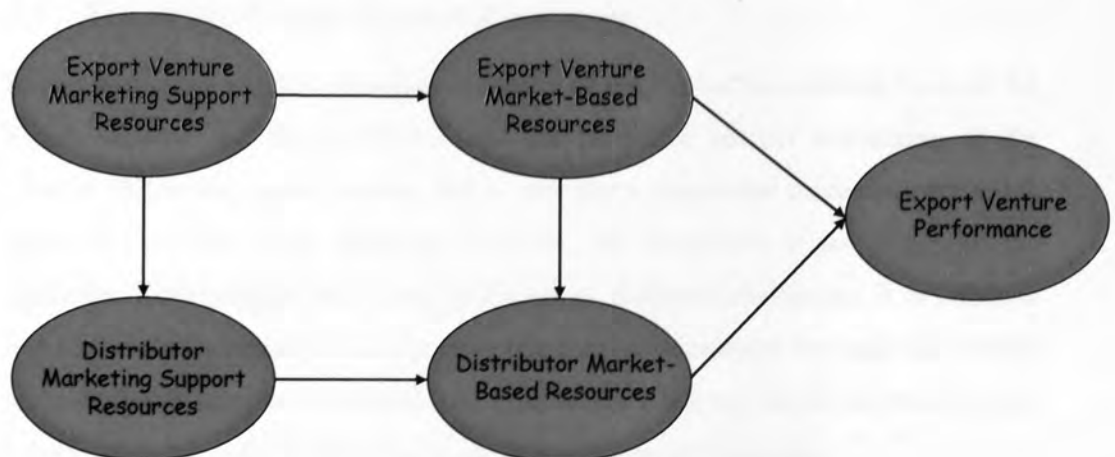


Figure 16 Higher level conceptual model

The conceptual model is presented in the following way: First, the individual constructs, export venture and distributor marketing support and market-based resources, and export venture performance, and their resources are discussed along with the relevant theory. A graphical depiction of the resources included in each of the five constructs is presented in Figure 16. Second, the hypotheses linking the constructs following the previously mentioned association logic are discussed along with the arguments supporting each association.

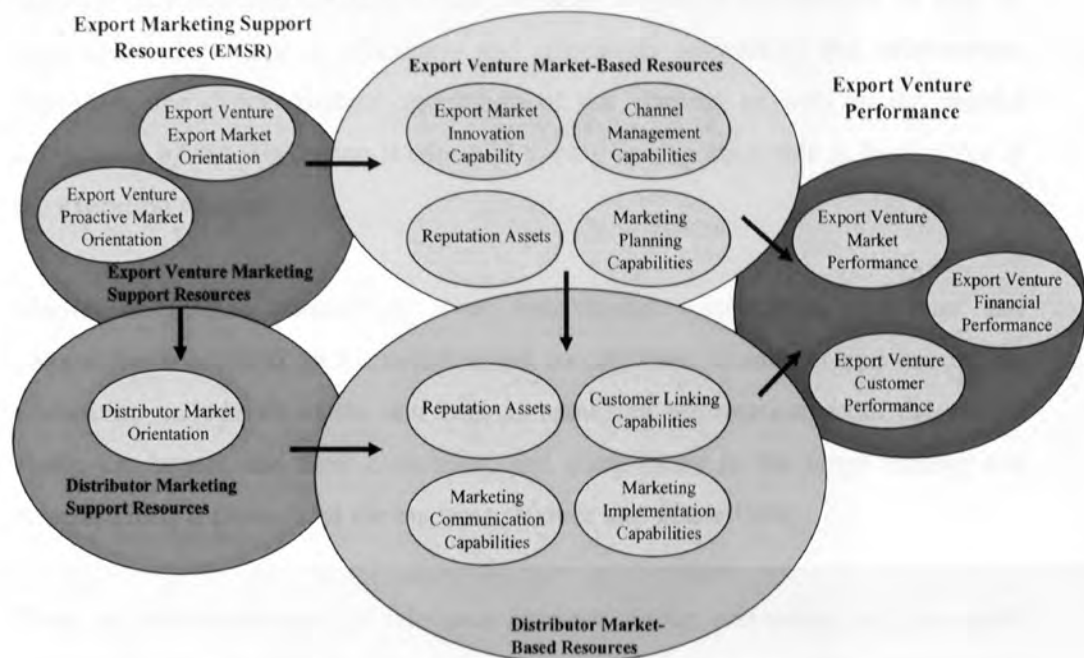


Figure 17 Conceptual Model with relevant constructs

### 3.1 *Export Marketing Support Resources*

Export marketing support resources comprise of the market orientations for both the export venture and the distributor and the proactive market orientation of the venture. While the export venture has to consider a larger and more complex value chain that reaches many different countries, the distributor is the link with the customer. Both partners are faced with a set of different challenges. It is believed that the market orientation and the proactive market orientation for both the venture and the distributor play a critical role in enhancing the resources deployed by the venture distributor dyad that, in turn, deliver superior performance.

### 3.1.1 Exporting firm Export Market Orientation and Distributor Market Orientation

It has been suggested that, the market orientation of a firm is a key resource as it is part of its culture (Deshpande and Webster 1989; Narver and Slater 1990). Similarly, in an exporting environment, *export market orientation* is an equally important element of an organization's culture and exhibits isolating mechanisms (Hooley et al. 2005; Hunt and Morgan 1995). On the same token, the exporting firm relies on its distributor for export customer and competitor information, as well as, expects the distributor to efficiently and effectively respond to this information. Therefore, the export market orientation of the venture, as well as the *market orientation of the distributor*, is expected to play an important role in the success of the exporting venture.

Market orientation consists of three behavioural components, customer and competitor orientation, and interfunctional coordination. Customer and competitor orientation include all of the activities in acquiring information about the supply chain, i.e. buyers and their customers, and competitors in the target market and disseminating it throughout the business (Narver and Slater 1990).

There are certain elements of relevance between market orientation and the export venture- distributor channel. First, both partners need to be aware of customer needs and strive to serve them in the best way possible, be it through production flexibility, new product development, careful planning for the export venture or through customer service, selling and pricing for the distributor. The venture should strive to understand not only competitors and actions but also the complete supply chain and aim to deliver value at any point (Narver and Slater 1990).

Second, both partners should coordinate the necessary activities that are required to deliver value to their customers horizontally and vertically, i.e. each within their own organizations (across functions) and across the value chain. Given the increased organizational complexity of exporting firms, the effective utilisation of company resources will require greater coordination and planning (Cadogan and Diamantopoulos 1995). It is important to note that the export venture will have at least two types of customers, if not more, distributors and final consumers. Both

need to be served. Successful export market oriented firms should therefore provide the relevant dissemination and coordination mechanisms that facilitate responsiveness to export customer needs and competitors' actions.

While addressing current customer needs is important, the ability to address latent or new market needs enhances the firm's ability to add new variants of market information in product development, thereby increasing the problem solving capacity of project teams. Such project teams could be export venture-distributor teams that aim at servicing latent needs that stem either from existing or new export market customers. Proactive market orientation therefore, is focused in addressing latent customer needs or in "leading" the customer in contrast to expressed customer needs (Narver et al. 2004). In an exporting channel, it is expected that the experimentation related to new customer offerings is mostly related to the venture, hence the presence only of the export venture's market orientation.

"In general ... a business always must first consider its customers' expressed need, for they are in the consciousness of the customer. However, merely satisfying customers' expressed needs maybe insufficient for a business to attract and retain customers (Narver et al. 2004, p. 336)," as the offerings that satisfy these needs will eventually be susceptible to imitation or erosion. Therefore, proactive market orientation is the organizational trait that allows the firm to reinvent itself and be a step ahead of competition, and a medium for avoiding price competition (Narver et al. 2004).

### ***3.2 Export Market-Based Resources***

Actively involved exporting firms reach their exporting markets not only through their own assets and capabilities, but also through the resources held by their distributors under the prevailing mind-set of resource complementarities (Chrysochoidis and Theoharakis 2004; Harrison et al. 2001; Katsikeas and Dalgic 1995; Narus and Anderson 1996).

While the list of resources below is indicative, venture owned resources can be reputation assets, export market innovation, marketing planning and channel management capabilities. On the other hand, distributor market-based assets can be

reputation assets, marketing implementation and communication, and customer linking capabilities.

### **3.2.1 Export Venture Market Innovation Capability**

Successful, new product development can be essential for increased sales profits and can provide a competitive edge for most organizations. The development of new products for export markets, improvement and modification of existing products, and adoption of new ideas of the production manufacturing process (innovation capability) (Guan and Ma 2001; Kaleka 2002) are directly linked with exporting competitive advantage (Cooper and Kleinschmidt 1985; Kaleka 2002). Innovation can be multifaceted. New products can be new to society, or new to the firm or new to the market. Products new to society relate to discoveries that have not been implemented before in any context. Products new to the market could be an offering adopted from other markets, but deployed first time to that particular segment or foreign market. Products new to the firm can be new to society and new to the market but it would be a firm's first hand attempt to produce such products (Sandvik and Sandvik 2003). While introduction of new products in different contexts is important for business profitability and longevity, the ability of a venture to manage the portfolio of product offerings and decide on the elimination of them on time and in the right way is a very complex process (Avlonitis 1985) and important for exporters as well (Albaum et al. 2002).

### **3.2.2 Export Venture Channel Management Capabilities**

As stated previously, a healthy business relationship between channel members can be a source of competitive advantage and therefore contribute to superior firm performance (Morgan and Hunt 1999). Firms that have active and good relationships with members of their industry and supply network (e.g. suppliers, competitors, chambers of commerce, non for profit institutions, etc.) will have easier access to competitor and customer related information. "Social relationships among individuals and firms, or their "social capital," greatly facilitate access to important resources and information." (Porter 1998).



Firms that are export market oriented will be actively scanning the environment for information, as well as, attempt to establish relationships with institutions that can provide this information such as, chambers of commerce, trading houses, export intermediaries and distributors (information generation), in order to alleviate export information inhibiting factors such as, low foreign market experience, low information availability and quality, and high reliance on third parties (Cadogan and Diamantopoulos 1995).

The ability to share and/or create a resource in a partnership is associated with relational exchanges that have a past and a future and transaction partners like distributors that are involved in complex social relationships (Morgan and Hunt 1999). Resource sharing requires the nurturing of relationship trust, creation and coordination of cross-functional teams, assignment of top management into the relationship, measuring partnership performance, resolution of conflict, mechanisms that facilitate effective and efficient communication and learning, and other skills that are relationship focused (Dyer and Singh 1998; Handfield et al. 1999; Ragatz et al. 1997; Sivadas and Dwyer 2000; Wagner and Boutellier 2002; Whipple 2000).

A close partnership, that can enhance channel performance, can be created by forming an export channel relationship that is characterised by flexibility, trust, information exchange, and solidarity (Noordewier et al. 1990). However, because firms operate in different countries and often have agency or transaction conflicts, a good relationship is difficult to achieve between members of the export channel (Cavusgil 1998; Morgan and Katsikeas 1998). In an international environment, the ability to leverage on the capabilities of the distributor has been found to be positive with international firm performance (Knight and Cavusgil 2004). Therefore, in an exporting setting a healthy export venture-distributor relationship, where one can leverage on the capabilities of both partners, can exhibit isolation mechanisms and be a contributor of competitive advantage.

Skills therefore that create, nurture, and develop the relationship with the distributor are called *channel management capabilities* and involve distributor selection and retention, maintaining a strong relationship with the distributor, closeness in working with the distributor, adding value to the distributor's business and

providing high levels of service support (Johnsen et al. 2000; Ritter and Gemünden 2003; Ritter and Gemünden 2004; Vorhies and Morgan 2005; Zou et al. 2003).

### **3.2.3 Export Venture Marketing Planning Capabilities**

Marketing planning is the process of synthesis and analysis of customer, competitor and environment information, in order to match the product offering with the appropriate market segment and also to decide the way this is going to be done (Hooley et al. 1998b; Kotler et al. 2002). Marketing planning is a subset of strategic planning and one could assume that it is simply a standardized formal process that managers go through in order to decide about their actions. However, the marketing planning process, be it formal or not, is strongly intertwined with managerial skills and its effectiveness is dependant upon the quality and skill of the managers involved. It requires flexibility, tactical and strategic thinking, ability to learn and think innovatively (Greenley et al. 2004). Its outcome is also prone to several barriers such as, lack of information, lack of sharing, poor internal and channel communication, lack of motivation, or congruence of goals (Dibb et al. 2008).

Therefore, the marketing planning process, when effective, can produce successful results that cannot be easily imitated. In an exporting context marketing segmentation has a wider scope than the domestic context, because elements such as, geographical/market concentration or spread have to be considered as well (Leonidou et al. 2002). Marketing planning capabilities for the export venture are defined as the ability to effectively segment the foreign market, develop creative marketing strategies and be thorough in the marketing planning process (Vorhies and Morgan 2005; Zou et al. 2003).

### **3.2.4 Export Venture and Distributor Reputation Assets**

Strong reputation assets for the venture such as, company reputation and global presence, product brand name, and country of origin might lead to customer satisfaction and loyalty through associations with well-known brands (Bilkey and Nes 1982; Doyle 2000).

In addition to the product and country related elements brought by the venture, a well established and known distributor can enhance the product and service offering in the export market, as well as, the aforementioned venture specific elements (Panitz 1988). Corporate reputation is one of those intangibles that is extremely difficult to imitate and therefore can be a source of competitive advantage and a contributor to superior performance (Balmer 1998; Hunt and Morgan 1995).

### **3.2.5 Distributor Marketing Assets and Customer Linking Capabilities**

Distributor held assets such as financial strength, reputation, distribution network, local market and competitor knowledge, as well as, distributor financial capabilities, distribution agility, receptivity to exporter's methods can be sources of competitive advantage for the exporting firm (Cavusgil and Naor 1987; Leonidou et al. 1998).

For example, product quality and delivery, and after sales service have been found to be important elements of exporting competitive advantage (Kaleka 2002; Katsikeas 1994). While product quality maybe only a function of the exporting venture's resources, delivery and after sales service is predominantly a function of the influence exercised by the exporting firm to the distributor and the distributor's resources (Agarwal and Ramaswami 1992; Leonidou et al. 2002).

On the same token, the distributor is the venture's interface with the customer, therefore the creation and maintenance of good customer relationships, delivery of superior customer service and support, and understanding of customer needs (Day 1994) are distributor specific. *Customer linking capabilities* are defined as the ability of the distributor to create and maintain good relationships with the foreign market customers.

In addition to customer linking, the ability to execute the marketing plans set-out by the venture or venture-distributor management is essential. Marketing skills, whether expressed in terms of execution of allocating resources effectively, translating marketing plans into action efficiently, and monitoring market performance, or in terms of communication, the execution of advertising plans, the ability to manage corporate image and brand names and public relations, are

respectively defined as *marketing implementation* and *marketing communication skills*. As with marketing planning, these skills are intertwined with managerial and organizational attributes and should therefore not be susceptible to imitation by competitors.

### ***3.3 Export Venture Performance***

According to Venkatraman (1986), firm performance is a complex multidimensional problem. In this particular model, export performance is measured at the venture level in line with seminal studies in the exporting literature (e.g., Cavusgil and Zou 1994; Morgan et al. 2004). The main reason being that export performance measurement at the firm level makes it difficult to isolate and identify specific antecedents of export performance, because it fails to capture differences in the strategies executed by export ventures that can be export-market specific (Cavusgil and Zou 1994). Exporting venture performance is also considered a multifaceted phenomenon (Bello and Gilliland 1997), hence the proposition for export venture to be measured by making use of three dimensions of business performance, namely customer, market and financial, in line with other marketing resource publications (e.g., Hooley et al. 2005).

The resource-based view of the firm suggests that a firm's sustainable competitive advantage is a function of its valuable, rare and inimitable firm specific resources (Barney 1991). Sustainability does not refer to the time duration of the competitive advantage, but to the ability to withstand imitation by competitors regardless of time (Barney 1991). However, competitive advantage is customer perceived and corroborated, and therefore can be even better captured if customer performance measures are added as an additional dimension in the export performance construct (Hooley et al. 2005).

In addition, the exporting literature considers as one of the most important indicators of a well performing venture, the satisfaction of strategic objectives such as, sales targets, market share in absolute or relative terms such as growth, and more simply market presence (Katsikeas et al. 2000; Zou et al. 1998).

Furthermore, any business venture requires a substantial return above its weighted average cost of capital resulting to sufficient returns to its shareholders for the risk involved.

Therefore, export venture performance can be more explicitly defined as the achievement of superior financial performance relative to competition, through two main routes: customer performance (customer loyalty and satisfaction) (Hooley et al. 2005), and market performance (market share global and local, sales growth, sales) (Hooley et al. 2005; Zou et al. 1998).

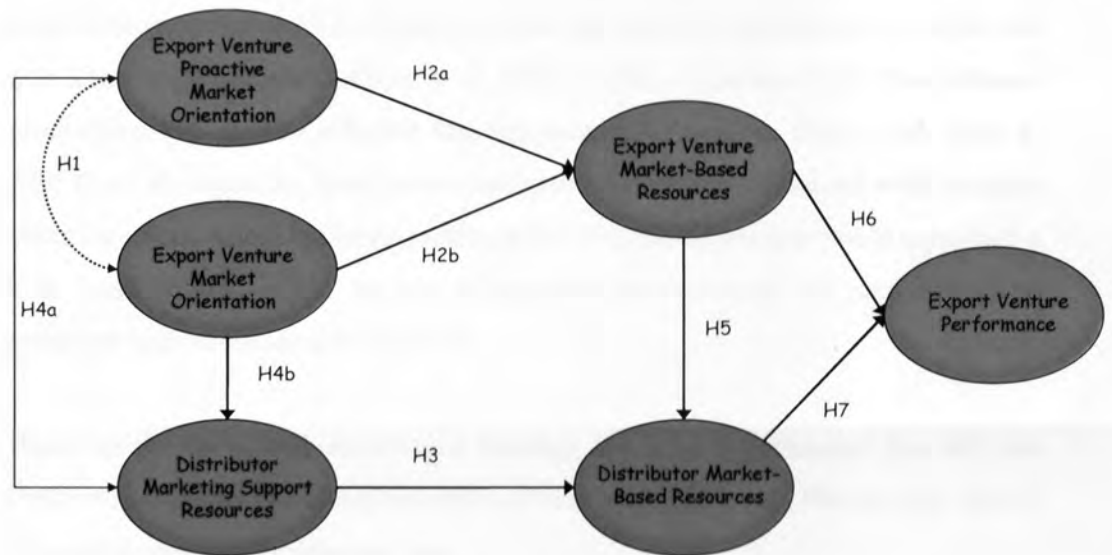


Figure 18 The conceptual model with the relevant hypotheses

### 3.4 Relationship between Export Venture Market Orientation and Proactive Market Orientation (H1)

MO and PMO should co-exist and a fine balance between the two is what the firm's management should strive for (Connor 1999; Slater and Narver 1999). PMO and MO are two distinct constructs (Atuahene-Gima et al. 2005), they are statistically and conceptually correlated (Narver et al. 2004) and are part of a spectrum of orientations that is available to management and should be seen as a central strategic choice (Connor 1999). As Narver and Slater suggest "... a market-oriented seller will of course understand and satisfy the expressed needs of customers. But, a market-oriented seller will also seek to discover customers' latent needs and thereby offer



an augmented product...” the basis of differentiation and competitive advantage (Slater and Narver 1999). Therefore, the relationship between MO and PMO should be one of co-existence, where one takes precedence over the other depending on market circumstances.

For example, a venture extremely competent in responding to existing export customer challenges (responsive MO) will be more successful in product development when it incorporates new insights about customers and markets obtained through PMO. Conversely, MO is more likely to be useful in product development, by facilitating the diffusion of knowledge with some level of market conditions (responsive MO), which provides the necessary background to utilize the new knowledge (Atuahene-Gima et al. 2005, p.476). “It seems likely that different product-markets require different MO behaviours;” (Atuahene-Gima et al. 2005, p. 476) thus, an exporting firm’s complete product portfolio combined with multiple export markets, where the same product but a new export market would constitute a new combination, would involve a multidimensional array of responsive and proactive market-oriented behaviours.

Based on the above and on previous findings, it can be hypothesised that MO and PMO are positively correlated (Atuahene-Gima et al. 2005; e.g., Narver et al. 2004). Therefore one may hypothesize that:

***H1: The Export Venture’s Market Orientation is positively correlated with the Export Venture’s Proactive Market Orientation***

### ***3.5 Relationship between Export Venture and Distributor Marketing Support and Market-Based Resources (H2a, H2b, H3)***

As previously discussed, export venture marketing resources are defined as any attribute tangible or intangible, physical or human, intellectual or relational that can be deployed by the venture to achieve a competitive advantage in its export markets (Barney 1991; Hooley et al. 2005; Srivastava et al. 1998). In turn, these resources can be further classified into marketing support and market-based (Hooley et al. 2005).

The nature of the value chain in actively involved exporters requires the use of a second link, namely the distributor. Therefore, two organisations rather than one come into play when delivering a product to the customer.

Export Venture and distributor marketing support resources consist of the market orientations of the export venture and the distributor and also the proactive market orientation of the venture. Each in its own way contributes to the deployment of market based resources in a way that produces customer and shareholder value.

Market orientation requires top management commitment (Day 1994; Narver and Slater 1990). It can therefore be expected that the management in a market oriented organization possesses all the necessary means to influence the behaviour of their employees in such manner that, it is in congruence with the overall business objectives (Siguaw et al. 1994). Such an organization should also have coordinated cross functional processes that are aligned with delivering superior value to its customers. Marketing planning and new product development require such coordination that reaches across the whole company.

One can reasonably expect therefore that in an export market oriented venture, information pertaining to customers and competitors is easily available, as well as, communication between the venture and the rest of the companies functions exists, thus planning barriers are overcome and the marketing planning process is facilitated (Dibb et al. 2008).

A highly export market oriented venture generates intelligence about customers, competitors and channel members and coordinates effective responses to satisfy customer needs that will result to reduction in export marketing uncertainty (Katsikeas and Morgan 1994). Essential to NPD success is the cross-functional coordination between marketing and manufacturing (Narver and Slater 1990; Song and Parry 1997; Zirger and Maidique 1990). Additionally, for both exporting venture and distributor, market-driven organizations tend to have superior outside-in capabilities such as, channel bonding, market sensing, customer linking (Day 1994),

as being market oriented, in principle, is learning and reacting in a manner that creates and maintains superior customer value (Slater and Narver 1995).

“A proactive market orientation, focused as it is on latent needs, leads to even better insight into customer needs and, thus, to the development of innovative products and services (Narver et al. 2004, p. 338).” Furthermore, a venture that is proactive market oriented should possess the organizational processes for learning about latent needs of current, as well as, potential export market customers.

Moving a step in the value chain from the export venture, a market oriented distributor should be able to demonstrate superior inside-out, capabilities, spanning and outside-in capabilities “manifested in such typical business activities as order [taking and] fulfilment,...and service delivery (Day 1994, p.3).” Marketing implementation and communication, selling, pricing, and customer linking capabilities as defined previously are pertinent in getting the order and delivering product to customers in a manner that is perceived as value for money.

Market orientation posits that an organization that adheres to its principles will be cognizant of customer needs, idiosyncrasies and customer demand now and in the future (Narver and Slater 1990). The resource based view posits that reputation assets such as, brand name and corporate reputation are intangible assets and as such they are impervious to competitor imitation (Barney 1991; Dierickx and Cool 1989). The intersection of the two theories provides the link that claims that market oriented firms have more of a chance to have strong reputation assets as they are more customer aware and possess the required processes to develop and enhance such assets (Day 1994; Hunt and Morgan 1995; Reid et al. 2005; Urde 1999).

Finally, the ability of the venture to cooperate, communicate, and develop a flexible venture-distributor relationship through its channel management capabilities acts synergistically with the new product development capabilities of the venture (Sivadas and Dwyer 2000), facilitates know-how transfer (Bello et al. 2003), and indirectly enhances channel performance (Bello and Gilliland 1997).

The main argument here is that focused support resources make a strong contribution towards delivering superior value for the customer. Evidence supports that marketing support resources have a positive impact on market-based resources at the firm level in a domestic context (Hooley et al. 2005). The same argument might be supported therefore for exporting activities at the venture level. Consequently, one may reasonably hypothesise that:

*H2a: A Higher level of Export Venture Proactive Market Orientation leads to higher levels of Export Venture Market-Based Resources, and*

*H2b: A Higher level of Export Venture Market Orientation leads to higher levels of Export Venture Market-Based Resources, and*

*H3: A Higher level of Distributor Market Orientation leads to higher levels of Distributor Market-Based Resources*

### ***3.6 Relationship between Export Venture and Distributor Marketing Support Resources (H4a & H4b)***

In an exporting channel, the exporting venture as well as the distributor, each brings their own set of marketing support resources (MSP). It is hypothesized that the marketing support resources of the export venture will affect the marketing support resources mainly through the interaction, day-to-day or as frequently needed, of the two parties. In line with Siguaw (1998) the linkage is hypothetically established by using reference group theory (Shibutani 1955) as expanded by Kelley (1965).

In this particular theory, a reference group is “some identifiable grouping to which an actor is related in some manner and the norms and values [are] shared in that group.” (Shibutani 1955 p. 562) as quoted in (Siguaw et al. 1998). The reference group serves two primary functions: a normative and a comparative (Kelley 1965).

The first one, the normative function, is to motivate people to aspire to goals and norms established by the group. The second one, the comparative, is to serve as “a standard of comparison point against which the person can evaluate himself and others.” (Kelley 1965 p. 413).

The normative function serves the purpose of guidance and control in a channel environment, in which a supplier uses normative influence when a distributor has to conform to the standards and norms established by the supplier. The comparative function presents more relevance and applicability in the model presented in this dissertation as it occurs “when the distributor examines the behaviours and attitudes of its supplier to obtain a benchmark or guide for its behaviour...The distributor uses these standards as a point of reference or model for adapting its own behaviour to identify more closely with the behaviours of the supplier.” (Siguaw et al. 1998 p.101)

In other words, the stronger the marketing support resources of the export venture the stronger the “message” or point of comparison for the distributor on which a betterment of the distributor’s marketing support resources through imitation or learning can be achieved. A major reason for unsuccessful export programmes is lack of attention and effort by the intermediary. By influencing a distributor’s channel behaviours, more resources and attention are placed on selling and servicing the manufacturer’s products (Bello and Gilliland 1997).

On a similar token, market oriented ventures will be more aware of their strengths and weaknesses of their supply chains (Narver and Slater 1990), distributors being part of them. Superior sensing skills and market knowledge inherent in market oriented export ventures should allow the choice of market oriented distributors in recognition of the benefits that stem from having both channel members being market oriented. In other words, a highly market oriented venture should be able to find and collaborate with a market oriented distributor, as this would suit the needs of the venture better.

The direction of association is assumed to stem from the export venture to the distributor’s support resources. While the opposite might hold, it is believed that at this instance the support resources of the export venture are those that enhance the market support resources of the distributor. This leads to H4a and H4b:



*H4a: A Higher level of Export Venture Proactive Market Orientation leads to a higher level of Distributor Market Orientation, and*

*H4b: A Higher level of Export Venture Market Orientation leads to a higher level of Distributor Market Orientation*

### ***3.7 Relationship between Export Venture and Distributor Market-Based Resources (H5)***

The resource based view of the firm does provide some explanation behind the motives for the formation of an exporter-distributor alliance. Specifically, the resource based view of the firm suggests that the rationale for alliances is the value-creation potential of firm resources that are pooled together (Das and Teng 2000; Dyer and Singh 1998; Harrison et al. 2001). The combination therefore, of the resources owned by the supplier and the distributor a. satisfies any shortage of resources by the supplier by gaining access to other firms', namely distributors', valuable resources (Eisenhardt and Schoonhoven 1996; Harrison et al. 2001; Madhok 1997) and/or b. creates a valuable, due to its uniqueness, bundle of resources (Das and Teng 2000; Dyer and Singh 1998; Peteraf 1993; Wernerfelt 1984). For example, supplier reputation and/or product brand name may combine with distributor reputation in order to create a positive, synergistic effect for an export venture.

More specifically, this indicates that firms who combine resources in unique ways may realize an advantage over competing firms who are unable or unwilling to do so (Dyer and Singh 1998). Thus, idiosyncratic inter-firm linkages may be a source of relational rents and competitive advantage (Peteraf 1993). Based on the RBV, Dyer and Singh (1998), posit that dyadic/network alliances can generate competitive advantage as they move the relationship away from the attributes of market relationships and that the competitive advantages of partnerships seem to fall into four categories:

- investments in relation-specific assets;
- substantial knowledge exchange, including the exchange of knowledge that results in joint learning;

- the combining of complementary, but scarce, resources or capabilities (typically through multiple functional interfaces), which results in the joint creation of unique new products, services, or technologies; and
- lower transaction costs than competitor alliances, owing to more effective governance mechanisms

Drawing from the above classification, the export venture-distributor dyad can generate a relational rents that contribute to a dyad specific competitive advantage in many ways: One could making specific investments to assets related to the partnership, e.g., human specialisation, specific training programmes, optimisation of supply chains, dedicated individuals that know the systems and idiosyncrasies of either partner, or by performance-enhancing technology and innovations.

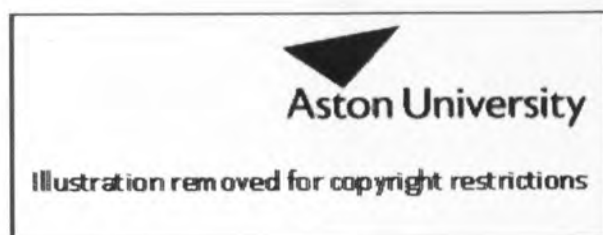
Also, alliance partners can generate rents by developing superior inter-firm knowledge-sharing routines. Were an inter-firm knowledge-sharing routine is defined as “a regular pattern of inter-firm interactions that permits the transfer, recombination, or creation of specialized knowledge (Dyer and Singh 1998, p.665).” These are institutionalized inter-firm processes that are purposefully designed to facilitate knowledge exchanges between alliance partners. Export venture-distributor dyads can generate relational rents in the presence of such knowledge transfer processes and facilitate the exchange of know-how or information related to critical activities such as new product development, or supply chain management.

Lastly, when partners combine two resources that in isolation would create a smaller benefit than the two together, then this is considered as attaining a relational rent through complementary resources. In the exporting channel in question in this study, the partners can attain such a relational rent by combining resources such as marketing planning form the venture side and marketing implementation skills or selling skills as either partner capabilities in isolation could not be sufficient to generate competitive advantage and hence superior export venture performance.

Also, the synergistic effect produced by having two market oriented channel partners, which is materialized through blurring of organizational boundaries,

alignment of remuneration with overall objectives, congruence of goals through continuous exchange of information, top management commitment and more effective communication, should increase the probability of presence of inter-firm knowledge-sharing routines (Dyer and Singh 1998). The marketing planning capabilities from the export venture and the marketing implementation capabilities from the distributor provide such stream of opportunity of knowledge exchange that axiomatically should be enhanced by the market oriented nature of the two partners, thus resulting into a source of relational rent (Barney 1991; Dyer and Singh 1998).

In tandem with the resource based view, network and channel theories consider the supplier-distributor relationship as functional outsourcing (Achrol 1997; Anderson et al. 1994; Bello and Gilliland 1997). In this case, the supplier sells and promotes its product in a foreign country by outsourcing some essential market based resources such as the ones linked with controlling parts of the product mix, selling, and servicing the customer. Indeed, due to the nature of the value chain the distributor is in control of elements of the augmented product *Figure 19*.



**Figure 19 Core, Actual, and Augmented Product Layers (Kotler et al. 2002)**

Exporting in the form of business expansion does not take place automatically. According to Penrose (1959), expansion has to take place in accordance with a plan that requires administrative attention for its inception, planning, and execution. If one accepts, therefore, that expansion is limited to the size of the experienced managerial group that exists within a venture required for the deployment of the plan, then exporting, treated as an activity serving business expansion, is

constrained by firm size. In exporting, “the most common hypotheses is that larger companies have size-related advantages that enable them to more effectively engage in export [operations]” (Aaby and Slater 1989 p.17). Even though corporate size is positively linked with corporate reputation it is not necessarily linked with a positive one (Bonamici 2006; Filbek et al. 1997; O’ Reilly 1997). What is argued in this case is that companies with positive corporate reputations and strong brands will be able to link with distributors of equal stature and capabilities thus creating a synergistic bundle of market-based resources.

While studies of resource allocation in channels show that economic factors, rather than investments in relationship building, are more influential in swaying resource allocations (Anderson et al. 1987; Verbeke et al. 2006), it is believed that market oriented export ventures and distributors possess the necessary insight and strive to continuously exchange customer and competitor information in such a manner that, alleviates any barrier to adoption of marketing promotion tactics and plans. This notion is further supported by evidence that strong brand names affect the adoption of resources provided by the supplier in a manufacturer-reseller relationship such as, marketing promotion and training (Glynn et al. 2007). As ineffective resource allocation has been identified as barrier to effective importing by distributors (Frazier 1999; Katsikeas and Dalgic 1995), the reputation assets of the venture will enhance the marketing implementation, selling and pricing capabilities of the distributor as it is more likely that they will be in congruence with the objectives of the export venture.

Finally, the direction of association stems from the venture market based resources to the distributor market-based resources, the reason being that the hypothesized contents for each of the two construct groups should follow the timing related to a common business process flow. In other words, marketing planning comes before marketing implementation. Channel management, as defined above or some elements of it, like systems and monitoring performance, should be in place and be effective before selling and pricing capabilities could be enhanced. The same applies for innovation and it also hypothesized for reputation, even though it is recognised that in the case of reputation there could be spill-over effects in the reverse direction, i.e. from the corporate reputation of the distributor to the product

supplied or by the distributor to the product if re-packaged or re-branded by the distributor. In this instance, therefore, it is hypothesised that,

*H5: Higher levels of Export Venture Market-Based Resources lead to higher levels of Distributor Market-Based Resources*

### ***3.8 Relationship between Export Venture and Distributor Market-Based Resources with Export Venture Performance (H6 & H7)***

Strong reputation assets for the venture such as, company reputation and global presence, product brand name and indirect effects due to country of origin on product reputation might lead to customer satisfaction and loyalty through associations with well-known brands (Bilkey and Nes 1982; Doyle 2000). In the exporting literature, brand equity has been identified as a significant driver of export sales revenue (Aaby and Slater 1989). Additionally, a well established and known distributor can enhance the product and service offering in the export market, as well as, the aforementioned venture specific elements.

A firm's market knowledge is of little use unless it is effectively deployed in a way that produces customer value. In competitive environments, such as exporting, products experience shorter life cycles. Therefore, being capable of launching new products and services in a fast and timely manner, i.e. being innovative, can be very critical to succeeding in the market place (Deshpande et al. 1993). Product development is considered an important element in export ventures as it may affect the effectiveness, as well as, the efficiency with which it serves its target market (Cooper and Kleinschmidt 1985) and is also a contributor to venture's competitive advantage (Zou et al. 2003). Therefore, the venture's innovation capability will have an impact both on market as well as on customer performance.

A firm with a strong marketing capability, ability to identify customer needs and understand factors that influence consumer behaviour, will be able to achieve better targeting and positioning of its brands relative to competitors (Dutta et al. 1999). This level of differentiation will enable a firm to enjoy higher margins and therefore a better financial performance than its competitors (Day 1994; Jaworski and Kohli 1993).



Export marketing researchers have stressed the crucial role which marketing policy elements, such as marketing mix and customer service, play in gaining competitive position in export markets that result in superior market and/or customer performance (Katsikeas 1994; Leonidou et al. 2002). Advantages of this type are competitive product superiority (Kaleka 2002; Katsikeas 1994), pricing (Myers et al. 2002; Zou et al. 2003), promotional activities (Keng and Juan 1989), distribution network (Cavusgil and Naor 1987), channel management and marketing planning (Zou et al. 2003).

In addition, superior customer linking capabilities – customer service and creation and maintenance of customer relationships – can affect sales levels, as well as, customer satisfaction (Day 1994; Hooley et al. 2005). Particularly in an exporting environment, the importance of superior customer service in achieving superior export performance has been demonstrated repeatedly both at the firm and venture level (Leonidou et al. 2002).

Finally, while most research has focused in examining the marketing capability from the venture's point of view, in this particular model it is believed that the distributor is the executor of most marketing mix elements and the one that comes in contact with the customer. Therefore, it is assumed that these capabilities are part of the distributor's resource pool.

Therefore, combining respective resources for the venture and distributor, supported with the arguments above and with evidence of research in a domestic environment that measured performance at the firm level (Hooley et al. 2005), it can be hypothesised that:

*H6: Higher levels of Export Venture Market-Based Resources lead to higher levels of Export Venture Performance*

*H7: Higher levels of Distributor Market-Based Resources lead to higher levels of Export Venture Performance*

### **3.9 Conclusion**

In summary, the conceptual model along with the relevant hypotheses has been presented. The next sections present the methodology used to address the questions raised by the conceptual model. Chapter 5 presents the expert interviews both from export venture and distributor managers. The findings of the exploratory phase were used to enhance the conceptual model. In the end, some hypotheses were re-stated to reflect the newly added constructs. Following the expert interviews, Chapter 6 is mainly concerned with the development of the questionnaire that was pre-tested in a small scale dyadic survey and the measures used for each construct. Chapter 7 presents the data analysis and addresses the issues of validity and reliability. Chapter 8 discusses the findings and Chapter 9 the conclusions with the limitations and recommendations for further research.

## **Chapter 4. Research Design**

This study aims to examine the impact of the export venture and distributor marketing support resources to their respective market-based resources and in turn their impact on export venture performance. This research adopted a two stage research design that comprised of exploratory and confirmatory stages. The first stage aims at theory generation, while the second one aims at theory testing based on empirical data collected through survey research. The research methodology for this research is mainly quantitative, although during the development of the conceptual model and survey questionnaire semi-structured dyadic expert interviews provided valuable qualitative information. This chapter will discuss in detail the chosen methodology, which consists of research design and research instruments.

### ***4.1 A Two Stage Design***

Churchill (1979), described research design as the blueprint for a study that guides the collection and analysis of data. The research design adopted therefore in this thesis is pertinent to the nature and aims of the research. Looking at the nature of the research problem, there has been little study done in the interplay of the export venture channel resources such as market orientation and market-based resources both for the venture and their distributors and the impact of those on export venture performance. Therefore, it was important that a two stage research design was adopted that involved an exploratory and descriptive stage as depicted in Figure 20.

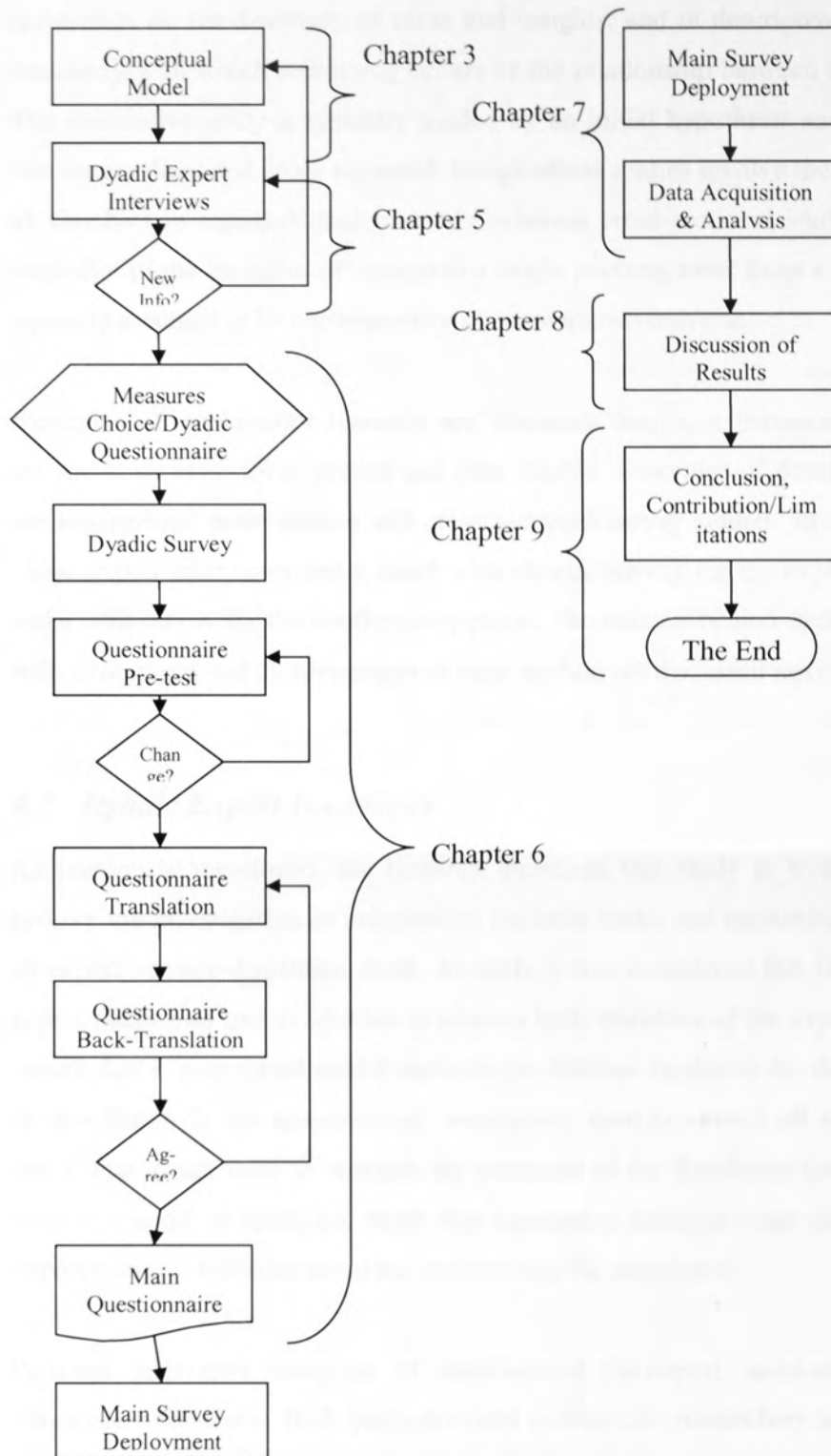


Figure 20 Flow Chart of Methodology and Remaining Sections

As defined by (Churchill and Iacobucci 2002), the main emphasis in exploratory research is on the discovery of ideas and insights, and in descriptive research the frequency with which something occurs or the relationship between two variables. The descriptive study is typically guided by an initial hypothesis and can be split into longitudinal and cross-sectional. Longitudinal studies involve the measurement of variables in repeated time intervals, whereas cross-sectional studies provide a snap-shot of the variables of interest at a single pointing time, from a sample that is typically assumed to be representative of some known universe.

Examples of exploratory research are literature search, experience survey (key informant survey), focus groups and case studies. Examples of descriptive studies are longitudinal panel studies and cross-sectional survey studies. In this study, we chose expert interviews and a small scale dyadic survey for the exploratory phase and a mail survey for the confirmatory phase. The reasons behind each choice along with advantages and disadvantages of each method are discussed next.

#### ***4.2 Dyadic Expert Interviews***

As previously mentioned, the research questions this study is trying to address involve the investigation of orientations (cultural traits) and marketing resources of an export venture-distributor dyad. As such, it was considered that first a series of expert interviews had to be done to address both members of the export channel to ensure that a. conceptual model captures the relevant resources for the venture and its distributor, b. the measurement instruments used contained all relevant items, and c. that it was valid to measure the resources of the distributor from the export-venture's point of view, i.e. there was agreement between what distributors and export ventures believed about the resources of the distributor.

Personal interviews comprise of unstructured (in-depth), semi-structured, and structured interviews. Both qualitative and quantitative researchers hold interviews as the basic method of data gathering, whether the purposes is to obtain rich, in-depth experiential account of an event, or an episode in the life of the respondent (Fontana and Frey 2000). However, personal interviews are known to have their drawbacks as they are expensive to implement, prone to interviewer bias and can



starve the findings of retrieving sensitive issues due to the lack of anonymity (Nachmias and Nachmias 2000).

Structured interviews use questionnaires based on a predetermined and standardized identical set of questions. Each question is read out and a response is recorded on a standardised schedule, usually with pre-coded answers. While there is social interaction between the interviewer and the interviewee that provide the opportunity for any necessary explanations, the questions have to be delivered with the same tone and the interview cannot digress from the questions or answers available.

By comparison, semi-structured and unstructured interviews are non-standardized. In semi-structured interviews the researcher usually has a list of themes, called an interview protocol (Creswell 1994) and questions to be covered, although these may vary from interview to interview slightly, or the order of question may change to reflect interviewee idiosyncrasies or a continuous improvement process of the interview protocol. The nature of the questions are such that usually the researcher resorts to note-taking or tape-recording, in order to ensure that most of what has been discussed has been captured.

In unstructured interviews, there is no predetermined list of questions or views. However, there should be an idea of the aspects one would want to address. The interviewee is given the opportunity to speak freely about everything in non-directive manner, in what is also called an informant interview, as opposed to a directive manner or a respondent interview such as the structured and semi-structured interviews (Easterby-Smith et al. 2002; Nachmias and Nachmias 2000). Semi-structured and in-depth interviews are more suitable for exploratory research whereas structured interviews are more suitable for descriptive research (Nachmias and Nachmias 2000).

For the purposes of this dissertation the research method of semi-structured interviews was chosen. As the purpose of the exploratory phase was to examine relationships and issues within a specific context, exporting ventures and within a specific theoretical framework, market orientation and resource-based view, it was believed that some interview guide in the form of an interview protocol was needed

to keep the discussion within the aforementioned boundaries, but also provide the opportunity for elaboration and probing when needed (Creswell 1994). The interview protocol is attached in Appendix 1.

### ***4.3 Dyadic Export Venture-Distributor Survey***

Following the expert interviews, a small scale dyadic survey was used to further investigate the issue of agreement between the export venture and the distributor and also to pre-test part of the questionnaire. While dyadic research is not common, as it presents difficulties in achieving good response rates or is subject to time limitations, we chose a within dyad design as opposed to the mixed or between dyad levels of analysis (Kenny et al. 2006). Where:

- Between dyad variables: Scores on a between-dyads variable differ from dyad to dyad but not within the dyad and thus both members have identical scores on the variable (Kenny et al. 2006).
- Within dyads variables: The two scores of a within-dyad variable between the two members within a dyad, but when averaged across the two dyad members, each dyad has an identical average score (Kenny et al. 2006).
- Mixed variables: The third type of dyadic design is a mixed independent variable in which variation exist both within the dyads and between the dyads (Kenny et al. 2006).

The reason for choosing this dyadic design is the nature of the variables measured. In the dyadic survey we were interested in measuring the orientation and the resources of distributor as perceived by the export venture-distributor dyad. Therefore, the dyad would present two different scores for each variable, one from the export venture and one from the distributors' point of view, but for the same variable. Consequently, we could check for agreement either, by comparing agreement within dyads or, by averaging the scores and comparing agreement across dyads.

#### *4.4 Main Export Venture Survey*

After that, and once agreement had been established, the main survey was deployed. The main survey used a questionnaire that asked export venture managers information about orientation and resources of their venture and their distributors and also about the export performance of the venture.

The purpose of the main survey was to provide the data to test the conceptual model that required multiple hypotheses testing. The questionnaire used scales established in literature and was translated to Greek and back-translated to English to ensure that the Greek version had captured the meaning of the questions.

In particular, advantages of mail questionnaires are (Churchill and Iacobucci 2002; Dillman 2000; Dillman et al. 2002; Groves et al. 2004):

- Low cost. The mail questionnaire does not require a trained staff of interviewers; all it entails is the time and cost of planning, sampling, duplicating, mailing and providing stamped self addressed envelopes for the return. The lower cost in administering a mail questionnaire is particularly evident when the population under study is spread over a large geographic area. Under such circumstances, the cost of interviewing could be prohibitive, and the mail questionnaire maybe the only practicable instrument.
- Reduction in biasing error. The use of mail questionnaire reduces biasing error that might result from the personal characteristics of interviewers and variability in their skills. Personal interview situations are fraught with possibilities for bias because of the nature of the interaction between the interviewer and the respondent.
- Greater anonymity. The absence of the interviewer also provides greater anonymity for the respondent and it makes it easier to answer sensitive questions such as internal performance.
- Accessibility. Finally, the mail questionnaire permits wide geographic contact at minimal cost. When a survey requires wide coverage and addresses population that is dispersed geographically, interviewing would involve high travel costs and large investment of time. This point was very

relevant to this research as it involved asking firms that were spread out across Greece.

And disadvantages are (Churchill and Iacobucci 2002; Dillman 2000; Dillman et al. 2002; Groves et al. 2004):

- Requires simple questions. The researcher cannot ask questions about abstract concepts as there is no opportunity for further explanation.
- No opportunity for probing. The answers have to be accepted as final; researchers have no opportunity to probe beyond the answer provided, to clarify ambiguous answers, or to appraise the non-verbal behaviour of the respondents.
- No control over who completes the questionnaire. With the mail questionnaire, researchers have no control over the respondent's environment; hence they cannot be sure that the appropriate person completes the questionnaire. In this case our intended informants were managers that know most about the venture-distributor reported. Indeed whether that was the case or not we do not know.
- Response rate. The final disadvantage is a mail questionnaire is perhaps its most serious problem-is that it is often difficult to obtain adequate response rate. Typical response rate for personal interviews is about 95% whereas the response rate for mail surveys in export research can range from 10 to 30% (Nachmias and Nachmias 2000). Factors affecting response rate are (Fowler 2002; Groves et al. 2004):
  - Sponsorship. The sponsorship of a questionnaire has a significant effect on respondents. Therefore, investigators should include information on sponsorship, usually in the cover letter accompanying the questionnaire. Sponsorship affects the response rate by convincing the respondent of the study's legitimacy and value as well as perceived sanctions of failure to reply. In our case we indicated that sponsorship was made by two academic institutions.
  - Pre-notification. Researchers who use mail surveys must appeal to the respondents and persuade them that they should participate by filling out the questionnaires and mailing them back. In this research we pre-notified respondents in writing and also by phone. We also

tried to appeal to their good will by claiming that their responses were necessary for the purposes of completing an academic degree, and also the fact that they were participating in an innovative survey, which tried to address a key research question that could be of interest to them as well.

- Timing. We ensured that the deployment of the survey took place away from budget preparation and holiday periods, which usually do restrict the time available for respondents to reply to questionnaires.
- Multi-wave follow-up. It has been demonstrated that a multi-wave follow-up in asking for the return of the completed questionnaire increases the response rate of mail surveys (Dillman 2000). In our case we used three waves that provided a response rate that was in-line with export related surveys as it will be discussed in the data analysis chapter 7.

#### ***4.5 Conclusion***

In this chapter the research design and research techniques used to address the research problem were presented and discussed. The reason for choosing each research technique as opposed to others was explained and substantiated by explaining the purpose that each technique was trying to address. Expert interviews were chosen in order to enhance the understanding of the dyad and the relevant resources deployed in the exporting channel, the conceptual model and the items used in the survey questionnaire. A small scale dyadic survey was used in order to assess agreement between the export venture and distributor on distributor characteristics and also as a small pre-test of the questionnaire. Finally, the main survey which focused on the export venture as the key informant was used after taking into consideration design issues explained above as it was the most relevant tool for widely geographically spread informants. The analysis and details on deployment of each technique are discussed next.



## Chapter 5. Exploratory Research

### 5.1 Conceptual Model & Measure Development

At the initial stages of the research dyadic semi-structured interviews conducted in an exploratory manner provided valuable qualitative information that a.) enhanced the conceptual model as to the capabilities assumed to influence export venture performance, b.) corroborated the existence of originally assumed constructs and their relevance with export operations, and c.) strengthened the assumptions behind the hypotheses stated above. This chapter will discuss the methodology followed for the dyadic expert interviews, the key findings and how they contributed to the enhancement of the conceptual model.

#### 5.1.1 Dyadic Expert Interviews

##### 5.1.1.1 Expert Interview Analysis & Findings

In this stage, purposive sampling was used to ensure that as many industries as possible were represented by the field interviews. The sample consisted of Greek exporting ventures that had more than 20 employees and where possible their foreign distributors. Table 3 shows the basic attributes of the firms interviewed.

| Export Ventures |                 |            |                         |                    |                     |               |
|-----------------|-----------------|------------|-------------------------|--------------------|---------------------|---------------|
| Nr              | Total Co. Sales | Sector     | Position of Interviewee | Interview Duration | Venture Country     | Venture Sales |
| 1               | €800m           | Metals     | Deputy General Manager  | 51min              | U.S.A.              | €30m          |
| 2               | €180m           | Dairy      | Exports Manager         | 55min              | Italy               | €10m          |
| 3               | €100m           | Industrial | Commercial Director     | 65min              | Ukraine             | €5m           |
| 4               | €1bn            | Food       | Intl Marketing Manager  | 61min              | Slovakia            | €42m          |
| 5               | €160m           | Metals     | Business Unit Manager   | 49min              | Italy               | €8m           |
| 6               | €50m            | Clothing   | Chief Executive Officer | 64min              | Germany             | €3m           |
| 7               | €130m           | Pharma     | Export Manager          | 45min              | Italy               | €3.5m         |
| 8               | €38m            | Industrial | Commercial Director     | 65min              | Bulgaria            | €1m           |
| 9               | €450m           | Cables     | Account Manager         | 72min              | U.K.                | €3.5m         |
| Distributors    |                 |            |                         |                    |                     |               |
| Nr              | Total Co. Sales | Sector     | Position of Interviewee | Interview Duration | Distributor Country | Venture Sales |
| 1               | €120m           | Food       | General Manager         | 45min              | Slovakia            | €42m          |
| 2               | €40m            | Pharma     | General Manager         | 38min              | Italy               | €3.5m         |
| 3               | €25m            | Industrial | Operations Manager      | 42min              | Ukraine             | €5m           |
| 4               | €18m            | Industrial | General Manager         | 35min              | Bulgaria            | €1m           |
| 5               | €32m            | Cables     | Product Manager         | 47min              | U.K.                | €3.5m         |
| 6               | €25m            | Metals     | General Manager         | 68min              | Italy               | €8m           |

Table 3 Expert Interview Export Venture & Distributor Characteristics

A total of 9 export ventures were interviewed. The number of ventures interviewed was determined when additional expert interviews rendered no new information. Also 6 distributor managers that were associated with the aforementioned ventures were interviewed to assess the level of agreement with the venture-related findings when access was possible and/or provided. Once again, the number of interviews carried out was determined by whether any new information was generated or not. In a similar manner to Diamantopoulos and Cadogan (1996), the first few interviews were used to fine-tune the interview protocol and see whether the initial findings could provide further insights for the conceptual model or not.

Out of the 6 distributors, the two industrial product related ventures are from the same firm, and the two metals and cables ventures are from the same holding group, but different firms. The sample size is in line with other export related field studies (e.g., Diamantopoulos and Cadogan 1996).

The positions of the key informants ranged from CEO, Exports Manager to Account Manager for the ventures, while most informants for the Distributor were General Managers with the exception of the Industrial distributor in Ukraine and the Cables distributor in the U.K. that were Operations and Product Managers respectively. During the interviews differences in insight about the market orientation concept and the relevant resources or in familiarity with the business were not observed across the different positions. All interviews were done in the respondents' offices behind closed doors with no interruptions.

Export venture interviews were conducted in Greek, while distributor interviews in English. Some interviewees requested for the signing of non-disclosure agreements. A summary of an indicative interview is provided in Appendix 2 for example purposes. All interviews were arranged following a phone call where agreement about the interview was established. The interviewer made use of tape recorder were permitted to ensure that all discussion details were captured and the maximum attention was given to the discussion instead of taking notes (Fontana and Frey 2000). The interviews were all conducted within a period of one month.

The interviews started with a brief introduction about the interviewer and particulars regarding ensuring anonymity, where required, or signing of non-disclosure agreements. Following a brief explanation of the objective of the research and the concept of market orientation, the interviewees were asked questions about general demographics and firm and venture attribute information. The interviews were based on an Interview Protocol which comprised of several open-ended questions around a main theme like, what are the important resources for a successful venture and respective distributor and vice versa (Creswell 1998; Creswell 1994). The answers from each interview were reviewed at the same time with the interviews.

The contents of the discussion were then typed into transcripts and a sentence by sentence review followed with the preliminary conceptual model in mind. Any key conclusions derived or when constructs were mentioned, they were mapped on a table that matched the assumed higher level constructs of marketing support and market-based resources both for the venture and the distributor. It seemed that this technique was appropriate as the aim of the field study was part exploratory part confirmatory so as to further explicate the conceptual model. The key findings are shown in Table 4.

| Category                                   | Resource Identified          | Contributor   |
|--|------------------------------|---|
| Export Venture Marketing Support Resources |                              |   |
|  | Market Orientation           | (EV) Metals, (EV) Food, (EV) Industrial, (EV) Clothing, (D) Food, (EV) Cables, (D) Metals, (D) Industrial, (EV) Dairy, (D) Cables |
| New  | Proactive Market Orientation | (EV) Clothing, (EV) Pharma, (D) Pharma, (EV) Food, (D) Food, (EV) Dairy   |
|  |                              |   |
| Distributor Marketing Support Resources    |                              |   |
|  | Market Orientation           | (EV) Metals, (EV) Food, (EV) Pharma, (EV) Industrial, (EV) Clothing, (D) Food, (D) Industrial, (EV) Dairy                         |
| New, but third party                       | Legal Capabilities           | (EV) Food, (EV) Industrial  |
|  |                              |   |
| Export Venture Market-Based Resources      |                              |   |
|  | Technical Support            | (EV) Metals, (EV) Industrial, (D) Food  |
|  | Brand Name                   | (EV) Metals, (EV) Food, (EV) Industrial, (EV) Clothing, (D) Food, (D) Pharma, (D) Industrial, (EV) Dairy                          |

| Category                           | Resource Identified             | Contributor   |
|------------------------------------|---------------------------------|---|
|                                    | Company Reputation              | (EV) Metals, (EV) Food, (EV) Industrial, (EV) Clothing, (D) Food, (D) Pharma, (D) Industrial, (D) Metals, (EV) Cables, (D) Cables                       |
|                                    | Country of Origin               | (EV) Metals, (EV) Food, (EV) Industrial, (D) Food, (EV) Pharma, (D) Metals, (D) Industrial, (EV) Dairy  |
|                                    | Channel Management Capabilities | (EV) Industrial, (EV) Food, (D) Food, (D) Industrial, (EV) Dairy  |
|                                    | Marketing Planning              | (EV) Pharma, (EV) Food, (EV) Industrial, (EV) Clothing, (D) Food, (D) Pharma, (EV) Dairy, (D) Industrial  |
|                                    | Market Innovation               | (EV) Food, (EV) Industrial, (EV) Clothing, (D) Food, (EV) Pharma, (D) Pharma, (EV) Dairy  |
| Distributor Market-Based Resources |                                 |   |
|                                    | Marketing Implementation        | (EV) Food, (EV) Clothing, (D) Food, (EV) Pharma, (D) Pharma, (EV) Dairy   |
|                                    | Reputation Assets               | (EV) Metals, (EV) Food, (EV) Industrial, (EV) Clothing, (D) Food, (EV) Pharma, (D) Pharma, (EV) Dairy, (D) Industrial                                   |
| New                                | Pricing Capabilities            | (EV) Metals, (EV) Dairy, (EV) Industrial, (EV) Food, (EV) Pharma, (EV) Cables, (D) Food, (D) Pharma, (D) Industrial, (D) Cables, (D) Metals, (EV) Dairy |
| New                                | Sales Capabilities              | (EV) Metals, (EV) Dairy, (EV) Industrial, (EV) Food, (EV) Pharma, (EV) Cables, (D) Food, (D) Pharma, (D) Industrial, (D) Cables, (D) Metals, (EV) Dairy |
|                                    | Customer Linking                | (EV) Metals, (D) Metals, (EV) Industrial, (D) Industrial, (EV) Cables, (D) Cables, (EV) Clothing  |

**Table 4 Resource Categorisation of Expert Interview Content**

Some key inferences can be made from the table above. On this small sample and where a venture interview was accompanied by their respective distributor, there seems to be agreement on what they thought were processes, or skills or keywords, business slang words, or what is meant formally by resources. In other words, where a venture says export venture market orientation is important or plays a role the distributor from the same sector also agrees.

Figure 21 below, is a graphical depiction of the mapped data from Table 4. It demonstrates the level of agreement between the exporter and the distributor by construct and by sector. When both exporter and distributor from the same sector said that a specific resource is needed, then this was classed as agreement and the score was 1. If either the venture or distributor manager said that the construct was

not needed then this was classed as disagreement and the score was 0. The vertical axis depicts the mean score achieved by construct or by sector and the horizontal axis shows the constructs discussed during the export interviews and the sectors interviewed. Figure 22 and Figure 23 show the frequency that each construct was mentioned by the Exporter and the Distributor respectively. If, for example, in Figure 22 a particular construct shows a score of 0.7 this means that 70% of the Exporters' managers said that this construct was important.

The dairy and clothing ventures were excluded from this analysis as they did not have a respective distributor due to inability to access from the interviewer. As the sample used for this analysis is very small it very sensitive to error, as one disagreement between an exporter and distributor is equal to a 17% reduction of the level of agreement. Therefore, the figure below is visual depiction of the fact that the views of export ventures and distributors are highly positively correlated. The actual correlation coefficient was positive, high in value and significant (0.761,  $p = 0.000$ ).

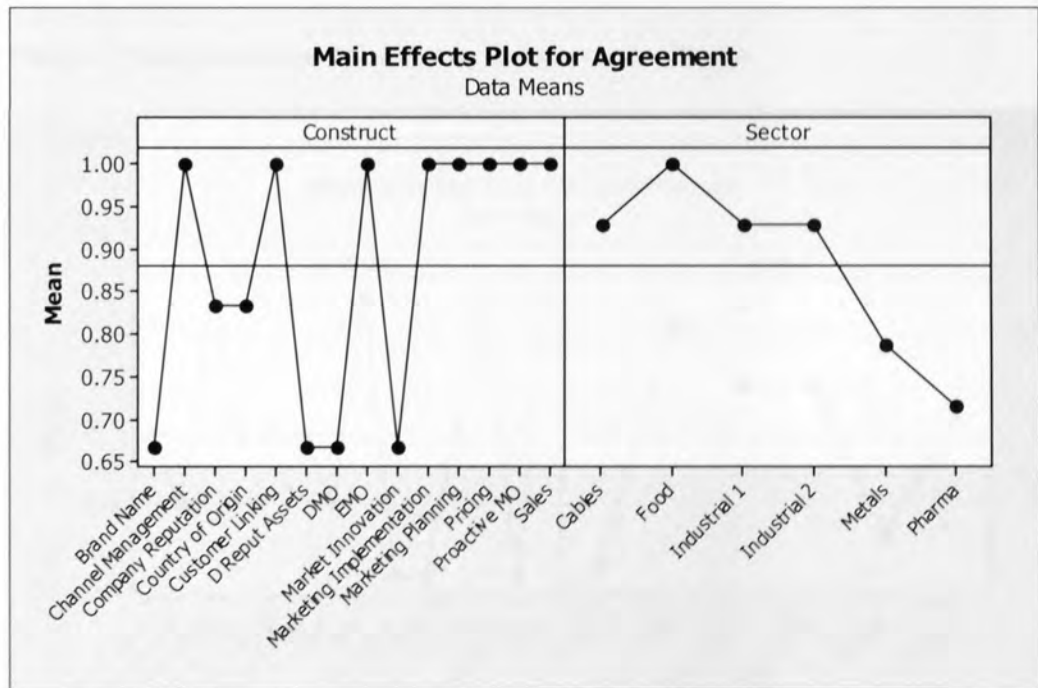


Figure 21 Venture-Distributor Agreement Means Plot by Construct and by Sector



What is more important at this stage is the view of the export venture managers and the distributors as to which resources are important and which are not. Figure 22 and Figure 23 below demonstrate this for both channel members.

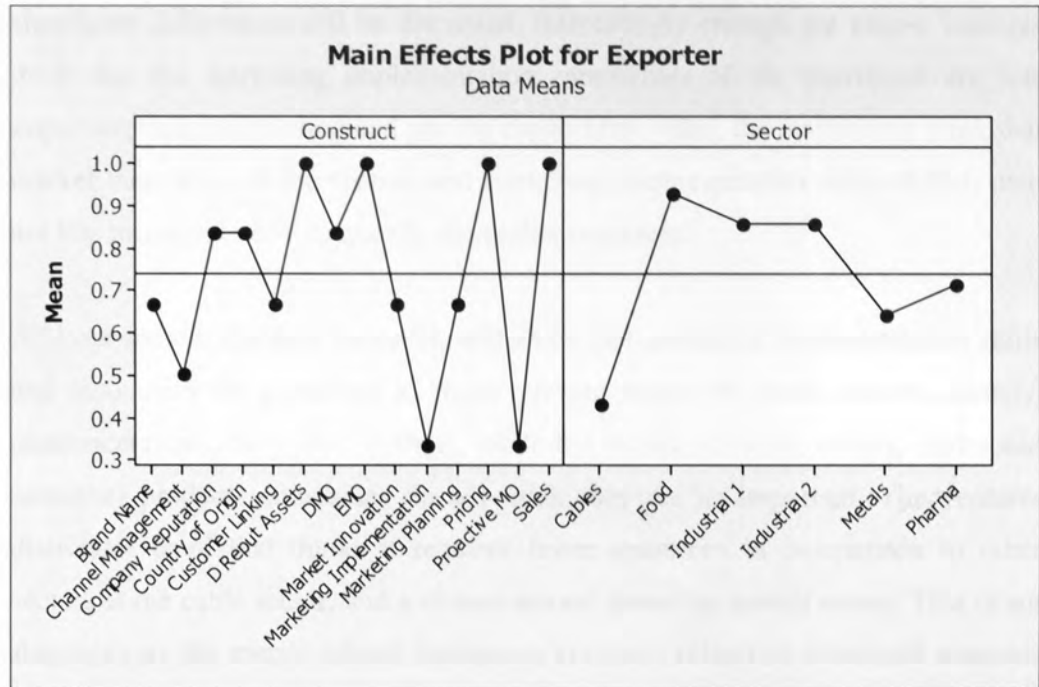


Figure 22 Venture Responses Mean Plot by Construct and by Sector

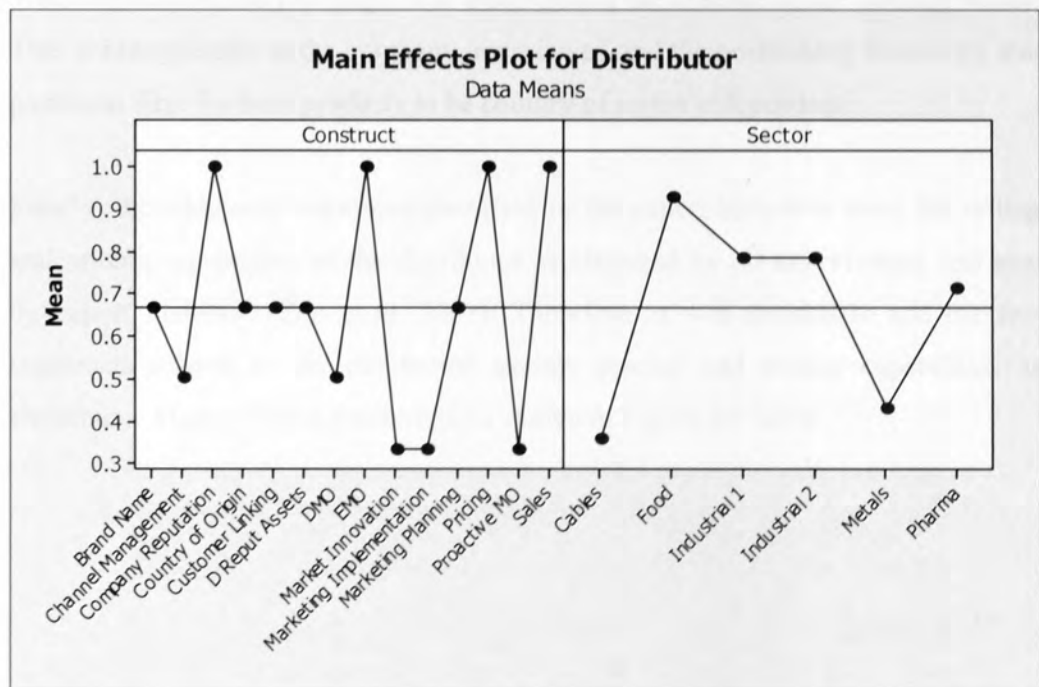


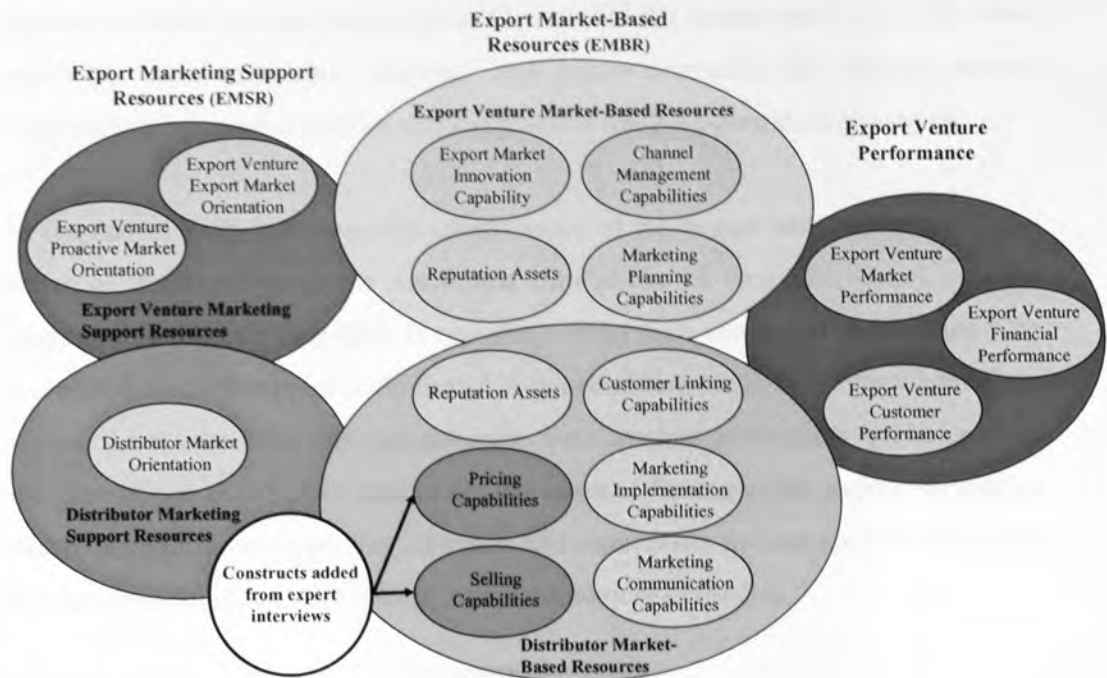
Figure 23 Distributor Responses Mean Plot by Construct and by Sector

As stated previously, the sample of dyads compared is very small, seven in total making results extremely sensitive to error. Therefore, from the above figures only significant differences will be discussed. Interestingly enough the export ventures think that the marketing implementation capabilities of the distributor are less important than their selling and pricing capabilities. Also, the distributors think that market innovation of the venture and marketing implementation skills of their own are less important more frequently than other resources.

A closer look at the data, however, will show that marketing implementation skills and innovation are perceived as more relevant mainly by retail sectors, namely, pharmaceuticals, dairy, and clothing, while the industrial sector, metals, cables and industrial products companies do not think they are as important. The venture-distributor dyad that thinks it requires fewer resources in comparison to other sectors is the cable sector, and a distant second lower the metals sector. This is not surprising as the metals related businesses are more reliant on relational elements rather than brand name and marketing implementation skills.

With respect to county of origin it is worth noting the absence of the clothing sector. This is idiosyncratic to the company interviewed and the positioning desired by that particular firm for their products to be country of origin independent.

Finally, the additional resources identified in the expert interview were the selling and pricing capabilities of the distributor as observed by all interviewees and also by export literature (Zou et al. 2003). Therefore, it was decided to add the two constructs related to the distributor namely pricing and selling capabilities as Distributor Market Based Resources, as shown in Figure 24 below.



**Figure 24 Contribution of the Exploratory Stage to Conceptual Model**

In addition to the mapping of instances made, or inferences drawn from the interview transcripts, against the conceptual model, the performance metrics used by the ventures to measure their export performance were also mapped against key categories expected and metrics mentioned during the interviews, the results are shown in Table 5.

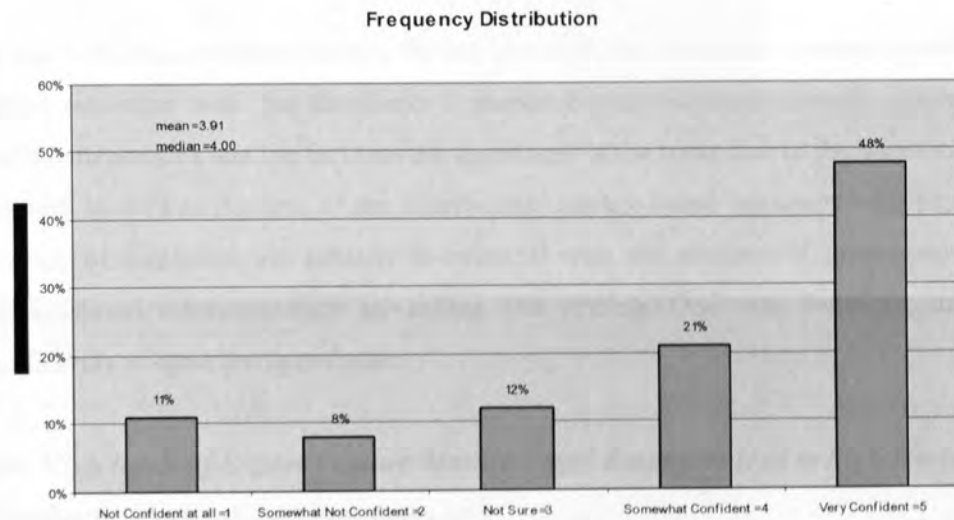
| Venture Performance Metric | Sectors Used  |
|----------------------------|---|
| Sales                      | Food, Industrial, Clothing, Dairy, Pharma                 |
| Market Share               | Food, Industrial, Clothing, Dairy, Pharma                 |
| Profit                     | Metals, Food, Industrial, Cables, Clothing, Pharma, Dairy |
| Strategic Objectives       | Industrial, Clothing, Dairy, Food, Pharma                 |

**Table 5 Venture Performance Metrics Used by Expert Interview Respondents by Sector**

It is worth noting that, all types of ventures use profit as a metric, but the metals and cables do not measure export venture performance against sales, market share or strategic objectives like market penetration, strategic presence etc. One possible explanation is that, metals and cables are commodities and as such the entry or exit from a market is easy, depending only on prevailing market conditions, macroeconomic factors and with low exit and/or entry barriers and costs. In addition, at the time of interviews, metals prices were at high levels and as such the cost of practicing market penetration or insisting at strategic presence would be very

capital intensive and thus undesirable. Contrary to the metals and cables, the other ventures, food, industrial, clothing, and pharmaceuticals did measure export ventures against market metrics and did practice market penetration strategies.

In the end of each interview, the interviewees of the export venture were asked a series of questions about the assets and capabilities of their distributors and the degree of confidence they have in reporting about such assets and capabilities. The scale used was a five point scale from 1 = not confident at all, to 5 = very confident. Again, the results from this questionnaire were used as preliminary evidence as at the time of the exploratory interviews the issue of having either export venture or distributor informants reporting on assets and capabilities that are tacit in nature like market orientation, was considered a methodological limitation.



**Figure 25 Histogram of Degree of Confidence of Export Venture Managers in replying to questions about their Distributors Resources**

## **5.2 Distributor Pricing and Selling Capabilities**

The exporting literature has identified the importance of pricing and selling and their impact on export performance. Adopting the definitions by Vorhies and Morgan (2005) and Zou et al. (2003), by *selling capabilities* it is meant the ability of the distributor to provide effective sales training, having effective sales management and selling skills, and having effective sales planning and control

systems, and by *pricing capabilities* it is meant the ability to use pricing systems to respond quickly to market changes, the knowledge of competitors' pricing tactics and effectively pricing products. In exporting the effective adoption of prices is challenging as it could be exposed to foreign country specific political, environmental and economical factors that demand the ability to be continuously alert and adaptable (Leonidou et al. 2002).

Also having solid marketing skills are important for new product success. As the venture provides the new products and the distributor provides the marketing implementation, pricing and selling skills-essential for new product success (Cooper 1979; Cooper and Kleinschmidt 1995)-the opportunity for synergy increases if both members are capable.

In line with the conceptual model, the key concepts that linked the venture's market based resources with the distributor's market based resources, namely resource complementarities and the fact that the distributor is the controller of the augmented product as well as the link of the distributors' market based resources with export venture performance, are actually re-enforced with the addition of more specific market-based resources such as, selling and pricing. One can, therefore, more confidently re-state the hypotheses:

***H6: High levels of Export Venture Market-Based Resources lead to high levels of Distributor Market-Based Resources and,***

***H7: Higher levels of Distributor Market-Based Resources lead to higher levels of Export Venture Performance***



### 5.3 *Measure Development Conclusions*

In conclusion, it is believed that export ventures and their distributors tend to agree as to which resources are important for their line of business. Also, there are some differences between industrial and commodity product based ventures to retail ventures as to what resources are considered more important for each. However, the main purpose of this stage was to enhance and/or corroborate the conceptual model and as such it is thought that there was a certain level of success due to the addition of two more types of capabilities, as identified by all interviewees and was missed in the literature review stage by the researcher. The next section presents the development of the questionnaire that makes use of all of the constructs present in the refined conceptual model along with the stages of pre-testing and formatting.

## **Chapter 6. Questionnaire Development**

In this chapter, the sources of the measures used in this study along with the methodology used to pre-test the survey instrument, i.e. questionnaire, are explained in detail. The questionnaire included psychometric scales to measure export venture market orientation, distributor market orientation, export venture channel management, market innovation, marketing planning capabilities and reputational assets and distributor marketing implementation, marketing communication, sales, pricing capabilities and reputational assets.

### ***6.1 Scales Utilised & Items***

#### **6.1.1 Export Venture & Distributor Market Orientation**

For the measurement of market orientation construct both for the venture and the distributor the fourteen item scale developed by Narver and Slater (1990) was chosen. This scale was chosen over Kohli and Jaworski (1993) and Cadogan and Diamantopoulos (1999) scales for the following reasons.

First, at the conceptual level, Narver and Slater's scale incorporates the essential aspects of Kohli and Jaworski construct while accessing organizational cultural factors (Hooley et al. 2000; Hunt and Morgan 1995). Both the Cadogan and Kohli and Jaworski scales emphasize the behavioural element of market orientation rather than the cultural. The Narver and Slater scale on the other hand, as it is conceptually closer to the cultural aspects of market orientation is in agreement with the positioning of the conceptual model presented here-in which emphasizes the impact of marketing support resources as a culture on market-based resources.

Second, the conceptual model in this dissertation is an exporting context variant of the conceptual model presented by Hooley et al (2005) in a domestic context. Therefore, again for the purposes of conceptual consistency the scale of Narver and Slater was chosen over Kohli and Jaworski and Cadogan and Diamantopoulos scales.

Third, as the questionnaire should include two same scales one for the export venture and one for the distributor, for the purposes of consistency and comparison,

the size of the scale seemed small enough in order not to adversely affect response rate by having a very long questionnaire.

Fourth, as demonstrated in the literature review only one study has applied the Narver and Slater in an exporting channel context (e.g, Nguyen et al. 2007). It is therefore of some interest to see the “behaviour” of the Narver and Slater scale in more export related studies.

Fifth, only one study has used the Narver and Slater in Greek domestic context. In that study the customer orientation dimension items were used at the expense of the competitor orientation and interfunctional coordination (Theoharakis and Hooley 2008; Theoharakis and Hooley 2003).

Market orientation for the export venture and it’s distributor were measured with a 7 point scale reflecting agreement with the statements made, 1-Not at All, 7-To an Extreme Extent using Narver and Slater’s 14 item scale (1990). The wording was altered to reflect the specific export venture and distributor activities.

#### **6.1.2 Export Venture Proactive Market Orientation**

Proactive market orientation is a venture’s attempt to understand and satisfy customers’ latent needs. It was measured with a 7 point scale reflecting agreement with the statements made, 1-Not at All, 7-To an Extreme Extent using Narver et al. scale (2004). Here items focused on anticipation of market developments, continuous effort to discover additional needs to customers, to brainstorming about similar issues, and extrapolation of market trends to identify what users will need but are unaware of.

#### **6.1.3 Export Venture Market Innovation**

Export Venture Market Innovation was measured with the scale by Hooley et al. (2005) and a further five items were added to reflect product elimination, imitation, changes in existing products, new uses and management of product portfolio the importance of which was explained in the literature review. The resulting scale had 8 items. It was measured with a 7 point scale asking export venture managers to rate their export venture capabilities in relation to their export competitors in the market

the venture was exporting to, 1-Much worse than competitors, 7-Much better than competitors. Rating capabilities in relation to competitors has been also used in export related literature (e.g., Morgan et al. 2003; Zou et al. 2003).

#### **6.1.4 Export Venture Channel Management Capabilities**

Channel management capabilities reflect the ability of the export venture to manage their distributor and the relationship. The resulting scale comprised of 6 items and was a synthesis of the scales used by Vorhies and Morgan (2005) in a domestic context and Zou et al. (2003) in an exporting context. It was measured with a 7 point scale asking export venture managers to rate their export venture capabilities in relation to their export competitors in the market the venture was exporting to, 1-Much worse than competitors, 7-Much better than competitors.

#### **6.1.5 Export Venture Marketing Planning Capabilities**

Marketing Planning capabilities reflect the thorough and creative organization, analysis, and creation of marketing plans, the scale comprised of 5 items and was used from Vorhies and Morgan (2005). It was measured with a 7 point scale asking export venture managers to rate their export venture capabilities in relation to their export competitors in the market the venture was exporting to, 1-Much worse than competitors, 7-Much better than competitors.

#### **6.1.6 Export Venture and Distributor Reputation Assets**

Reputation Assets reflect the presence of the export venture/distributor in the export market, the brand name and credibility of the venture/distributor in being well established in the market. The Hooley et al. (2005) scale was enhanced a. to include the country of origin effect and the in the venture scale and b. the single item which reflected company brand name and reputation in their work was split into two items one for each asset. The export venture scale comprised of 4 items and was measured with a 7 point scale asking export venture managers to rate their export venture capabilities in relation to their export competitors in the market the venture was exporting to, 1-Much worse than competitors, 7-Much better than competitors. The

distributor scale contained 3 items and was measured with a 7 point scale asking export venture managers to rate their distributor capabilities in relation to their export competitors in the market the venture was exporting to, 1-Much worse than competitors, 7-Much better than competitors.

#### **6.1.7 Distributor Marketing Implementation Capabilities**

Marketing implementation reflects the ability of the distributor to execute marketing plans and also allocate marketing resources effectively. The scale used here was first used by Morgan et al. (2003) in an exporting context and then by Vorhies and Morgan (2005) in a domestic context and it originates from Bonoma (1985). The scale contained 5 items and was measured with a 7 point scale asking export venture managers to rate their distributor capabilities in relation to their export competitors in the market the venture was exporting to, 1-Much worse than competitors, 7-Much better than competitors.

#### **6.1.8 Distributor Marketing Communication Capabilities**

Marketing Communication reflects the ability of the distributor to effectively develop and execute advertising skills, manage the brand, corporate image and reputation, and be good in public relations. The scale used comes from Vorhies and Morgan (2005) and it contained 5 items. It was measured with a 7 point scale asking export venture managers to rate their distributor capabilities in relation to their export competitors in the market the venture was exporting to, 1-Much worse than competitors, 7-Much better than competitors.

#### **6.1.9 Distributor Customer Linking Capabilities**

Customer linking capabilities of the distributor are defined as their ability to develop and maintain good relationships with the venture's export customers. The scale used was from Hooley et al. (2005), and it contained 5 items. In a similar manner it was measured with a 7 point scale asking export venture managers to rate their distributor capabilities in relation to their export competitors in the market the venture was exporting to, 1-Much worse than competitors, 7-Much better than competitors.



#### **6.1.10 Distributor Sales Capabilities**

Sales capabilities refer to the ability of the distributor to provide effective sales training, management of sales, application of sales management and control systems, and effective sales support of their sales force. The scale was used from Vorhies and Morgan (2005) and it contained 5 items. It was measured with a 7 point scale asking export venture managers to rate their distributor capabilities in relation to their export competitors in the market the venture was exporting to, 1-Much worse than competitors, 7-Much better than competitors.

#### **6.1.11 Distributor Pricing Capabilities**

Pricing is a critical element in export operations (Gencturk and Kotabe 2001). On the end of the pricing process, the distributor is called to exercise pricing tactics that adhere to a venture imposed policy and on the there maybe absolute freedom in setting prices. In any case the ability to respond to market changes quickly, understanding to the level of knowledge competitor pricing tactics, exercise effective pricing, and continuously monitor prices and price changes are essential skills. The scale used came from Vorhies and Morgan (2005) a subset of which had previously been used in an export setting by Zou et al. (2003) and it contained 5 items. It was measured with a 7 point scale asking export venture managers to rate their distributor capabilities in relation to their export competitors in the market the venture was exporting to, 1-Much worse than competitors, 7-Much better than competitors.

#### **6.1.12 Export Venture Performance**

Export performance is one of the most widely researched but least understood and most contentious areas of international marketing (Katsikeas et al. 2000). Based on the examined literature there are three principal ways of measuring export performance: objective, subjective, and mixed. Objective ways of measurement include sales and sales ratios, profits and profit ratios, market share and other.

Subjective measures include satisfaction with export venture overall, percent achievement of strategic goals, experience elements, exporter non-exporter classification etc. Mixed measuring instruments contain both objective and subjective measures. Mixed scales are considered more complete and have received

a lot of support (Aaby and Slater 1989). "We encourage researchers to follow their track using both financial and strategic measures. Combined with financial measures, strategic indicators-the drivers for future performance-are a more valid proxy of sustained profitability, the ultimate goal." (Matthyssens and Pauwels 1996): p.104. A generalised export performance scale has been developed by Zou et al. (1998). This scale was based on previous work by Cavusgil and Zou (1994). It uses both objective (financial export performance and strategic export performance) and perceptual (satisfaction with export venture) measures and has been developed with the intention to be applied in multiple countries.

The first scale used was taken by (Zou et al. 1998) and it measured satisfaction with export venture. It uses a 7 point scale, 1-not at all, 7-to a great extent, to assess the degree of satisfaction of export venture managers with the performance of their export venture based on the last fiscal year on three performance elements, i.e. 3 items.

The second scale was used from the Marketing in the 21<sup>st</sup> Century Research Group at Aston University, part of this scale was used in Hooley et al. (2005). This scale consists of three dimensions, customer performance with 2 items, financial performance with 5 items, and market performance with 3 items. Each item is rated by the venture managers on how well the venture performed both in relation to the performance against it's competitors in the export market and in relation to the last fiscal year with a 7 point scale, 1-much worse, 7-much better. The venture managers were also asked to rank the three most important items on a different scale.

## ***6.2 Dyadic Survey & Questionnaire pre-test***

Following the synthesis of findings from the literature review and the expert interviews and the decision on which scales would best measure the constructs theorised as important in the conceptual model, the questionnaire started taking form. The contentious methodological issue that export venture managers would be reporting on assets and capabilities, some of which were tacit in nature, was perceived as a weakness that needed to be addressed. Even though there was some preliminary evidence that exporters and distributors agree on what constructs are relevant from the expert interviews, that alone was insufficient. One point of view

was that, since we are measuring export venture performance we should focus on the point of view of the export venture informants and accept a certain element of bias coming from the perception of the export venture managers for the resources of the distributor. It was thought, however, that the findings would be stronger if we had agreement between the two perceptions.

The decision was made then to run a dyadic survey that would serve two objectives. The first objective was to pre-test the questionnaire, and the second to assess the degree of agreement between export venture informants and distributor informants on their perceptions about the distributors' resources. The export venture and distributor questionnaires were subsets containing the majority of the complete questionnaire, as the main interest was to assess agreement on market orientation and all of the relevant resources, as presented above, and maximize the response rate by reducing the length of the questionnaire.

The unit of analysis was Greek export ventures and their foreign distributor. The sampling frame for the dyadic survey was defined by the companies that participated in the expert interview phase and also from personal acquaintances of the researcher. It was also considered that there was sufficient range of sector representation in the sample originating from the expert interview sampling frame. The questionnaires both for the export ventures and the distributors were administered in the English language. We did not expect to have any language barrier problems as all managers, we sent questionnaires to, had working knowledge of the English language and were quite familiar with the business terminology used. The cover letters used and the respective questionnaires are attached in Appendix 3.

Initially, export venture managers were pre-notified by telephone, to a. explain the purpose of the study b. ask for agreement to participate and c. ask for the contact details of their distributors. Most of the time agreement was made with a second telephone call once the venture manager had pre-notified and had asked for the agreement of their distributor. In all, 92 dyads were contacted of which 60 dyads agreed to participate. Soon after however, despite 3 reminder waves, one every three weeks, it became clear that the fact that distributor access had been requested through the export venture was a problem as the survey was perceived to have

originated from the exporter, rather than a pure academic study. This was despite a follow-up call from the researcher to introduce him-self, once access and contact information was provided, and a cover letter explaining the scope of the research and ensuring anonymity. The difficulty in replying was also corroborated by the fact that the export venture questionnaires received were 33 and the distributor questionnaires were 14, of which only 12 were useful the other two had the same number ticked across all answers, the number 6. The result was a response rate of 15.2% for dyadic pairs and 35.8% for export ventures. The allocation for dyads by sector were, 1 Cables, 1 Clothing, 1 Dairy, 1 white appliances, 1 Tools, 2 Food, 2 Industrial, 2 Pharmaceuticals, and 1 Metals so the split in classical terms was 2 Capital Industrial Equipment, 2 Materials, 2 Consumer Durables, and 6 FMCG.

Three methods were used to analyze the survey data, correlations calculations, assessment of agreement by collapsing the scale, and assessment of agreement by Kohen's coefficient Kappa.

The first method involves a straight correlation comparison using Kendall's tau and Pearson's coefficients across the replies from all export ventures and their respective distributors. The results were .557,  $p=0.000$  and .671,  $p=0.000$ , respectively. We can see that the export ventures and distributor's answers were positively correlated.

The aim of the second method is to assess percent agreement. It claims that "one popular modification of the percent-agreement figure found in the testing literature involves broadening the definition of agreement by including the adjacent scoring categories on the rating scale. For example, on a rating scale with levels ranging from 1 to 7, judges would not need to come to exact agreement about the ratings they assign. So long as the ratings did not differ by more than one point above or below the other judge, then the two judges would be said to have reached consensus. This approach is advantageous in that it relaxes the strict criterion that the judges agree exactly (Stemler 2004, p.1)." Based on this methodology, agreement was considered when scores between export ventures and distributors differed by one. Specifically, the consensus between exporter and distributors was at 88%. The items assessed in

this case as with the correlations were the market orientation scales and the resources assumed to be relevant for the distributor at that time.

The third method is one of the most widely known methods of assessing interrater agreement and was developed against methods of percent agreement, because percent agreement methods lack sophistication and might show high values due to chance (Cohen 1960). While there is criticism about this estimate being very conservative it is still being widely used (Rust 2001). The value for Kappa was 0.48,  $p=0.000$ . While statistically significant and in the right direction, it is indeed lower than the simple correlation or percent agreement methods.

Concluding, the small scale dyadic survey indicated the challenge of collecting dyadic data. Also, it was not successful in attaining a sufficiently large sample in order to arrive to a statistically valid conclusion about the agreement between the export ventures' and distributors' perceptions about the distributors' market orientation and resources. As with the export interview, we have an indication of agreement but not a confirmation not even a strong indication. Regarding the pre-test, the feedback received concerned was that the questionnaire did not provide any problems in answering its questions therefore the pre-test was considered successful.

### ***6.3 The main survey questionnaire, final points...***

Following the dyadic survey, the final version of the questionnaire was prepared. The basic format took into consideration elements of respondent fatigue as the market orientation and market-based resources scales were repeated twice, once for the export venture and once for the distributor. The questionnaire was enhanced with questions on control variables and some additional constructs to cover future research plans and was originally developed in the English language. A team of two academics and one Ph.D. candidate participated in this process.

Before the deployment of the main survey, the questionnaire was translated in to Greek and back translated into English to make sure the content of the Greek based questionnaire reflected the desired meaning. A team of one business undergraduate,



two business Ph.D. candidates and one academic participated in this process. The final questionnaire was then pre-tested by sending it first to 10 export venture managers to ensure their view and input was considered as well. The final versions of the questionnaires both in English and Greek languages along with the cover letters used in the survey are attached in Appendix 4. The structure of the questionnaire by question, construct, items and references is shown in Table 6 below.

| Nr. | Topic/Construct                                   | Items | Reference   |
|-----|---|-------|---|
| 1   | Year company established                          | 1     |   |
| 2   | Export involvement                                | 1     |   |
| 3   | Years exporting                                   | 1     |   |
| 4   | Country venture is exporting                      | 1     |   |
| 5   | Number of years venture exporting                 | 1     |   |
| 6   | Market environment Competitive intensity          | 1-5   | (Jaworski and Kohli 1993) competitive intensity scale as used in (Morgan et al. 2004) |
| 6   | Market environment Market Dynamism                | 6-8   | (Jaworski and Kohli 1993) market turbulence as used in (Cadogan et al. 2001a)         |
| 6   | Market environment Technological Turbulence       | 9-11  | (Jaworski and Kohli 1993) technological turbulence as used in (Cadogan et al. 2001a)  |
| 6   | Market environment Regulatory Turbulence          | 12-13 | (Dwyer and Welsh 1985) as used in (Cadogan et al. 2001a)                              |
| 7   | Exporter's Export Market Orientation              | 1-14  | (Narver and Slater 1990)  |
| 7   | Exporter's Proactive Market Orientation           | 15-22 | (Narver et al. 2004)  |
| 7   | Venture Strategic Flexibility                     | 23-28 | (Barringer and Bluedorn 1999) trunc.  |
| 7   | Venture Competitive Aggressiveness                | 29-30 | (Lumpkin and Dess 2001)   |
| 7   | Venture Organizational Innovativeness             | 31-34 | Mike West from MC21   |
| 7   | Venture Organizational Learning                   | 35-37 | MC21  |
| 8   | Venture Managerial Capabilities                   | 1-4   | (Hooley et al. 2005)enhanced  |
| 8   | Venture HR Assets                                 | 5-6   | (Hooley et al. 2005)enhanced  |
| 8   | Venture Channel Management Caps                   | 7-12  | (Vorhies and Morgan 2005; Zou et al. 2003)  |
| 8   | Venture Networking Caps                           | 13-16 |   |
| 8   | Venture Market Innovation Caps                    | 17-24 | (Hooley et al. 2005) enhanced   |
| 8   | Venture Reputation Assets                         | 25-28 | (Hooley et al. 2005) enhanced   |
| 8   | Venture Supply Chain & Alliance Based Assets      | 29-31 | MC21  |
| 8   | Venture Competitive Positioning                   | 32-36 | MC21  |
| 8   | Venture Marketing Planning                        | 37-41 | (Vorhies and Morgan 2005)   |
| 9   | Sustainability of Venture's Competitive Advantage | 1-6   | MC21  |
| 10  | Distributor Market Orientation                    | 1-14  | (Narver and Slater 1990)  |
| 11  | Distributor Managerial Caps                       | 1-4   | (Hooley et al. 2005) enhanced   |
| 11  | Distributor HR Assets                             | 5-6   | (Hooley et al. 2005)  |
| 11  | Distributor Marketing Planning Caps               | 7-11  | (Vorhies and Morgan 2005)   |
| 11  | Distributor Information Sharing Caps              | 12-14 | (Cannon and Homburg 2001) modified  |
| 11  | Distributor Performance                           | 15-17 |   |
| 11  | Distributor Trust in Relationship                 | 18    |   |
| 11  | Distributor Marketing Implementation Caps         | 19-23 | (Morgan et al. 2003; Vorhies and Morgan 2005)   |
| 11  | Distributor Marketing Communication Caps          | 24-29 | (Vorhies and Morgan 2005)   |
| 11  | Distributor Sales Caps                            | 30-34 | (Vorhies and Morgan 2005)   |
| 11  | Distributor Pricing Caps                          | 35-37 | (Vorhies and Morgan 2005; Zou et al. 2003)  |

| Nr. | Topic/Construct                                    | Items  | Reference                     |
|-----|--|--------|-------------------------------|
| 11  | Distributor Customer Linking Caps                  | 38-42  | (Hooley et al. 2005)          |
| 11  | Distributor Reputation Assets                      | 43-45  | (Hooley et al. 2005) enhanced |
| 11  | Distributor Supply Chain and Alliance Based Assets | 46-48  | MC21                          |
| 12  | Satisfaction with Venture Performance              | 1-3    | (Zou et al. 1998)             |
| 13  | Venture Financial Performance                      | 1-4,10 | (Hooley et al. 2005)          |
| 13  | Venture Market Performance                         | 5-7    | (Hooley et al. 2005)          |
| 13  | Venture Customer Performance                       | 8-9    | (Hooley et al. 2005)          |
| 14  | Industry Type                                      |        |                               |
| 15  | Number of Company Employees                        |        |                               |
| 16  | Family Owned                                       |        |                               |
| 17  | Family Ownership percent                           |        |                               |
| 18  | Family Member day-to-day                           |        |                               |
| 19  | Family Generation                                  |        |                               |
| 20  | Production percent abroad                          |        |                               |
| 21  | Company Sales Revenue LFY                          |        |                               |
| 22  | Total Export Sales/Total Company Sales, percent    |        |                               |
| 23  | Venture Sales/Total Company Export Sales, percent  |        |                               |
| 24  | Profit Before Tax/Total Company Sales, percent     |        |                               |

**Table 6 Structure and Contents by Construct of Main Survey Questionnaire**

#### ***6.4 Conclusions of Questionnaire Development***

As an outcome of all the previously mentioned stages, a questionnaire was developed that used existing and established in literature scales, had been translated and back translated and had been pre-tested in a small scale dyadic survey without any problems. At this stage, it was considered that we had a robust questionnaire that allowed the deployment of the main survey, the data collection and analysis described in the next section.

## **Chapter 7. Data Collection & Analysis**

In the previous chapter the literature gap and the contribution that this dissertation makes have been identified. The development of the questionnaire and the relevant constructs, have been explained. In this chapter, the main survey deployment including the collection and the analysis of the data collected is presented.

### ***7.1 Data Analysis Strategy***

In this section the sequence of tests performed to analyse the data is outlined to assist the reader in going through the next sections. First and foremost the sample and the demographic variables of the sample are presented and discussed. Following that, we test for non-response as many surveys have been faulted for their low response rates (Moore and Tarnai 2002).

After addressing sample issues, we proceed first with measure validation and then with structural model estimation (Ping Jr. 2004). In measure validation we attempt to show the adequacy of our study measures. In there we address issues such as convergent validity, discriminant validity, and the reliability of measures.

Construct validity is concerned with the question of what the instrument is, in fact, measuring, and it consists of convergent and discriminant validity (Churchill and Iacobucci 2002).

- Convergent validity tests whether the items intended to measure a specific latent construct are indeed doing so. If the items are highly correlated then this provides evidence of convergent validity.
- Discriminant validity requires that the measure does not correlate too highly with measures from which it is supposed to differ.

Reliability is concerned with the similarity of results provided by independent, but comparable measures of the same trait, or construct. In classical testing theory, if a measure is valid then it is reliable and if it not reliable then it cannot be valid, but if it is reliable then it may, or may not be valid, because reliability does not account for systematic error (Churchill and Iacobucci 2002).

Finally, through structural equation modeling we test that the construct behaves in the way it was theoretically expected and if successful, it can provide evidence of nomological validity. Table 7 shows the tests used for each of the above mentioned stages. The mechanisms for each test used are discussed in more detail within each section. It is worth noting at this point as general comment that for each of the test shown below the missing data were on average about 10 cases. Therefore, a choice was made not to use any imputation method like regression based imputation, or mean substitution, but rather to use listwise case deletion as it uses only complete cases, if any of the variables has a missing case then the case is omitted from the analysis (Bentler 2005; Kline 2005; Raykov and Marcoulides 2006).

| Trait                           | Criterion  | Reference  |
|---------------------------------|--|--|
| <b>Measure Validation</b>       |  |  |
| <b>Convergent Validity</b>      |  |  |
|                                 | AVE > .5   | (Fornell and Larker 1981)  |
|                                 | Loading value > 2 x std error  | (Anderson and Gerbing 1988)  |
|                                 | CFA, model fit   | (Anderson and Gerbing 1988)  |
|                                 | CFA of constructs in theoretically related groups, model fit                             | (Anderson and Gerbing 1988; Morgan et al. 2004)                                      |
| <b>Discriminant Validity</b>    |  |  |
|                                 | CFA of construct pairs, $\Delta\chi^2$ test between constrained and unconstrained models | (Anderson and Gerbing 1988; Bagozzi et al. 1991)                                     |
|                                 | Squared correlation < AVE  | (Fornell and Larker 1981)  |
| <b>Reliability</b>              |  |  |
|                                 | Cronbach, $\alpha > 0.7$   | (Cronbach 1951; Nunnally 1993)   |
|                                 | Raykov, $\rho > 0.5$   | (Raykov 1997)  |
| <b>Structural Model Testing</b> |  |  |
| <b>Nomological Validity</b>     |  |  |
|                                 | SEM, model fit   | (Bagozzi and Yi 1988; Bollen 1989; Hu and Bentler 1999; Raykov and Marcoulides 2006) |
|                                 | Competing Models   | (Joreskog 1993)  |
| <b>Mediation</b>                | Three step test  | (Baron and Kenny 1986)   |
| <b>Common Method Bias</b>       | CFA with one factor of all model variables exhibits bad fit                              | (Podsakoff et al. 2003; Podsakoff and Organ 1986)                                    |

Table 7 Data Analysis Strategy Tests Used Outline

## 7.2 Sample & Data Collection

A database of Greek exporters -provided by the Greek Chamber for Export Development was used. The Greek chamber of Export Development is a governmental association responsible for the promotion of exports as well as the handing-out of export assistance subsidies. It holds information on all industries and sectors; it is therefore considered that the database is representative of the Greek

exporting population. The database provides information such as, company name, address, telephone number, industry classification, sales, number of employees, business objectives, and e-mail.

The database contained 4,500 registered exporters, 2,015 of which were product-based and had 20 employees and above. Every firm was pre-notified in order to get approval and identify the most knowledgeable person (key informant) for the study (Dillman 2000). 745 firms were identified that were suitable, some had subsidiaries or joint-ventures, and were willing to participate in the survey and respond to the questionnaire.

Respondents were asked to provide information for an export venture that used only one distributor in the country of export and that they knew very well. This enabled to control any confounding factors that stem from the use of multiple distributors in particular export venture market (Bello and Gilliland 1997).

The response sample comprised of a wide array of industries in Greece and were classified by the Nomenclature générale des Activités économiques dans les Communautés Européennes or otherwise known as NACE<sup>1</sup> classification scheme Rev. 2, first launched by the European Union in 1990.

### **7.2.1 Sample Attributes**

After successive waves (Dillman 2000), we managed to collect 190 useful responses (response rate 25.5%). Given the nature of the study (exporting) and the length of the questionnaire, 9 pages, we considered that the response rate was in line with other exporting studies.

The final sample received contained 64 ventures in consumer durables, 61 in FMCG, 44 in materials and components, 9 capital industrial equipment and 12 other. The frequency distribution by sector is show in Table 8 below.

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<sup>1</sup> In 1990 the European Union passed a regulation to introduce revision 1 of the NACE. Revision 2 was adopted by the end of 2006.



| Sector                       | Frequency | Percent | Valid Percent | Cumulative Percent |
|------------------------------|-----------|---------|---------------|--------------------|
| Consumer Durables            | 64        | 33.7    | 33.7          | 33.7               |
| FMCG                         | 61        | 32.1    | 32.1          | 65.8               |
| Materials and Components     | 44        | 23.2    | 23.2          | 88.9               |
| Capital Industrial Equipment | 9         | 4.7     | 4.7           | 93.7               |
| Other                        | 12        | 6.3     | 6.3           | 100.0              |
| Total                        | 190       | 100.0   | 100.0         |                    |

**Table 8 Sample Sector Characteristics**

In terms of firm size, the sample comprised mostly of SMEs, as shown in Table 9 below. This is not surprising, as the majority of exports in Greece do come from companies with less than 250 employees (Eurostat 2008).

| Number of employees | Frequency | Percent |
|---------------------|-----------|---------|
| 20-99               | 103       | 54.2    |
| 100-249             | 55        | 28.9    |
| 250-499             | 19        | 10.0    |
| 500-999             | 9         | 4.7     |
| 1000-4999           | 3         | 1.6     |
| More than 5000      | 1         | .5      |
| Total               | 190       | 100.0   |

**Table 9 Number of Employees of Venture Firms**

In fact, there is a small number of ventures in our sample with firms with more than 250 employees,  $n=32$ . It was considered to remove the 32 cases, but the resulting sample size would have made it impossible to test such a complex conceptual model with structural equation modeling, without violating parameters estimated to sample constraints. From a theoretical standpoint, as explained in the literature review section, the empirical findings on whether firm size is relevant to export success are mixed with some studies claiming no influence at all. In addition, we checked for differences across different firm sizes and industry for two key variables and we found no differences as shown in Table 10.

| Variable/Test                    | One-Way Anova<br>for firm Size<br>(p-values) | One-Way Anova<br>for Industry Type<br>(p-values) |
|----------------------------------|--|--|
| Venture Sales/Total Export Sales | .072   | .354   |
| Export Sales/Total Company Sales | .068   | .599   |
| PBT/Total Company Sales          | .054   | .142   |

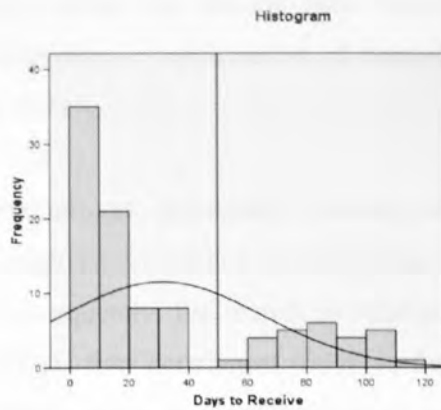
**Table 10 Sample Demographic Variable ANOVA Tests**

Consequently, it was decided to retain the ventures with firms with more than 250 employees. Finally, all respondents were key informants who were knowledgeable concerning their firm, export venture and distributor's activities and the phenomenon being studied. This is depicted in the sample composition, which comprised of 34.3% owner/manager, 21.2% managing director, 10.7% CEO, 33.8% senior manager/exports manager/commercial manager. Again, this is not surprising given the large percentage of family owned businesses in Greece. The key descriptive statistics for the sample are shown below in Table 11.

| Control Variable/Statistic                    | N   | Min   | Max     | Mean   | $\sigma$ |
|---|-----|-------|---------|--------|----------|
| Year Company Established                      | 190 | 1894  | 2004    | 1971   | 28       |
| Number of Countries Exporting                 | 189 | 1     | 70      | 12.5   | 11.3     |
| Number of Years Exporting                     | 182 | 1     | 90      | 16.53  | 12.7     |
| Number of Years Venture Exporting             | 180 | 1     | 50      | 10.50  | 8.2      |
| Firm Sales LFY                                | 185 | €0.1m | €1.000m | €39.4m | €96.5m   |
| Export Sales / Total Sales (%)                | 187 | .5    | 98.00   | 30.9   | 25.8     |
| Venture Sales LFY/Total Export Sales (%)      | 177 | .85   | 100.0   | 27.4   | 29.0     |
| PBT/Total Sales (%)                           | 130 | .5    | 26.2    | 8.2    | 5.8      |
| LFY: Last fiscal Year, PBT: Profit Before Tax |     |       |         |        |          |

**Table 11 Export Venture Descriptive Statistics**

### 7.2.2 Sample Response Rate & Non-Response Bias



In order to assess potential non-response bias, we compared early and late respondents for various firm characteristics and secondary data. The sample was split in two between the two waves as shown in Figure 26.

Figure 26 Sample Split between Early and Late Respondents

We detected no significant differences between early and late respondents. The results from both t- and Kruskal-Wallis tests are shown in Table 12. Both tests show that we can accept the Null hypotheses that the means of basic firm characteristics are equal between late and early respondents.

| Variable/Test  | One-Way Anova<br>(p-values) | Kruskal-Wallis<br>(p-values) |
|--|-----------------------------|------------------------------|
| Nr. Of Years Exporting   | .608                        | .213                         |
| Nr. Of Countries Exporting   | .583                        | .643                         |
| Venture Sales/Total Export Sales                                     | .060                        | .054                         |
| Export Sales/Total Company Sales                                     | .568                        | .686                         |
| PBT/Total Company Sales  | .600                        | .611                         |
| Total Company Sales  | .838                        | .506                         |
| $H_0 : \mu_{early} = \mu_{late} , H_1 : \mu_{early} \neq \mu_{late}$ |                             |                              |

Table 12 Non-response bias tests

### 7.3 Measure Validation

This section describes the measure purification and validation of the scales used. As explained in Chapter 6, most of the measures used were adopted or adapted from established scales. Nevertheless, the scales were subject to the same rigorous analysis. In line with Anderson and Gerbing, a two stage modeling approach was followed, namely measurement model estimation and structural model estimation (Anderson and Gerbing 1988).

“The measurement model provides a confirmatory assessment of convergent validity and discriminant validity, [issues explained later]. Given acceptable convergent and discriminant validity, then the test of the structural model constitutes a confirmation of nomological validity (Anderson and Gerbing 1988, p.411).”

Furthermore, reliability is usually assessed after establishing unidimensionality<sup>2</sup>, which is established simultaneously with CFA (Gerbing and Anderson 1988). Consequently, the section is structured to follow this modeling mindset (Ping Jr. 2004), first convergent validity, then discriminant validity, then reliability and finally structural model estimation for nomological validity are all discussed in that order. Before we proceed with the description and the findings of the analysis a short description about Structural Equation Modeling (SEM) theory, key assumptions, researcher choices on optimization algorithm and fit indices is necessary for the reader.

CFA requires specification of the complete factor pattern, including factor correlations. Parameter values can be specified by providing either a correlation or a variance-covariance matrix, more commonly however, only the links are specified and the corresponding pattern values are estimated by simultaneous equation iterative algorithm.

CFA was accomplished using maximum likelihood estimation. The software used was EQS version 6.1 for Windows (Bentler 2005). Structural Equation Modeling (SEM) allows the researchers to choose the input matrix from two types of matrices: the covariance matrix and the correlation matrix. We used the covariance matrix because a. it is automatically calculated by the EQS program from raw survey data (Bentler 2005) and b. “the theory behind the maximum likelihood is based on the covariance matrix, and strictly speaking, the chi square test and standard error (SEs) of parameter estimates are not correct when the correlation matrix is used. (Bagozzi 2001, p.86)” and further supported “the statistical theory underlying SEM has

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<sup>2</sup> Unidimensionality: That a set of items forming an instrument all measure just one thing in common. It comprises of internal and external consistency. Each construct is measured by multiple indicators and each indicator measures a single construct. Thus, the set of indicators defining each construct is unidimensional.

mostly been developed assuming the analysis applies to covariance matrices (Cudeck 2001, p.86).”

Contrary to the classical methodology where one is interested in rejecting the null hypothesis, SEM is interested in finding a model that does not contradict the data. That is, one is typically interested in retaining a proposed model whose validity is the essence of a pertinent null hypothesis. In statistical terms, when using SEM one is “interested” in not rejecting the null hypothesis. For the purposes of this study the goodness-of-fit value and three more fit indices were chosen to assess model fits in CFA and full latent model testing. Each measure is briefly described below for purposes of completeness:

The  $\chi^2$  goodness-of-fit value is called the chi-squared value. It is used when testing the null hypotheses that the model fits the corresponding population covariance matrix perfectly. It represents the discrepancy between the unrestricted sample covariance matrix  $S$  and the restricted population covariance matrix implied by the model  $\Sigma(\theta)$ . This test statistic is defined as:

$$T = (N - 1)F_{\min}$$

Where  $N$  is the sample size and  $F_{\min}$  denotes the minimal value of the fit function for the parameter estimation used, in our case maximum likelihood. The name chi-square derives from the fact that for large samples the distribution of  $T$  approaches a chi-square distribution if the model is correct and fitted to the covariance matrix with degrees of freedom equal to  $(p(p+1)/2) - q$ , where  $p$  is the number of observed variables involved in the model and  $q$  is the number of model parameters. In general,  $H_0: \Sigma = \Sigma(\theta)$  is equivalent to the hypothesis  $\Sigma - \Sigma(\theta) = 0$ , i.e. the model hypothesized is capable of exactly reproducing the population matrix of observed variable relationship indices. The  $\chi^2$  test then, simultaneously tests the extent that the residuals in  $\Sigma - \Sigma(\theta) = 0$  are zero. In other words the null hypothesis,  $H_0$ , postulates that the specification of factor loadings, factor variances-covariances, and error variances for the model under study are valid. The probability associated with  $\chi^2$  represents the likelihood of obtaining a  $\chi^2$  value that exceeds the  $\chi^2$  when is



true. Thus the higher the probability associated with  $\chi^2$ , the closer the fit between the hypothesized model (under  $H_0$ ) and the perfect fit (Byrne 2006; Raykov and Marcoulides 2006).

$$NNFI = \left[ \frac{(T_B^2/df_B) - (T_T^2/df_T)}{(T_B^2/df_B) - 1} \right]$$

$$CFI = 1 - \frac{\max \left[ (T_T^2 - df_T), 0 \right]}{\max \left[ (T_T^2 - df_T), (T_B^2 - df_B), 0 \right]}$$

$$RMSEA = \sqrt{\hat{F}_0/df_T}, \text{ where } \hat{F}_0 = \max \left[ (T_T^2 - df_T)/(N-1), 0 \right]$$

Where  $T_T^2$  is the T statistic for the target model;  $df_T$  are the degrees of freedom for the target model;  $T_B^2$  is the T statistic for the base model;  $df_B$  are the degrees of freedom for the base model; T statistic is also named as the  $\chi^2$  statistic by some researchers dependant upon the method of optimization (Hu and Bentler 1999); NNFI = Non-normed Fit Index or TLI = Tucker Lewis Index; CFI = Comparative Fit Index; RMSEA = root mean squared error of approximation. In EQS the base line model is also known as the Null model which assumes that all variables in the model are mutually uncorrelated (Byrne 2006).

Regarding the CFA/SEM goodness of fit indices mentioned above, the following values are typical value ranges that define degree of fit:

- For  $\chi^2$ , they should be significant, even though  $\chi^2$  is more suitable for  $\chi^2$  difference tests rather than as a cut-off criterion due to its sensitivity to sample size and lack of normality of data (Byrne 2006; Hu and Bentler 1999).
- NNFI/TLI and CFI <.85 not-acceptable fit, .85-.89 mediocre fit, .90-.95 acceptable fit, .95-.99 close fit and 1.0 exact fit (Hu and Bentler 1999).
- RMSEA >.1 not-acceptable fit, .10-.08 mediocre fit, .08-.06 acceptable fit, .06-.01 close fit and .00 exact fit. Hu and Bentler (1999) recommended .06

as optimal value of close fit whereas Browne and Cudeck (1992) recommended .08. as being an upper bound for acceptable fit.

### 7.3.1 Convergent Validity

“Convergent measures are highly correlated across different methods such as survey and experiment (Ping Jr. 2004).” Nunnally (1993), has suggested that a reliability of .7 or higher implies convergent validity, also for single method studies researchers use average variance extracted, (AVE) (Fornell and Larker 1981). As shown by the equation below, AVE shows the “amount of variance that is captured by the construct in relation to the amount of variance due to measurement error (Fornell and Larker 1981, p.45).”

$$\text{avg variance extracted} = \frac{\sum_{i=1}^n \lambda_i^2}{\sum_{i=1}^n \lambda_i^2 + \sum_{i=1}^n e_i}$$

Where  $i$  = ranges from 1 to  $n$  where  $n$  is the number of items loading on a latent variable,  $\lambda_i$  = the standardized loading for the indicator for a particular latent variable factor,  $e_i$  = the corresponding error term, and  $e_i = 1 - a_i$ , where  $a_i$  is the reliability of the indicator and is estimated as  $a_i = \lambda_i^2$ . Values of AVE less than .50 indicate that variance due to measurement error is larger than the variance captured by the construct, and the validity of the individual indicators as well as the construct is questionable (Fornell and Larker 1981).

In addition to the metrics above, convergent validity can be assessed from the measurement model by determining whether each indicator's estimated loading on its posited underlying construct factor is significant, i.e., greater than twice its standard error (Anderson and Gerbing 1988).

In the measurement model estimation/re-specification stage, exploratory factor analysis (EFA) was used to examine the behaviour of the data, but mostly confirmatory factor analysis (CFA) was used as there is prior specification on the

number of factors comprising each construct (Anderson and Gerbing 1988; Stewart 2001).

The results of the CFA, along with the AVE and starting and final items are shown in Table 13. The final items for each scale used in the model are shown in Appendix 5. The loadings, correlations and calculations for AVE and composite reliability are shown in Appendix 6.

| Construct/Fit Indices                    | dof | X2     | p-value | NNFI | CFI  | RMSEA | AVE  | Original Items | Items 1 <sup>st</sup> Order CFA | Items 2 <sup>nd</sup> Order CFA |
|--|-----|--------|---------|------|------|-------|------|----------------|---------------------------------|---------------------------------|
| EMO                                      | 2   | 3.03   | .221    | .986 | .995 | .054  | .570 | 14             | 4                               | -                               |
| DMO                                      | 2   | 3.80   | .151    | .988 | .990 | .069  | .604 | 14             | 4                               | -                               |
| PMO                                      | 9   | 9.41   | .032    | .994 | .997 | .032  | .576 | 8              | 6                               | -                               |
| Exp. Venture Channel Manag.              | 5   | 5.35   | .384    | .998 | .998 | .020  | .643 | 6              | 5                               | 4                               |
| Exp. Venture Market Innovation           | 5   | 8.83   | .125    | .977 | .991 | .081  | .637 | 8              | 5                               | 3                               |
| Exp. Venture Marketing Planning          | 5   | 5.88   | .320    | .992 | .993 | .051  | .812 | 5              | 4                               | 4                               |
| Exp. Venture Reputation Assets           | 3   | 5.00   | .174    | .962 | .987 | .051  | .619 | 4              | 3                               | 3                               |
| Dist. Sales Capabilities                 | 5   | 6.64   | .252    | .994 | .997 | .045  | .784 | 5              | 5                               | 5                               |
| Dist. Communication Capabilities         | 5   | 6.50   | .267    | .992 | .995 | .045  | .684 | 6              | 5                               | 5                               |
| Dist. Marketing Implement. Cap           | 2   | 4.30   | .124    | .963 | .988 | .081  | .643 | 5              | 4                               | 4                               |
| Dist. Customer Linking Cap. <sup>1</sup> | 2   | 4.26   | .120    | .964 | .984 | .077  | .687 | 5              | 4                               | 4                               |
| Dist. Pricing Capabilities               | 1   | 11.25  | .000    | .339 | .736 | .593  | n/a  | 3              | dropped                         | -                               |
| Dist. Reputation Assets                  | 1   | 51.20  | .000    | .362 | .652 | .671  | n/a  | 3              | dropped                         | -                               |
| Export Venture Performance               | 2   | 4.23   | .120    | .963 | .988 | .081  | .607 | 4              | 4                               | -                               |
| EMBR 2 <sup>nd</sup> Order               | 89  | 158.72 | .000    | .950 | .957 | .066  | .697 | -              | -                               | -                               |
| DMBR 2 <sup>nd</sup> Order               | 76  | 122.43 | .000    | .965 | .971 | .059  | .872 | -              | -                               | -                               |
| EMBR Parcelled                           | 2   | 1.90   | .390    | .994 | .994 | .054  | .692 | 4              | 4                               | -                               |
| DMBR Parcelled*                          | 2   | 2.44   | .295    | .980 | .980 | .037  | .804 | 4              | 4                               | -                               |

**Table 13 CFA Fit Indices, AVE and Items (\*) During SEM phase reduced by one more item (1) Parcelled item that was removed from DMBR during SEM**

Most constructs with some modifications presented good fit on the CFA stage. All constructs exhibited AVE above .5, RMSEA below .06 with the exception of DMO, .069, Export venture market innovation, .081, Distributor market implementation capabilities .081, Distributor Customer linking capabilities .077, and Export Venture Performance .081. While according to Hu and Bentler (1999) these constructs exhibit acceptable fit, according to Browne and Cudeck (1992) anything above .80 is not desirable. However, when NNFI, CFI and  $\chi^2$  are taken into consideration as well, then the constructs exhibit good fit.

Problems were encountered with Distributor's Pricing and Reputation assets for different reasons. The first construct exhibited inadequate fit even though degrees of freedom were released by setting the error value, while the Reputation assets did not converge at all probably, due to very high multicollinearity. The fit values are presented for the purposes of completeness. The two constructs had to be left out of any further analysis.

The two market orientation constructs (Export venture MO and Distributor MO) had to be reduced substantially in number of items in order to attain an adequate fit value. A total of 10 items for each construct had to be eliminated either because they exhibited low loadings on their factors or they strongly cross-correlated with independent variables. The items that remained capture all three dimensions of market orientation, customer and competitor orientation and interfunctional coordination both for the export venture and distributor construct. Comparing the two constructs no item is common for both constructs. This is not counterintuitive, as the export venture and the distributor are operating in different contexts, one in exports and the other in domestic. Other studies have, as well, presented a smaller than 14 items in their results for market orientation (Hooley et al. 2005).

Proactive Market Orientation for the venture showed a very good fit during the CFA analysis. A total of 2 items had to be dropped as they did not exhibit adequate loadings. They items were about helping customers anticipate developments in their markets, and searching for opportunities in areas where customers have a difficult time expressing their needs. Both items require contact with customers and it is expected that export ventures would have more difficulty accessing foreign market customers than the distributors would. This is also re-enforced by the fact that the remaining items are more internally focused when compared with two items that had to be dropped.

The item dropped in the Export venture marketing planning was the one referring to the ability of managing marketing and marketing processes. Vorhies and Morgan (2005) also had to drop one item from their scale, but it was the one relating to the ability to develop creative marketing strategies. This item covaried with the

exporter's market orientation item, which is slightly related conceptually and was about business functions being integrated to serve customer needs.

In Export market innovation, 3 items had to be eliminated on the 1<sup>st</sup> order CFA because their loadings on the latent variable were very low. Those were related to imitation, ability to change existing products and product termination. Two additional items had to be dropped in the 2<sup>nd</sup> CFA to improve fit due to covariance with other latent variables. They were the ability to launch new products without losing focus on the product portfolio and ensuring NPD processes are responsive to export customer needs. Comparing with the Hooley et al. (2005) study, where the same scale was used in domestic context, this scale has one extra item concerning the ability to find new uses for existing products.

In the Export venture channel management construct, 1 item had to be eliminated in the 1<sup>st</sup> order CFA due to a low loading, and one in the 2<sup>nd</sup> order CFA to improve fit due to covariance with other items in other constructs. Vorhies and Morgan had also to eliminate one item from their scale, but it related to the ability to work closely with the distributors. In this study, the two items eliminated related to the ability to provide high levels of service support to and add value for the distributor.

Even though 3 items remained in the export venture reputation scale, unfortunately, the one item relating to country of origin effects did not exhibit a sufficient loading from the beginning. It was decided to be dropped in order to have a scale similar to Hooley et al. (2005) to allow comparison of the results.

While the Distributor sales capabilities scale did not present any issues as the loading and fit were adequate from start, the scales for the distributor's communication, marketing implementation and customer linking capabilities had one item each eliminated due to insufficient item to factor loading at the 1<sup>st</sup> order CFA.

Finally, export venture performance was originally modeled as comprising of three latent factors, market, customer and financial performance. However, during the 1<sup>st</sup> order CFA the market and customer items exhibited large covariances with each



other and therefore convergent validity could not be established and the factors had to be dropped. Consequently, financial performance comprised of 4 items as originally designed and exhibited a very good fit.

It should be explained at this point, that following the 1<sup>st</sup> order CFA analysis and confirmation, the construct measures exhibited unidimensionality, then the market – based capabilities for the export venture and the distributor were measured as 2<sup>nd</sup> order factor constructs. In doing this, we had in mind the measurement of the structural model which would have been very complex have we had all market-based constructs with their items fully expanded. In order to maintain a ratio of sample size to parameters estimated of 10 to 1 that is suggested for reliable parameter estimates (Bentler 2005; Raykov and Marcoulides 2006), we used weighted composite scales, based on the first-order factor loadings of the measurement models presented above.

While averaging the factor loadings, either with different or same weights, with or without a selection of items, to develop a composite scale, is something widely used, it should preferably not be done before unidimensionality is demonstrated (Bandalos and Finney 2001). As the dimensions consolidated were latent variables CFA had to be performed at a 2<sup>nd</sup> order level before averaging the scales, hence the measurement models above. The two types of models, items fully expanded and items averaged up, for both types of market-based resources exhibited good fit. As discussed above, however, some items had to be dropped for the benefit of improving fit.

In order not to violate the number of parameters estimated to sample constraints, we divided our measures into 5 subsets of the most theoretically similar variables. Those are graphically identified in Figure 27.

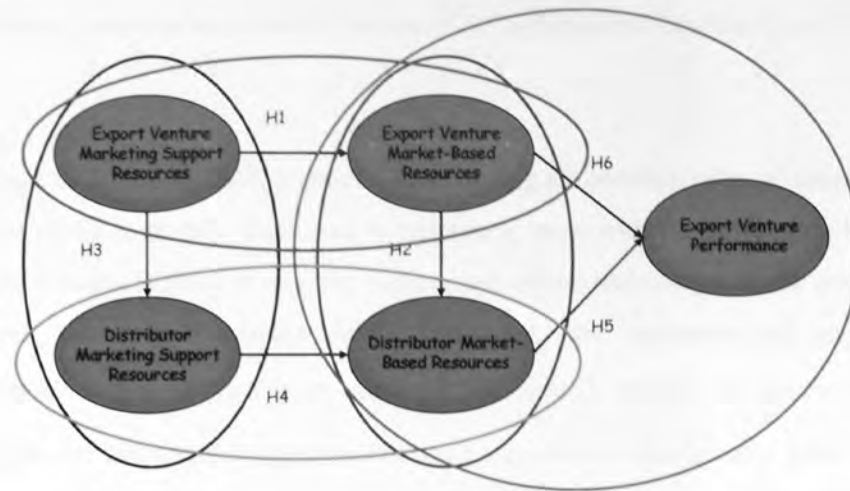


Figure 27 The 5 Theoretical Subsets

The results for all five measurement models are presented in Table 14.

| Measurement Model/Fit Indices | dof | $\chi^2$ | p-value | NNFI | CFI  | RMSEA |
|-------------------------------|-----|----------|---------|------|------|-------|
| EMO-PMO-DMO                   | 74  | 116.51   | .000    | .952 | .956 | .055  |
| EMO-PMO-EMBR                  | 74  | 115.65   | .001    | .952 | .963 | .053  |
| DMO - DMBR                    | 13  | 20.72    | .079    | .974 | .984 | .061  |
| EMBR-DMBR                     | 13  | 24.33    | .028    | .965 | .984 | .076  |
| EMBR-DMBR-ExPerf              | 51  | 81.00    | .005    | .962 | .971 | .064  |

Table 14 CFA Results for the 5 Measurement Models (for construct correlation see Table 14)

All measurement models exhibit adequate fit. The EMBR-DMBR model exhibits an average RMSEA value, but together with CFI and NNFI the model can be accepted. As shown in Appendix 5, all item loadings are significant and there is no evidence of cross loading. Factor item loadings all exceed .545 and all t-values exceed 6.46, which provides evidence of convergent validity among our measures (Fornell and Larcker 1981).

### 7.3.2 Discriminant Validity

“Discriminant validity requires that a measure does not correlate with measures from which it is supposed to differ (Churchill and Iacobucci 2002, p.413).” It is usually justified when correlations between non-related constructs are not high. Although there is no firm rule, correlations less than |0.7| are usually accepted as evidence of discriminant validity (Ping Jr. 2004). For larger correlations, the

confidence intervals are checked to see if  $|1|$  is included (Anderson and Gerbing 1988).

The most common method, however, is analyzing all possible pairs of constructs in a series of CFA models. Each pair is run twice, once with the correlation between the two constructs fixed to one, the constrained model and once with the correlation between the two constructs freely estimated, the unconstrained model. A  $\chi^2$  difference test is then performed on the nested models to verify that the  $\chi^2$  values for the unconstrained model were statistically significantly lower. If this happens, there is evidence of discriminant validity (Anderson and Gerbing 1988; Bagozzi and Phillips 1982).

Discriminant validity is also measured by comparing the squared correlation between constructs with either of their individual AVEs. If the squared correlation is smaller than either AVE then the constructs have more error-free variance than variance shared with other constructs. In other words, they are more internally correlated than they are with other constructs (Fornell and Larcker 1981).

| Measurement Model/Fit Indices | Unconstrained |          | Constrained |          | $\Delta\chi^2$ |
|-------------------------------|---------------|----------|-------------|----------|----------------|
|                               | dof           | $\chi^2$ | dof         | $\chi^2$ |                |
| EMO-DMO                       | 19            | 24.74    | 20          | 43.40    | 18.66          |
| EMO-PMO                       | 34            | 76.08    | 35          | 80.50    | 4.42           |
| EMO-EMBR                      | 19            | 34.28    | 20          | 47.44    | 13.16          |
| EMO-ExpPerf                   | 19            | 27.18    | 20          | 72.63    | 45.45          |
| EMO-DMBR                      | 13            | 26.42    | 14          | 59.03    | 32.61          |
| PMO-DMO                       | 34            | 69.93    | 35          | 83.09    | 13.16          |
| PMO-EMBR                      | 34            | 65.68    | 35          | 77.98    | 12.30          |
| PMO-DMBR                      | 26            | 62.52    | 27          | 100.34   | 37.82          |
| PMO-ExPerf                    | 34            | 84.62    | 35          | 150.23   | 65.61          |
| DMO-EMBR                      | 19            | 30.53    | 20          | 57.62    | 27.09          |
| DMO - DMBR                    | 13            | 20.72    | 14          | 52.66    | 31.94          |
| DMO-ExpPerf                   | 19            | 22.84    | 20          | 87.95    | 65.11          |
| EMBR-DMBR                     | 13            | 24.33    | 14          | 60.84    | 36.51          |
| EMBR-ExpPerf                  | 19            | 40.52    | 20          | 120.24   | 79.72          |
| DMBR-ExPerf                   | 13            | 14.07    | 14          | 75.31    | 61.24          |

**Table 15  $\chi^2$  Difference Test Results for Pairs of Constructs**

From Table 15, it is evident that the  $\chi^2$  difference test for the constrained and unconstrained models for every pair-wise comparison in our conceptual model exceeded the critical difference value for one degree of freedom for all cases,  $\Delta\chi^2_{(1)} = 3.84$ . It is worth noting that, the  $\chi^2$  difference for PMO and EMO is marginal, which was expected as the two constructs were highly correlated,  $r = .757$ . In addition, as all constructs had AVE values above .5, all squared correlations between constructs meet the Fornell and Larker criterion for discriminant validity, as shown in Table 16 (Fornell and Larker 1981). Again, the pair of EMO and PMO presented a marginal behaviour as the AVE for each construct was marginally lower or larger than the squared correlation. Since, however, the constrained model exhibited that a correlation of 1 between PMO and EMO is statistically significantly worse, it is accepted.

| Construct Pairs/Correlations | r    | p    | r <sup>2</sup> |
|------------------------------|------|------|----------------|
| EMO - DMO                    | .451 | .010 | .203           |
| EMO-EMBR                     | .560 | .010 | .314           |
| EMO-ExpPerf                  | .208 | .050 | .043           |
| EMO-DMBR                     | .668 | .010 | .446           |
| EMO-PMO                      | .757 | .001 | .573           |
| PMO-DMO                      | .581 | .010 | .338           |
| PMO-EMBR                     | .557 | .010 | .310           |
| PMO-DMBR                     | .251 | .050 | .063           |
| PMO-ExpPerf                  | .074 | n.s. | .005           |
| DMO-EMBR                     | .476 | .010 | .227           |
| DMO - DMBR                   | .551 | .010 | .304           |
| DMO-ExpPerf                  | .286 | .050 | .082           |
| EMBR-DMBR                    | .668 | .010 | .446           |
| EMBR-ExpPerf                 | .231 | .050 | .053           |
| DMBR-ExpPerf                 | .430 | .010 | .185           |

**Table 16 Correlation Coefficients for Construct Pairs**

### 7.3.3 Reliability of Measures

“Reliability assesses the issue of the similarity of results provided by independent but comparable measures of the same object, trait, or construct;...Reliability is a necessary but not sufficient condition for ensuring the validity of a measure (Churchill and Iacobucci 2002, p.394).” The most common measure of reliability is Cronbach’s (1951) coefficient alpha (Ping Jr. 2004). Nunnally has suggested that really the cut-off point for reliability is context dependant. He did also say that a modest value of reliability would be .7 (Nunnally 1993). However coefficient alpha assumes that items are perfectly correlated with their underlying construct, i.e., measured without error. Because this is almost always impossible in practice alpha underestimates reliability.

An alternative measure to Cronbach’s (1951) coefficient alpha, is Raykov’s reliability  $\rho$ , or composite reliability (Raykov 1997). Composite reliability assesses the reliability value for each latent variable. Bagozzi and Yi (1988), recommend that composite reliabilities of at least 0.5-0.6 are considered desirable. The equation for computing composite reliability is shown below:



$$\rho = \frac{\left( \sum_{i=1}^n \lambda_i \right)^2}{\left( \sum_{i=1}^n \lambda_i \right)^2 + \sum_{i=1}^n e_i}$$

Where,  $i$  = ranges from 1 to  $n$ , where  $n$  is the number of items loading on a latent variable,  $\lambda_i$  = the standardized loading for the indicator for a particular latent variable factor,  $e_i$  = the corresponding error term, and  $e_i = 1 - a_i$ , where  $a_i$  is the reliability of the indicator and is estimated as  $a_i = \lambda_i^2$ .

Table 17 presents all Cronbach's Alpha and composite reliability values, which exceeded the .7 and .5 threshold values respectively. The calculations for composite reliability are shown in Appendix 5.

| Construct/Fit Indices            | $\rho$ | $\alpha$ | Other   | Type          | Reference                                 |
|----------------------------------|--------|----------|---------|---------------|---|
| EMO                              | .87    | .86      | .86/.85 | $\rho/\alpha$ | (Hooley et al. 2005)/(Narver et al. 2004) |
| PMO                              | .89    | .86      | .88     | $\alpha$      | (Narver et al. 2004)                      |
| DMO                              | .89    | .83      | .86     | $\rho$        | (Hooley et al. 2005)                      |
| Exp. Venture Channel Manag.      | .89    | .88      | .90     | $\alpha$      | (Vorhies and Morgan 2005)                 |
| Exp. Venture Market Innovation   | .88    | .84      | .65     | $\rho$        | (Hooley et al. 2005)                      |
| Exp. Venture Marketing Planning  | .95    | .94      | .91     | $\alpha$      | (Vorhies and Morgan 2005)                 |
| Exp. Venture Reputation Assets   | .90    | .90      | .81     | $\rho$        | (Hooley et al. 2005)                      |
| Dist. Sales Capabilities         | .95    | .95      | .90     | $\alpha$      | (Vorhies and Morgan 2005)                 |
| Dist. Communication Capabilities | .92    | .92      | .84     | $\alpha$      | (Vorhies and Morgan 2005)                 |
| Dist. Marketing Implement. Cap   | .88    | .88      | .91     | $\alpha$      | (Vorhies and Morgan 2005)                 |
| Dist. Customer Linking Cap.      | .90    | .90      | .82     | $\rho$        | (Hooley et al. 2005)                      |
| Export Venture Performance       | .86    | .86      | -       | -             | -   |
| EMBR 2nd Order                   | .90    | .88      | -       | -             | -   |
| DMBR 2nd Order                   | .96    | .95      | -       | -             | -   |
| EMBR Parcelled                   | .87    | .86      | -       | -             | -   |
| DMBR Parcelled                   | .93    | .90      | -       | -             | -   |

**Table 17 Construct Reliability Coefficients, composite,  $\rho$ , and Cronbach,  $\alpha$**

Furthermore, the reliability values when compared to previous studies that have made use of the same measurement scales, as shown in the column titled "Other" in Table 17, are not dissimilar, even though in this study the scales are applied in a different context.

## 7.4 Structural Model Estimation

From the previous analysis, we have shown that the measurement models provide evidence of discriminant and convergent validity. We have seen that the measures are unidimensional as they have exhibited internal and external consistency. The next section covers the analysis of the structural model. As with the measurement model, the estimation of the structural model was accomplished using maximum likelihood estimation with software EQS version 6.1 for Windows (Bentler 2005).

### 7.4.1 Model Fit

Figure 28, shows the structural equation model used to test our hypotheses as well as the standardized parameter estimates and respective significance levels. The fit indices,  $\chi^2 = 450.00$  (267), NNFI (TLI) = 0.930, CFI = .940, RMSEA = 0.061, indicate an acceptable fit of the data. Table 18 shows the correlations among the SEM models variables.

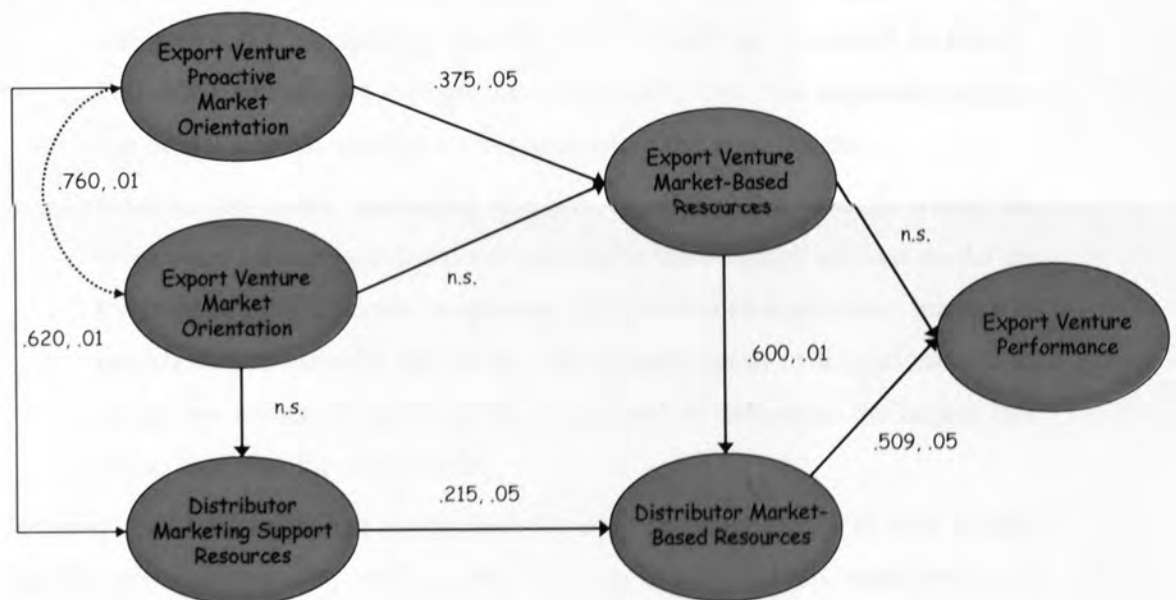


Figure 28 Structural Model Results, loadings and significance

|         | PMO    | EMO  | DMO       | EMBR    | DMBR      | ExpPerf |
|---------|--------|------|-----------|---------|-----------|---------|
| PMO     | 1      |      | * p = .01 | ** n.s. | All other | p = .05 |
| EMO     | .760*  | 1    |           |         |           |         |
| DMO     | .620*  | .471 | 1         |         |           |         |
| EMBR    | .537*  | .499 | .333      | 1       |           |         |
| DMBR    | .455*  | .400 | .414*     | .671*   | 1         |         |
| ExpPerf | .153** | .130 | .162**    | .194**  | .410      | 1       |

Table 18 Structural Model Variables Correlation Matrix

All paths, with the exception of export venture market-based resources to export venture performance and Venture market orientation to Distributor market orientation and export market-based resources, are positive as hypothesized, and statistically significant.

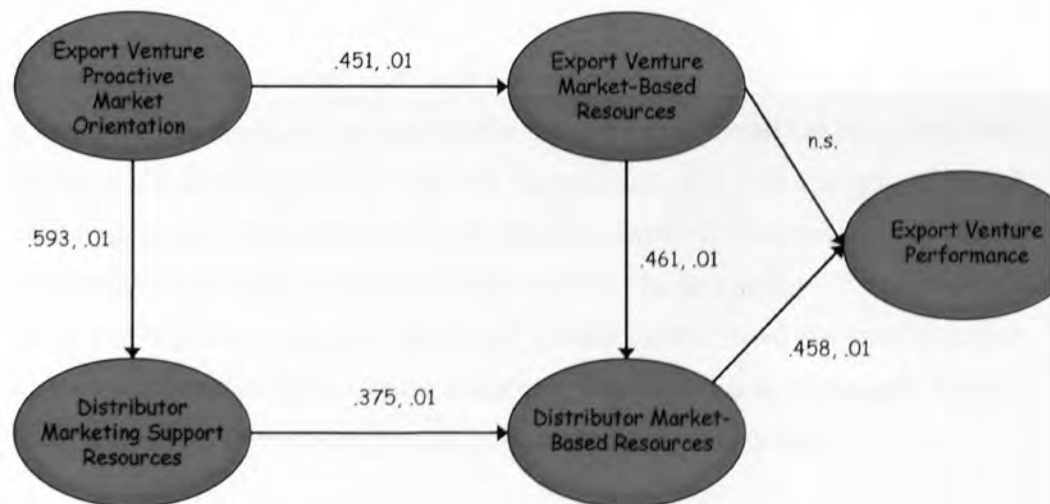
In line with the general strategic framework for testing structural equation models (Joreskog 1993), there are three scenarios: strictly confirmatory, alternative models and model generating.

- In the strictly confirmatory approach, the researcher postulates a single model based on theory, collects the appropriate data and tests the fit of the hypothesized model to the sample data. From the results of the test the researcher either rejects or fails to reject the model; no further modifications to the model are made. This is the least used method of modeling.
- In the alternative models scenario, the researcher proposes several alternative (i.e. competing) models, all of which are grounded in theory. Following analyses of a single set of empirical data, the researcher selects one model as most appropriate in representing the sample data.
- Finally, the model generating scenario represents the case in which the researcher, having postulated and rejected a theoretically derived model on the basis of poor fit to the sample data, proceeds in an exploratory manner to modify and re-estimate the model. The primary focus in this instance is to locate the source of misfit in the model and to determine the model that better describes the sample data.

Joreskog, notes that although re-specification may be either theory or data driven, the ultimate objective is to find a model that is both substantively meaningful and statistically well fitting.

Of course, even a cursory review of the literature clearly shows that the model generating scenario is the most common approach used-and for a good reason (Byrne 2006). Given the many costs associated with the collection of data, it would be a rare researcher that indeed could afford to terminate his or her research on the basis of a rejected hypothesized model (Byrne 2006).

In this thesis, we used mostly a confirmatory approach whereby the initially conceptualized model was tested. While not all of the hypotheses postulated were confirmed, this does not constitute a rejection of the model, but rather a deeper insight of the related theory. For the purpose of parsimony and completion however, we tested variants of the initial model once by eliminating the non-significant links associated with EMO as recommended by Bentler (2005) in Figure 29 and also by assuming a direct relationship between EMO and PMO and DMBR in Figure 30. While it is strongly believed that the impact of EMO and PMO for the venture on DMBR takes place by through the MO of the distributor and not directly, we did test these links for the purpose of investigating for competing models or better statistical explanations. Other competing models that could be tested could be ones with control variables. While this could have been an interesting exploration, unfortunately the sample size  $n=190$  does not allow for such a complex model to be tested for invariance across groups and as such it presents a limitation of this study.



**Figure 29 Structural Model Results w/out Venture MO, loadings and significance**

The fit indices,  $\chi^2 = 310.35$  (208), NNFI (TLI) = 0.936, CFI = .947, RMSEA = 0.054, indicate an acceptable and improved fit of the data. This was expected, as there were indirect effects that stemmed from the Market orientation of the venture that were un-accounted for and generated some error in the original model, in Figure 28.

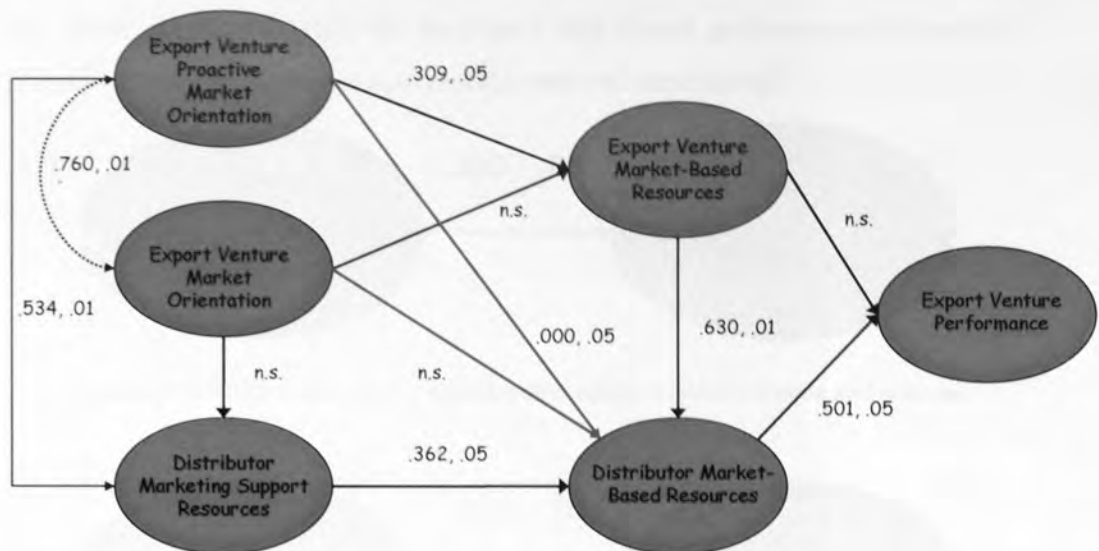


Figure 30 SEM Testing for Direct Effect of PMO on DMBR

The fit indices,  $\chi^2 = 650.03$  (345), NNFI (TLI) = 0.907, CFI = .921, RMSEA = 0.066, indicate an acceptable, but worse fit of the data in relation to the original model. Interestingly it shows that the venture PMO and MO have no impact on DMBR which is in line with expected theory.

Concluding, the competing models provide no additional insight and do not exhibit a better fit. Therefore, it is considered that the conceptual model has been confirmed as the model exhibits good fit with the sample data. The corroboration or not of each hypotheses will be discussed in the Results chapter 9. Two more points will be investigated before the completion of the analysis. The first includes further analysis of the non-significant path from the export venture market-based resources to export venture performance and a test for mediation. The second is to investigate whether there is common method bias that stems from the use of survey data.

#### 7.4.2 Test for Mediation

As shown above, the path between export venture market-based resources EMBR to export venture performance is statistically not significant. We made use of the Barron and Kenny (1986) methodology, in order to investigate whether the distributor's market-based resources mediate the relationship between EMBR and export venture performance, and to what extent. The analysis started with the three variables extracted from the structural model, and analysed each relationship separately, and then all together. For the purposes of this analysis, EMBR is called



the initial variable, DMBR the moderator and export performance the outcome (Kenny 2008). The figures next depict the series of steps taken.



Figure 31 Mediation Test Step 1: Relationship between initial variable and outcome

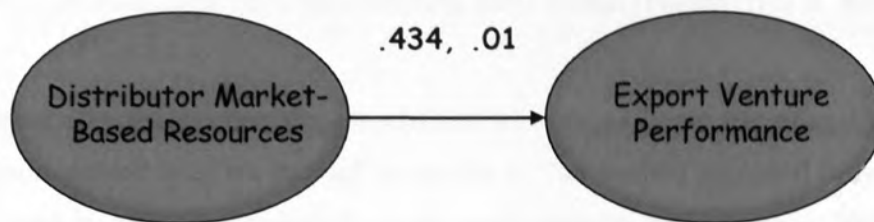


Figure 32 Mediation Test Step 2: Relationship between mediator and outcome

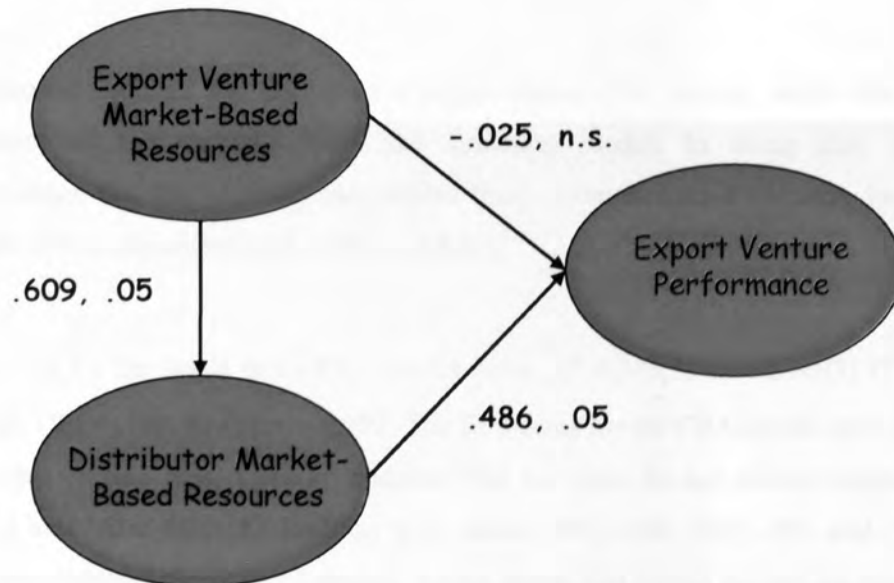


Figure 33 Mediation Test Step 3: Load mediator and initial variables on outcome

As we can see from the three step process, the influence of the mediator renders the effect of EMBR on export venture performance statistically not significant, with a loading approximately equally to zero. Save of any specification error, because theoretically it does not make sense to expect the causal direction to be from export

venture performance to EMBR, then there is strong evidence of full mediation. The theoretical consequences of this will be discussed in the results chapter next.

#### 7.4.3 Common Method Bias

Common method variance refers to the inflation of correlations between measures assessed via the same method. In survey research, common method bias could be an outcome of common rate effects (illusory correlations, transient mood state, acquiescence bias), item characteristics (hidden cues, ambiguity, similar item measures), item context: (scale length, failure to intermix items), and measurement context (cross sectional data, same location, same media) (Podsakoff et al. 2003).

As there is a chance that the associations seen above could be inflated due to common method bias, we decided to test for it. The method presented below, has been used by export researchers for scale development (e.g., Lages et al. 2005) and conceptual model testing (e.g., Morgan et al. 2004), and is usually cited under the names of Podsakoff and Organ (1986).

The method requires the testing of a single factor CFA model, which has as indicators all the variables from the structural model. In doing this, one hypothesizes that the variables can exhibit their covariance on a common factor thought to be common method variance (CMV).

The results for the single factor CFA model were:  $\chi^2 = 545.59$  (198), NNFI (TLI) = 0.722, CFI = .748, RMSEA = 0.122. The fit indices for the CFA model show not acceptable fit and thus, there is evidence that our data do not exhibit common method bias. Also from the loadings with values .495, .654, .608, .437, and .738 only two were significant or acceptable, which means that *ceteris paribus* we would not accept this as a factor.

As with any method, there are some inherent weaknesses as explained by Podsakoff and Organ (1986): 1. The likelihood of finding more than one factor increases as the number of variable increases. As such, a limit of around six variables is recommended. In our case, we had five variables. 2. There are no specific rules as to

how many factors to expect from a CFA. While it is quite possible that, if one factor emerges then common method variance accounts for most of the interrelationships, "...it is not clear how many additional factors must be discovered or the amount of variance the first factor must extract before it is identified as a general factor (Podsakoff and Organ 1986, p.536)."

### ***7.5 Conclusions of Data Analysis***

In this section, we examined our data set for non-response bias and we also looked for the simplest scales that would produce the best fit, but would not lose the content of the constructs they mean to represent. It was also demonstrated that there is evidence of construct validity, as explained by convergent and discriminant validity, and reliability, and to the extent that the methodologies employed allowed us. We also showed that, the model behaved as theoretically expected, thus providing evidence for the nomological validity of our conceptual model. In the next chapters, we will discuss the key findings, their theoretical implications and the limitation of our research.

## Chapter 8. Results & Discussion

This chapter discusses the results of the hypothesis testing from the previous chapter. The discussion highlights the findings of the proposed relationships based on the analysis using SEM. Where possible, previous studies are drawn to elaborate and support the results and significance of this study. In discussing the findings, the results of the hypothesis testing are stated along with implications. In general, the discussion of the results revolves around the theoretical model proposed. In order to assist the reader the following table presents the hypotheses along with the loadings and significance.

| Nr. | Association                   | Loading | p    | t-value |
|-----|-------------------------------|---------|------|---------|
| H1  | Venture MO <-> Venture PMO    | .760    | .01  | -       |
| H2a | Venture PMO -> EMBR           | .451    | .01  | 3.012   |
| H2b | Venture EMO -> EMBR           | -       | n.s. | n.s.    |
| H3  | Distributor MO -> DMBR        | .375    | .01  | 2.804   |
| H4a | Venture PMO -> Distributor MO | .593    | .01  | 3.246   |
| H4b | Venture EMO -> Distributor MO | -       | n.s. | n.s.    |
| H5  | EMBR -> DMBR                  | .461    | .01  | 6.194   |
| H6  | EMBR -> Exp Vent Perf         | -       | n.s. | n.s.    |
| H7  | DMBR -> Exp Vent Perf         | .458    | .01  | 3.704   |

Table 19 Paths with loadings and significance

### 8.1 The relationship between Export Venture Market Orientation and Proactive Market Orientation

This was measured with one hypothesis that links the (responsive) market orientation with the proactive market orientation of the export venture:

**H1: The Export Venture's Market Orientation is positively correlated with the Export Venture's Proactive Market Orientation**

**Result: The Market Orientation and Proactive Orientation of the Export Venture are positively correlated.**

H1 was positive and statistically significant (.760, .01) and therefore was supported.

**Implications:** Market Orientation (responsive) and Proactive Market Orientation are two dimensions of the same construct (Atuahene-Gima et al. 2005). Our study

measured MO and PMO at the export venture level and found that both are highly, positively correlated. This finding is in line with other studies in a domestic context at the strategic business unit level (e.g., Atuahene-Gima et al. 2005; Narver et al. 2004) that have found the same relationship between the two. It seems that the complementary nature of the two, where both have to co-exist, is supported at the export venture level as well.

## ***8.2 The relationship between Marketing Support Resources and Market-Based Resources***

This was measured with three hypotheses, two for the export venture and one for the distributor:

***H2a: A Higher level of Export Venture Proactive Market Orientation leads to higher levels of Export Venture Market-Based Resources, and***

***H2b: A Higher level of Export Venture Market Orientation leads to higher levels of Export Venture Market-Based Resources, and***

***H3: A Higher level of Distributor Market Orientation leads to higher levels of Distributor Market-Based Resources***

***Result: Higher levels of Export Venture Proactive Market Orientation and Distributor Market Orientation lead to higher levels of export venture and distributor market-based resources. The impact of the Market Orientation of the Venture on the Market Based Resources of the Venture is not statistically significant in the presence of PMO.***

H2a and H3 were positive and statistically significant (.375, .05), (.215, .05) respectively and therefore supported. H2b was rendered statistically not significant and therefore was not supported.

***Implications:*** The main idea that links marketing support resources with market based resources is that market orientation alone cannot directly affect performance, as it is a cultural trait, rather it needs organizational responsiveness in the form of assets and capabilities to translate this culture into results (Hooley et al. 2005; Hult et al. 2005). It is based on the integration of two key theories, one of market



orientation (Deshpande et al. 1993; Deshpande and Webster 1989; Kohli and Jaworski 1990; Narver et al. 2004; Narver and Slater 1990) and one of the resource based view (Amit and Schoemaker 1993; Barney 1991; Penrose 1959).

The association between market orientation and capabilities should apply regardless of whether the orientation is focused on current or latent market needs, which is the distinction between classic market orientation and proactive market orientation. However, based on the fact that the market orientation of the venture was rendered statistically not significant, and proactive market orientation had more of an impact, it seems that there might be a competition between the two orientations with a proactive culture being the one that makes more of an impact on market based resources, when it comes to the venture.

Indeed, if we test the direct path from Export Venture Market Orientation to the Market Based Resources of the Venture independently, then the loading is positive and significant (.587, .01) with very good fit,  $\chi^2 = 34.27 (19)$ , NNFI (TLI) = 0.958, CFI = .971, RMSEA = 0.067. Thus it is Proactive Market Orientation that renders the impact of Market Orientation for the Venture on the Venture's Market Based Resources statistically not significant.

This finding is consistent with Narver et al . (2004), who in relation to proactive and responsive market orientation, found that only proactive market orientation was loading significantly on new-product success (Narver et al. 2004, p. 343). Of course, this could be affected by the nature of the study that examined the impact of several variables on new-product success and found that proactive market orientation rendered the rest insignificant.

However, in our case this is slightly different. Firstly, our study is in a different context, exporting, and secondly, our "dependent" variable contained much more than just new product success. In addition, as will be discussed later, the same phenomenon took place when the "independent" variable was the market orientation of the distributor.

One of the main theses of this study was that marketing support resources are deeply embedded cultural resources that strengthen market-based resources both for the venture and their distributors. This finding with the exception of relationship of market orientation to reputation assets was also supported for firms in the U.K operating in a domestic context (Hooley et al. 2005). The implications of our findings are therefore five-fold:

- Proactive Market Orientation of the Export Venture renders the impact of Market Orientation for the Venture on the Venture's Market Based Resources statistically not significant
- Higher marketing support resources lead to higher market-based resources at the export venture level
- Higher marketing support resources lead to higher market-based resources for distributors who can be compared with domestic operations (e.g., Hooley et al. 2005) but are a very specific subset
- The marketing support resources of both export channel members contribute to the market-based resources of the channel
- From a managerial point of view, both exporters and distributors should strive to achieve high levels of market orientation, as this enhances the resources they can deploy in the market place. The presence of enhanced market-based resources is an important contributor to competitive advantage, both for export ventures and distributors (Kaleka 2002). The lack of such resources can be an inhibitor to a successful distribution operation (Katsikeas and Dalgic 1995; Rao et al. 1995).

### ***8.3 The relationship between Export Venture and Distributor Marketing Support Resources***

This was measured with two hypotheses that link the proactive and responsive market orientation of the venture with the market orientation of the distributor:

***H4a: A Higher level of Export Venture Proactive Market Orientation leads to a higher level of Distributor Market Orientation, and***

*H4b: A Higher level of Export Venture Market Orientation leads to a higher level of Distributor Market Orientation*

*Result: Higher levels of Export Venture Proactive Market Orientation lead to Higher levels of Distributor Market Orientation. The impact of the Market Orientation of the Venture on the Market Orientation of the Distributor is not statistically significant.*

H4a was supported as the loading was both in the expected direction and statistically significant (.601, .01). H4b was rendered statistically not significant and therefore was not supported.

*Implications:* As previously, Proactive Market Orientation took precedence over the Market Orientation of the Venture, when it came at examining the impact of both on the Market Orientation of the Distributor. Again, if we test the direct path from Export Venture Market Orientation to the Distributor Market Orientation independently then the loading is positive and significant (.455, .05) with very good fit,  $\chi^2 = 19.86$  (18), NNFI (TLI) = 0.993, CFI = .995, RMSEA = 0.026.

Therefore, one should not immediately dismiss the impact of the venture's market orientation, rather it should be considered together with the fact that it competes with another type of cultural orientation and it is this other type, proactive market orientation that has a stronger impact. As discussed previously, this suppressing effect was also noted with the original study on proactive market orientation by Narver et al. (2004).

In addition to the differences mentioned above, there are some differences that reinforce the "dominance" of proactive market orientation against market orientation and that is that Narver et al. used namely a different market orientation scale to the one used in this study, even though the items were not all dissimilar.

The independent empirical test suggests that the marketing orientation of the export venture has an impact on the market orientation of the distributor. This finding was

also supported in a domestic context from the distributor's perspective at a behavioural level (Siguaw et al. 1998). However, the main finding is that the proactive market orientation of the venture has a positive impact on the market orientation of the distributor. The implications of our findings are therefore six-fold:

- The proactive market orientation of the export venture has a positive and significant impact on the market orientation of the distributor
  - at the export venture level,
  - from the export venture's point of view
  - in an exporting channel context
  - from a cultural perspective
- Distributors/Importers should aim to operate with market oriented export ventures as they enhance their own market orientation.

To borrow and, at the same time, paraphrase the words of Siguaw et al. "This effect suggests that distributors benchmark their own market oriented behaviours to those of their [export ventures], as is indicated by reference group theory. In this case, [export ventures] may be able to establish the market orientation norm in distribution channels and influence the way their distributors treat customers through the way the suppliers treat their distributors; in other words through modeling behaviour (Siguaw et al. 1998, p.106)." This presents an opportunity for exporters in areas where they want to mold market oriented behaviour; it seems that a distribution channel is such an area as well. Therefore, market oriented export ventures should seek market oriented distributors, regardless of whether the norm is proactive or responsive market orientation.

#### ***8.4 The relationship between Export Venture and Distributor Market-Based Resources***

This was measured with one hypothesis that links the export venture with the distributor:

***H5: Higher levels of Export Venture Market-Based Resources lead to higher levels of Distributor Market-Based Resources***

***Result: Higher levels of Export Venture Market-based Resources lead to higher levels of Distributor Market-based Resources***

On H5 the path coefficient was positive, statistically significant and in the expected direction (.461, .01). This leads us to the conclusion that H5 was supported.

***Implications:*** Another point made by this study was that a capable export venture enhances the capabilities of the distributor. In that sense, we wanted to see whether there is a complementarity effect as posited by the channel and RBV theories (Dyer and Singh 1998). To the best of our knowledge, other than exploring the impact of the capability of a distributor in a export channel context on export competitive advantage (e.g., Cavusgil and Zou 1994), this relationship has not been explored in any context. Therefore the implication of this finding is two-fold:

- Higher export venture market-based resources lead to higher market-based-resources for the distributor. As such, there is a complementarity between the resources in export channel members. This is a contribution not only to the export related literature, but also to marketing channel and RBV theories. More specifically, by identifying the export venture market-based resources such as, market innovation, product brand name and corporate reputation, channel management and marketing planning, lead to higher distributor capabilities such as selling, marketing communication and implementation. The main argument all along was that in a channel dyad the organizational boundaries of the venture are extended not only across the firm it belongs to but also across the distributor. Therefore, the bundles of relevant resources that belong to each channel member form a new idiosyncratic bundle that itself renders services valuable to the customer (Amit and Schoemaker 1993; Dyer and Singh 1998; Penrose 1959).
- Distributors that possess a certain level of abilities should aim to work in partnership with competent export-ventures. This is further supported as lack of support in marketing skills in the form of government assistance or lack of possession of resources is an inhibitor of successful importing (Katsikeas and Dalgic 1995; Rao et al. 1995).



### **8.5 The relationship between Export Venture and Distributor Market-based Resources and Export Venture Performance**

This was measured with two hypotheses one for the export venture and one for the distributor:

**H6: Higher levels of Export Venture Market-Based Resources lead to higher levels of Export Venture Performance**

**H7: Higher levels of Distributor Market-Based Resources lead to higher levels of Export Venture Performance**

**Result: Higher levels of Distributor Market-based Resources lead to higher levels of Export Venture Performance; higher levels of Export Venture Market-based Resources do not lead to higher levels of Export Venture Performance; the relationship between Export Venture Market-based Resources and Export Venture Performance is fully mediated by the market-based resources of the distributor.**

On H6 the path coefficient was 0.0 and statistically not significant. This renders H6 not supported. Following the 4-step mediation test by Baron and Kenny (1986), as showed in the analysis section, the standalone effect of Export Venture Market-based Resources was positive and significant (.250, .05), while when tested together with the Distributor Market-based Resources it was zero and non-significant. This provided support that the Export Venture Market-based Resources - Export Performance relationship was fully mediated by the Distributor Market based Resources. On H7 the path coefficient was positive, in the expected direction, and statistically significant (.458, .01).

**Implications:** We borrowed RBV theory to link market-based resources with Export Venture Performance. The main conclusion is that, in line with many other studies in domestic and exporting contexts, there is a link between resources and performance at all levels and contexts (e.g., Hooley et al. 2005; Kaleka 2002; Katsikeas 1994; Morgan et al. 2004; Theoharakis and Hooley 2003). The differences with other studies and therefore implications are five:

- The concept of market based-resources as defined by Hooley et al. (2005), is linked with Export Venture Performance a. at the venture level as opposed to firm level, and b. in an exporting as opposed to a domestic setting.
- The impact of the Distributors' Market-based Resources on Export Venture Performance, save of any specific distributor resources investigated with export performance or export strategy (e.g., Cavusgil and Zou 1994) or as perceived problems by importers (e.g., Katsikeas and Dalgic 1995), has not been explored to such an extent. Not only was this impact positive and significant, but it was also mediating the impact of the export venture on export performance.
- From a managerial perspective, this means that the performance of the venture is realized through the distributor. It does not mean that the export venture market-based resources do not have an impact; rather it means that they do but through a successful distributor. It might sound obvious, but an export venture with high levels of market-based resources leads to a distributor with high levels of market-based resources and this in turn, leads to successful export venture practice. Therefore, the export channel partnership creates relational rents, as expected by the resource based view (Dyer and Singh 1998).

One could argue that, this finding could also be an artifact due to the market-based resource bundles chosen. While this is a reasonable assumption, at the initial stages of testing the conceptual model, different structural conceptual models were tested, which presented the same effect; the market-based resources of the distributor explained more about performance than the export venture resources.

## **8.6 Summary of Results**

In general, the results of the analysis using SEM supported the originally hypothesized conceptual model. As we saw above, most hypotheses were supported and in the expected direction. The ones that were not supported were rendered statistically insignificant, either due to mediation effects or due to interaction effects. In either case, the findings are interesting from a managerial point of view

and make significant contributions to the marketing orientation, resource based view and export channel theories.

Through SEM, new relationships linking the Proactive Market Orientation of the Export Venture with the Market Orientation of the Distributor, the aforementioned market orientations with their respective market-based resources, the market based resources of the export venture with those of the distributor and in turn, both types of resources with export venture performance were developed, tested and corroborated.

Also, interaction effects rendered the market orientation of the venture subservient to its proactive market orientation when testing the above relationships. Also, the market based resources of the distributor fully mediated the relationship of the venture market based resources with export venture performance. The conceptual model, therefore, behaved as expected and presented evidence of nomological validity.

Together with evidence from Chapter 7, which provided support for the discriminant and convergent validity and reliability, one could argue that the conceptual model is robust. The next final chapter presents a brief summary of each preceding chapter and also identifies the limitation of this study, as well as, recommendations for further research.

## **Chapter 9. Conclusion**

So far, we have seen that the conceptual model in general terms behaved as expected. In this section we summarise each of the preceding chapters, present the main contributions of this thesis and discuss limitations of this study and recommendations for further research.

### ***9.1 Summary of Chapters***

Chapter 2 presented the literature review that is relevant to this thesis. In doing that, it identified the gaps in the literature such as, the fact that the impact on each of the market orientations of export channel members has not been explored as it has in a domestic context. The impact of the market orientation of both the venture and the distributor on market-based resources in an exporting context has not been investigated. Only in a domestic context has the impact of marketing support resources on market based resources been investigated with encouraging results. In addition, the impact of the export venture's resources on the resources that the distributor possesses has not been explored in any context. Finally, the impact of the market-based resources of both the distributor on export venture performance has not been previously investigated. Chapter 3 presented the conceptual model that supported the hypotheses this thesis addressed. Chapter 4 presented the research design along with the reasons for using each research method. Chapter 5 discussed the expert interviews that were used to enhance the conceptual model and the design of the questionnaire with the measures used respectively. Chapter 6 outlined the measures used and chapter 7 dealt with the analysis of the 190 useful responses and showed the measures exhibited validity and reliability and also that the conceptual model did fit the data well. Findings supported the measures and conceptual model as far as validity and reliability was concerned. Finally, Chapter 8 discussed the findings of the structural model analysis and reflected upon the implications with links to both theory and previous empirical findings.

## **9.2 Contribution to Theory**

This conceptual model is at the interface of three key theories and one context, market orientation, marketing channels, RBV, and exporting respectively. As such, it provides an answer to prevalent literature in several topics:

### **9.2.1 The Distributor Mediation Effect**

With the exception of very few studies in a domestic context (e.g., Hooley et al. 2005; Hult et al. 2005), that have assumed that the market orientation-performance relationship is mediated by resources, most of prior marketing channel research has assumed that the market orientation-performance relationship is mediated by the quality of the channel relationship in both domestic (e.g., Siguaw et al. 1998) and export channel (e.g., Nguyen et al. 2007; Racela et al. 2006) contexts.

This research has shown that in line with domestic studies the market orientation-performance relationship is mediated by the market-based resources the channel members have in their possession. More specifically, it has shown that in an export venture-distributor channel, the impact of those resources on export venture performance is fully mediated by the distributor. This is a surprising finding, but it also makes theoretical sense as the distributor is the main point of contact with the venture's export market customers. As explained in the next section, the mediation effect can be easily explained by the RBV and more specifically, by the theory of relational rents and resource complementarities (Dyer and Singh 1998) .

### **9.2.2 The synergy of the market-based resources of export channel members**

There is a synergy between the venture's and the distributor's market-based resources. In line with the RBV, the export channel dyad expands the organizational boundaries and presents a new enhanced bundles of resources that in turn translates to superior venture performance (Dyer and Singh 1998). High levels of venture market based resources strengthen the market based resources possessed by the distributor. In addition the fact that the effect of EMBR on export venture performance is fully mediated by DMBR reinforces the argument that it is possible to achieve relational rents as conceptualized by Dyer and Singh (1998). That is



because the effect of DMBR alone (.434) is less than the effect of DMBR and EMBR through DMBR on export venture performance (.509).

To the best of our knowledge, prior research has not investigated this relationship in either a domestic or exporting context and as such, it expands our understanding of the mechanisms described by the RBV in channels. This finding also addresses the previously identified gap in international marketing channels (Frazier 1999) and is also in agreement with other research in cross border alliances of construction firms that has shown that resource complementarity has a direct and positive impact on project performance, i.e. alliance objectives (Sarker et al. 2001).

### **9.2.3 The impact of the Export Venture's Proactive Market Orientation**

Prior domestic context research has shown that in a dyadic business relationship the market orientation of the supplier is associated with the market orientation of the distributor (e.g., Sigauw et al. 1998). Also, prior research has shown in a domestic context that proactive market orientation “dominates” responsive market orientation, when examining their impact on new product success (e.g., Narver et al. 2004).

This study showed that, in an exporting channel, the venture's proactive market orientation renders the impact of responsive market orientation on its market based resources and the market orientation of the distributor statistically insignificant. This finding was not as expected in the exporting channel context, but was not surprising either, as Narver et al. (2004) did also find that proactive market orientation has the same effect on responsive market orientation and other variables as well.

Also, in the absence of proactive market orientation the impact of the venture's market orientation on the distributor and the venture's market-based resources is positive and significant. Therefore, the market orientation of the venture still matters. In line with domestic research (e.g., Hooley et al. 2005), the MO of the venture does have an impact on the resources the venture deploys in order to deliver its product. When PMO might take precedence over MO and vice versa, and what

could be the moderators that affect or prioritise their impact, should be the subject of further research. Finally, the venture's proactive market orientation has an impact on the market orientation of the distributor. This finding makes a clear contribution to export marketing theory as it signifies the impact of PMO and MO on export venture performance and more specifically, expands the marketing channels and market orientation theories in an exporting context.

#### **9.2.4 The Distributor's Market Orientation**

We have shown that in our sample the market orientation of the distributor, as perceived by the export venture's managers, has an impact on the market-based resources that the distributor deploys to serve customers in the foreign market. With the exception of studies that, for example, have examined the impact of local based agents on export firm performance (e.g., Cadogan and Cui 2004), this study links the market orientation of the distributor with the resources it has and indirectly with export venture performance and as such, it expands both the theory of market orientation and RBV in an exporting context.

Through the use of competing models we also demonstrated statistically one of the most basic theoretical positions of this conceptual model, which is that the market orientations of the venture, either MO or PMO cannot have a direct effect on the DMBR. In other words the orientation of the distributor comes first before that of the venture.

### ***9.3 Contribution to Management***

What take home lessons could managers and business practitioners derive from this dissertation? We believe that the practical contributions of this study are two. The first one is based on the impact of the venture's proactive market orientation and the second one is based on the effect of the distributor.

#### **9.3.1 "Take care of your PMO, but at the same time, do not forget your MO"**

"If market orientation leads to competitive success, this means greater market share, but this means satisfying more customers, today and in the future (Connor 1999, p.1160)." We have demonstrated that Proactive Market Orientation is relevant for

exporting operations and we have seen that for actively involved exporters, the Proactive Market Orientation of their Venture leads to stronger resources such as, ability to innovate in the foreign market, to manage the channel, plan for marketing, and stronger brand names and corporate reputation. Therefore, export managers should nurture experimentation, in order to serve new customers or new customer needs. While the PMO of the venture should be focused on, the market orientation of the venture should not be ignored, because it is the conduit of learning that facilitates the experimentation associated with latent markets and also allows balanced approach between too much and too little experimentation, thus avoiding the risk of losing track of what is important (Atuahene-Gima et al. 2005). As we have seen, the two orientations are highly positively correlated, meaning that one orientation fuels the other, as it is not always a clear choice between the two (Connor 1999; Slater and Narver 1999).

In addition, it is clear that highly market oriented ventures should aim to cooperate with highly market oriented distributors. By definition, this should happen, as a market oriented venture should have all the right mechanisms to identify and partner with a market oriented distributor (Narver and Slater 1990).

### **9.3.2 “Value your Distributor”**

Also in this study, it has been demonstrated that there are advantages that stem from having both channel members loaded with effective market-based resources. Therefore, ventures should aim to cooperate with distributors that have market based resources related to implementation of elements of the market mix, as they are in control of the augmented product such as product warranty, after sales service, delivery and credit and installation and commissioning, and the venture’s performance is realized through them. While it has been demonstrated that export customers do value the elements of the augmented product and are willing to pay a premium for it (e.g., Kaleka 2002; Katsikeas 1994), it is now clear as to who is responsible for its delivery. Therefore is not surprising that the quality of the relationship of channel members is not the only contributor to export channel competitive advantage, rather a channel with complementary resources such brand

name, and marketing planning, communication and implementation, and selling can contribute to it as well.

### **9.3.3 A Solution to the Resource Allocation Problem?**

One of the most important managerial issues relating to the organization and management of channels of distribution is the one that tries to address how resource allocations in international channels should be made across partners and markets (Anderson et al. 1994; Frazier 1999). Through this research, it is believed that a possible solution is being presented to the above problem. The specific resources present in the EMBR and DMBR bundles could be a combination of resources that can constitute a successful exporting channel. In other words, one could claim that if the export venture provides market innovation, marketing planning, channel management skills and reputation assets and the distributor provides selling, marketing implementation and communication skills this could lead to a successful combination and could provide the basis for a plan of resource allocation. While this combination might not be useful for all exporters across the world, it has been clearly demonstrated that it holds for Greek export ventures.

### **9.3.4 A solution to the sharing-splitting of functions between channel members?**

On a similar token to the previous section, another crucial managerial issue is the decision related to sharing-splitting between channel members (Frazier 1999). It so happens, that the resources in EMBR and DMBR are also function specific. Therefore, the findings of this study could provide a solution as to which functions should the export venture emphasize on and which functions should be addressed by the distributor. Again, this solution is relevant to Greek exporters, but further research could address the same question for other countries as well.

### **9.3.5 A Guide to Foreign Market Entry?**

Even though this research has focused on established actively involved exporter ventures and their distributors, it can still provide insight to companies that have not expanded internationally yet. From a normative perspective, the results suggest the relative importance of various aspects in choosing the appropriate distributor. Allying channel members with complementary resources are likely to ensure



success of the particular venture. Thus, criteria used in partner choice can be guided by specific export venture objectives in forging cross border alliances.

Assume firms that have only domestic sales revenues and are at a point where they wish to expand internationally for various reasons. Chances are that exporting will be the second most probable mode of foreign market entry after licensing (Albaum et al. 2002). Therefore, if exporting is chosen, the problem then becomes how to select a distributor.

The first and rather easy choice, would be a distributor that is market oriented and also has a bundle of complementary to the venture skills. But, what happens if there is a shortage of distributors, or all market oriented distributors have been captured by competition? Does a firm select a distributor based on market orientation, or skills?

It is clear from our findings, that if there is a shortage of market oriented distributors then the emphasis should primarily be on complementary resources, because the market orientation of the export venture will be able to influence the market orientation of the distributor in a positive manner and in a way make-up for moderate shortages. How then, does a firm chose a distributor based on its skills?

One of the fundamental positions of the RBV is that resources contribute to competitive advantage and superior to competitor performance. However, the best witness that can corroborate, or not, the presence of a competitive advantage is the customer. As such, exporters should survey the customers of potential distributors if they want to explicate the possession of superior assets and skills by the distributor.

By doing that, it can answer other critical questions as to how should the distributorship be positioned in the minds of our potential customers? Can the venture use advertising and promotion to help in this positioning? Indeed, we did see that the reputation assets possessed by the venture have a positive impact on the resources possessed by the distributor. In addition, we also saw that when the venture possesses superior skills in marketing planning and the distributor in marketing implementation they can together create a superior export venture.



On a similar token, this study can also serve as a guide for the distributor in not only identifying what export firms to partner with (market oriented or not, or market oriented VS proactively market oriented), but also in answering questions such as what are the most relevant promotional programmes, do they affect my positioning, or not...?

#### **9.4 Limitations**

As with any study this one also has its limitations. The sheer nature of survey research and the inherent cross sectional design poses a challenge as to whether the point of view reflected by the data gathered would be replicated in a different point in time.

Also, the elimination of items in the venture and distributor market orientation constructs pose a challenge as to whether the constructs still measure what they should be. Even though the reduction of items in the Narver and Slater scale used is a common theme across several other studies, it is a challenge for this study.

In addition, the elimination of theoretically relevant constructs, either due to problems with convergence, and/or cross-correlations, and/or low loadings, namely distributor pricing, customer linking and reputation assets poses a challenge because the resulting structural model was different from the originally proposed one. On the positive side however, the remaining constructs presented findings which were consistent with theory.

The level of analysis, namely the export venture, as well presents some challenges. While the questionnaires requested from respondents to report on export ventures that they knew well and used only one distributor in the export market, this cannot be guaranteed and therefore, the superior resources or performance of the venture could also be attributed to the activities of a second distributor, if there is one.

All survey instruments have a certain degree of common method bias. Even though we did account for it by testing using Podsakoff's method, we do not claim that the data are completely free of common method bias.

Another challenge is model misspecification. Could the causal direction be in the reverse direction of the one assumed in the conceptual model? We think that with the exception of the hypotheses related to market orientation between the export venture and the distributor, the rest of the hypotheses should always be in the assumed direction therefore reducing the effect of model misspecification.

As any single informant study there are the classic limitations that stem first from the possibility that other informants in the same organization could have a different point of view or from the fact that export venture managers reported on sometimes tacit traits of their distributor, i.e. we investigated only one side of the dyad. On the later we tried in many different ways to provide evidence that showed that the differences in perception between export venture and distributor managers the distributors' resources are small.

Finally, the small sample size,  $n=190$ , did not allow for the investigation of model invariance across groups such as industry or other for control variables, as it is clear that the model would not converge due to identification issues and the parameters estimated to sample constraints.

### ***9.5 Future Research***

This study was focused on Greek exporting ventures. If the conceptual model was tested in other countries as well this would allow for the generalisability of the findings reported here to be tested.

The relationship between MO and PMO seems to have a repeating pattern where PMO renders MO statistically not significant. While it is a consistent finding, the two orientations are different and as such, there should be different product-market conditions that require different MO orientations. This works draws attention to the need for future research to take a more refined look at the role of MO in export ventures and markets pursued as contextual moderators in the relationship between

PMO and MO. Such a study will be able to explain as to when does being more “latent needs-focused” is more necessary over being more “expressed needs-focused,” and vice versa, and what are the moderating variables, if any? In addition PMO could be examined in isolation to MO and investigate potential antecedents and its direct impact if any to export venture performance in line with previous research (Cadogan et al. 2001b). Does PMO take precedence to other orientations such as learning on its impact to critical capabilities like NPD?

The effect of market-based capabilities on export venture performance has been established. It would be interesting to see if different environmental factors have any effect on the relationship between market-based resources and export venture performance, in line with other exporting studies that have found that competitive intensity or industry structure moderates the relationship between positional advantages achieved by the export venture and export venture performance (e.g., Morgan et al. 2004).

Exporting is one of the most important areas of international marketing. Even though this study has been conducted in an exporting channel context its replication in a domestic context would enable us to see the effect of the supplier’s proactive market orientation on the distributor’s market orientation and the interplay of their market-based resources, as we have seen in this study, and to complement the study by Siguaw et al. that looks at responsive market orientation.

The resource allocation and function split/sharing problem as explained above remains a critical issue both for export managers and export related research. It would be interesting to see similar research with larger bundles of resources in order to see what combinations would generate superior venture performance for export ventures based in other countries.

In addition to the above, one could add a new concept which relates the competitive positioning of the export venture Vs the competitive positioning of the distributor and see what resources can affect and enhance the positioning of the distributor. Does a distributor that is characterized by superior implementation skills such as marketing implementation and communication and selling possess the necessary

flexibility to alter his/her positioning with the customer and under what market conditions is this possible?

Finally, the cross-sectional nature of the data used in our study restricts conclusions to those of association and not causation. Hence, a fruitful extension of this research could be to collect data through a longitudinal study. Such a method would provide stronger support for our model and alleviate concerns about justification bias. In addition, by adopting the longitudinal approach, more information on the effect of the venture's market orientations on the distributor's market orientation and the synergy between their market based resources could be obtained.

### ***9.6 Concluding Remarks***

In conclusion, this study has fulfilled its goal and expectations set at the beginning of the study. Despite the difficulties faced and the inherent limitations in this research, the work presented makes a significant contribution in the field of marketing orientation, resource-based view and more specifically their intersection with marketing channels and export operations. The study provides the empirical evidence that were required to substantiate the anecdotal accounts on some of the proposed relationships.

## Interview Protocol

### Appendix 1 Expert interview protocol

Project: Marketing Resources of A Novelty Involves Experts

Time of Interview:

Date:

Place:

Interviewer: Yonnis Angelis

Interviewee (Name and Firm):

Position of Interviewee:

The objective of this project is to understand the critical marketing resources that are used from the venture as well as the distributor.

Questions:

1. What is your role in the firm?
2. How are you involved in exports? (If not answered in 1)
3. What are your main export products?
4. To which countries do you export?
5. Which export venture would you consider as the most successful and why?
6. What would you consider as the most significant attributes (assets and capabilities) of a successful venture? (HR (training, remuneration, being), managerial (operations, HR, legal, financial), networking (transfer of know-how, relationship mgmt with distributor, cooperation, communication, reciprocity)
7. Other resources such as capital, financing, logistical capabilities, production
8. What would you consider to be essential HR assets (venture management age, employee retention, and satisfaction) for export success?
9. How significant do you think export orientation (ability to generate, disseminate, and respond to export information) is to export venture success?



## Interview Protocol

**Project:** Marketing Resources of Actively Involved Exporters

**Time of Interview:**

**Date:**

**Place:**

**Interviewer:** Yannis Angelis

**Interviewee (Name and Firm):**

**Position of Interviewee:**

The objective of this project is to understand the critical marketing resources that are used from the venture as well as the distributor.

### Questions:

1. What is your role in the firm?
2. How are you involved in exports? (If not answered in 1)
3. What are your main export products?
4. To which countries do you export?
5. Which export venture would you consider as the most successful and why?
6. What would you consider as the most significant attributes (assets and capabilities) of a successful venture? {HR (training, remuneration, hiring), managerial (operations, HR, legal, financial), networking (transfer of know-how, relationship mgmnt with distributor, cooperation, communication, reciprocity)}
7. Other resources such as capital, financing, logistical capabilities, production
8. What would you consider to be essential HR assets (venture management age, employee retention, and satisfaction) for export success?
9. How significant do you think export orientation (ability to generate, disseminate, and respond to export information) is to export venture success?

10. How critical is the coordination between functions and venture in order to respond effectively to customer needs?
11. Do you think product brand name, Country of origin, company reputation matters for you export customers?
12. What do you consider to be the main characteristics skills and assets of a distributor being part of successful export venture? Probing pointers (HR assets, managerial caps, distributor reputation), what marketing assets and capabilities would you consider to be the most critical to the venture's success (pricing, distribution, supply chain, promotion, marketing planning, after sales, ability to serve customers effectively and efficiently, maintain customer relationships, customer retention)
13. How do you assess export venture performance, what metrics do you use?
14. For specific product exported to a specific country, how critical do you think your ability to innovate is to exporting?

From a scale of 1 to 5, 1 being not confident at all, ..., and 5 being very confident  
 How confident are you in reporting on your distributor or agent?

|                                 |                                       |  |                               |                           |   |
|---------------------------------|---------------------------------------|--|-------------------------------|---------------------------|---|
| <i>Not confident<br/>at all</i> | <i>Somewhat<br/>not<br/>confident</i> | <i>Neither<br/>Confident nor<br/>Not confident</i> | <i>Somewhat<br/>confident</i> | <i>Very<br/>Confident</i> | <i>No Opinion<br/>or Don't<br/>Know</i> |
| 1                               | 2                                     | 3  | 4                             | 5                         | X                                       |

- Commitment to serving customers is closely monitored
- Objectives and strategies are driven by creation of customer satisfaction
- Competitive strategies are based on understanding customer needs
- Functions are integrated to serve customer needs
- Strategies are driven by increasing value for customers
- Customer satisfaction is systematically and frequently assessed
- Managers understand how employees contribute to value for customers
- Levels of employee satisfaction
- Levels of employee retention
- Financial management
- Human resources management
- Levels of customer service and support
- Relationships with key customers
- Skills at building customer relationships
- Ability to understand customer needs and requirements
- Ability to maintain and enhance customer relationships
- Reputation effect in the export market
- Pricing skills
- Distribution Skills
- Promotion skills
- Their relationship with me as a key supplier (exporter)
- Their ability to manage the relationship with me as a supplier (exporter)

## Appendix 2 Indicative Summary of Expert Interviews

Date: 24/08/2006

Place: Athens, Greece

Interviewer: Yannis Angelis

Interviewee (Name and Firm): Mr. George Giakoumis

Position of Interviewee: Commercial Director

Responsible for the Sales & Marketing of all our activities

Solar panels and batteries for many applications (submarines, industrial, telecoms, FLT, UPS, power supply, military, photovoltaic); 70% of our sales is exported.

East Europe, EU, Middle East, Peru, Singapore and Africa.

We export to some countries using distributors. On the public sector business (military, submarines) we use direct sales, for industrial products and batteries for industrial applications we use distributors.

Ukraine, Industrial Batteries, at this moment in time it is the most successful as it has in a period of 2 years since its establishment achieved all market share targets.

In order to have a successful venture you need a good distributor who at any point in time will be able to give you a good picture of the market. Market knowledge is important. We have many products and we address many customers, our competitors are the same across the world, depending on their local competitive strategy you can predict what your competitors are about to do on a global scale. Especially on the industrial batteries. This is a point as you do not have one or two key customers in mind but your pool of customers is large and has a large geographic coverage.

Another important element is that your distributor needs to be technically aware and also aware of customer needs. Therefore if we are trying to push a product from Greece that is out of the market we risk failure. The venture people on the other hand need to be globally aware, but must have the appropriate behaviour and communication skills for international business. Manufacturing flexibility and good quality give you an advantage and a peace of mind to focus on other areas. In other words in our business the ideal employee is a person that possesses two degrees

**Project:** Marketing Resources of Actively Involved Exporters

**Time of Interview:** 10:51 **Duration:** 60min.

**Date:** 24/06/2006

**Place:** Athens, Greece

**Interviewer:** Yannis Angelis

**Interviewee (Name and Firm):** Mr. George Giakoubinis

**Position of Interviewee:** Commercial Director

Responsible for the Sales & Marketing of all our activities

Solar panels and batteries for many applications (submarines, industrial, telecoms, FLT, UPS, power supply, military, photovoltaic); 70% of our sales is exported.

East Europe, EU, Middle East, Peru, Singapore and Africa.

We export to some countries using distributors. On the public sector business (military, submarines) we use direct sales, for industrial products and batteries for industrial applications we use distributors.

Ukraine, Industrial Batteries, at this moment in time it is the most successful as it has in a period of 2years since its establishment achieved all market share targets.

In order to have a successful venture you need a good distributor who at any point in time will be able to give you a good picture of the market. Market knowledge is important. We have many products and we address many customers, our competitors are the same across the world, depending on their local competitive moves you can predict what your competitors are about to do on a global scale. Especially on the industrial batteries. This is a point as you do not have one or two key customers in total but your pool of customers is large and has a large geographic coverage.

Another important element is that you distributor needs to be technically aware and also aware of customer needs. Therefore if we are trying to push a product from Greece that is out of the market we risk failure. The venture people on the other hand need to be globally aware, but must have the appropriate behaviour and communication skills for international business. Manufacturing flexibility and good quality give you an advantage and a peace of mind to focus on other areas. In other words in our business the ideal employee is a person that possesses two degrees



engineering and marketing. The combination of the two enables a person in our case to identify what makes France successful for example, ok then let us transfer this best practice but adapt it first to Libya. In other words local methods cannot be transferred as is we need to adapt. If you have a stable export activity you also need a good legal support at distributor and venture level, as things never go as expected.

Access to capital is necessary when the volumes are large. However, nowadays credit facilities and loans are not hard to get, in the older days it was more important. The most critical aspect is the supply chain. For us the availability, handling, timing and documentation aspect of a supply chain is critical. It can make you or break you when if you want to compete on customer service elements rather than only products.

Market orientation is simple, but important. If you do the right things especially in countries that are not developed and your distributor is along the same lines then based on our experience you can get 50% increase in business. It is however very important for the distributor to be market oriented. The venture must also provide support as much as it can. Venture Brand name and country of origin also matters. We have seen this in the Balkans and the middle east. But the distributor's reputation in the local market may also help if they are established for years.

On pricing it can make you or break you. But it needs to be planned together with your distributor and make sure the distributor is extremely capable in implementing the pricing policy agreed.

We measure exports with all classic means. We see our ventures as mini businesses. At first it maybe objectives, then sales, market share but ultimately you have to make a profit as well. It maybe that the country provides some synergies that matter to the whole, that is the company's performance.

If you are innovative you are a step ahead of your competitors. That is what your customers will compare you against your competitors. If you do not innovate both at the company and venture level it will be a matter of time till you exit the market.

## Appendix 3 Dyadic Survey Questionnaires

4<sup>th</sup> September 2006

### MARKETING RESOURCES OF ACTIVELY INVOLVED EXPORTERS

Dear Manager/Respondent,

I am a Ph.D. student at Aston University in Birmingham, U.K., and kindly ask you to participate in a study that seeks to identify success factors in export markets. This research project is supported by two academic institutions Aston University, in the U.K., and the ALBA Graduate Business School, in Greece.

Through your participation we hope to understand what resources are important for a successful export venture between the exporter and their agent/distributor and plan to share my results with all respondents by publishing a summary report once the data have been analyzed.

Given that export ventures involve both an exporter and a distributor it is important to understand the perspective of both parties. Therefore, along with this letter you will find two questionnaires: one for you, the exporter, and one for your distributor.

I am therefore asking you, if you wish to do so, to complete the attached questionnaire titled exporter and send either to my email address: [angel11@aston.ac.uk](mailto:angel11@aston.ac.uk) or fax it to +30-210-8964737. Please send the questionnaire and cover letter titled distributor to the distributor in an export market of your choice. Your distributor will then send the questionnaire to me so that I may check for agreement between perceptions. All responses will be treated as confidential and will be used only for academic purposes. The questionnaires should take 20 minutes to complete.

Your participation is voluntary, but your contribution can be substantial. Please reply! If you have any questions or concerns about completing the questionnaire or about being in this study, you may contact me at +44 (0)11702-843306.

Yannis Angelis  
Ph.D. Candidate  
e-mail: [angel11@aston.ac.uk](mailto:angel11@aston.ac.uk)  
Fax: +30-210-8964737

ASTON ACADEMY (UK) INCORPORATED IN MALAYSIA, ASTON UNIVERSITY, ASTON TRIANGLE, BIRMINGHAM, B4 7ET, UK  
Tel: +44 (0)121 359 3115, Fax: +44 (0)121 359 3336, <http://www.aston.ac.uk>

ALBA Graduate and Business School, 20 Avenue of Aston University, 10671, Thessaloniki, Greece  
Tel: +30-210-8964737 and +332121111, Fax: +30-210-8964737, <http://www.alba.ac.uk> or <http://www.alba.gr>

4<sup>th</sup> September 2006

## MARKETING RESOURCES OF ACTIVELY INVOLVED EXPORTERS

Dear Manager/Respondent,

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Through your participation we hope to understand what resources are important for a successful export venture between the exporter and their agent/distributor and plan to share my results with all respondents by publishing a summary report once the data have been analyzed.

Given that export ventures involve both an exporter and a distributor it is important to understand the perspective of both parties. Therefore, along with this letter you will find two questionnaires: one for you, the exporter, and one for your distributor.

I am therefore asking you, if you wish to do so, to complete the attached questionnaire titled exporter and send either to my email address: [angelisi@aston.ac.uk](mailto:angelisi@aston.ac.uk) or fax it to +30-210-8964737. Please send the questionnaire and cover letter titled distributor to the distributor in an export market of your choice. Your distributor will then send the questionnaire to me so that I may check for agreement between perceptions. All responses will be treated as confidential and will be used only for academic purposes. The questionnaire should take 20minutes to complete.

Your participation is voluntary, but your contribution can be substantial. Please reply! If you have any questions or concerns about completing the questionnaire or about being in this study, you may contact me at +44-(0)1902-843306.

Yannis Angelis  
Ph.D. Candidate  
e-mail: [angelisi@aston.ac.uk](mailto:angelisi@aston.ac.uk)  
Fax: +30-210-8964737

ASTON ACADEMY FOR RESEARCH IN MANAGEMENT, Aston University, Aston Triangle, Birmingham, B4 7ET, UK  
Tel: +44 (0)121 204 3219, Fax: +44 (0)121 204 3326, <http://www.abs.aston.ac.uk>

ALBA GRADUATE BUSINESS SCHOOL, 2A Athinas & Areos Avenue, 16671, Vouliagmeni, Greece  
Tel: +30-210-8964531 ext.(222), Fax: +30-210-8964737, <http://www.alba.edu.gr> Email: [angelisi@aston.ac.uk](mailto:angelisi@aston.ac.uk)

## MARKETING RESOURCES OF EXPORT VENTURES AND THEIR DISTRIBUTORS

Q 1: How many countries do you export to? \_\_\_\_\_

Q 2: How many years has your firm been involved in exporting? \_\_\_\_\_

Please **choose a venture** that you are familiar with in order to answer the following questions. By venture it is meant the exporting of a specific product to a specific country through a specific distributor.

Q 3: What country does this venture export to? \_\_\_\_\_

Q 4: For the venture reported, please indicate how many years the venture has been operating: \_\_\_\_\_

Q 5: Thinking about the market from Question 3, in which your export venture sells and the distributor operates in, *Please indicate how far you agree with each of the following statements about this particular market using the scale:*

| Not at all | <i>To a very slight extent</i> | <i>To a small extent</i> | <i>To a moderate extent</i> | <i>To a considerable extent</i> | <i>To a great extent</i> | <i>To an extreme extent</i> | Don't Know |
|------------|--------------------------------|--------------------------|-----------------------------|---------------------------------|--------------------------|-----------------------------|------------|
| 1          | 2                              | 3                        | 4                           | 5                               | 6                        | 7                           | X          |

- |  |                          |
|--|--------------------------|
| Competition in this export market is "cut-throat"  | <input type="checkbox"/> |
| There are many promotion wars in this export market  | <input type="checkbox"/> |
| In this market anything that one competitor can offer others can match easily  | <input type="checkbox"/> |
| Price competition is a hallmark of this export market  | <input type="checkbox"/> |
| One hears of a new competitive move in this export market almost every day   | <input type="checkbox"/> |
| Our export customers' product preferences change quite a bit over time   | <input type="checkbox"/> |
| New export customers in this market tend to have product-related needs that are different from existing customers                        | <input type="checkbox"/> |
| Customers in this market tend to look for new products all the time  | <input type="checkbox"/> |
| The technology in our industry is changing rapidly   | <input type="checkbox"/> |
| Technological changes provide big opportunities in our industry  | <input type="checkbox"/> |
| A large number of new product ideas have been made possible through technological breakthroughs  | <input type="checkbox"/> |
| In this market governmental regulations in pricing, distribution, environment, recycling, etc. change rapidly                            | <input type="checkbox"/> |
| In this market governmental regulations in pricing, distribution, environment, recycling, etc. provide big opportunities in our industry | <input type="checkbox"/> |



Q 6: Here are a number of statements other managers have made about marketing and sales issues for their **export ventures**. Please note that by customer it is meant the final customer in your export market not your distributor. Thinking about the export market you just answered question 5 for, how well do you think each statement relates to **your venture** operating in the same market? *Please write in the number from the scale below that best represents your opinion.*

|                   |                                |                          |                             |                                 |                          |                             |                   |
|-------------------|--------------------------------|--------------------------|-----------------------------|---------------------------------|--------------------------|-----------------------------|-------------------|
| <i>Not at all</i> | <i>To a very slight extent</i> | <i>To a small extent</i> | <i>To a moderate extent</i> | <i>To a considerable extent</i> | <i>To a great extent</i> | <i>To an extreme extent</i> | <i>Don't Know</i> |
| 1                 | 2                              | 3                        | 4                           | 5                               | 6                        | 7                           | X                 |

- Our commitment to serving export customer needs is closely monitored
- Our sales people or export managers share information about export competitors
- Our objectives and strategies are driven by the creation of export customer satisfaction
- We achieve rapid response to export competitive actions
- Our top management regularly visits important export customers
- Information about export customers is freely communicated throughout our venture
- Our competitive strategies are based on understanding export customer needs
- Business functions related to our venture are integrated to serve export market needs
- Our business strategies are driven by increasing value for export customers
- We systematically and frequently assess export customer satisfaction with our venture
- We pay close attention to after sales service for our export customers
- Our top management regularly discuss export competitors' strengths and weaknesses
- Our managers understand how employees can contribute to value for export customers
- Export customers are targeted when we have an opportunity for competitive advantage
- We help our distributors anticipate developments in their export markets
- We continuously try to discover additional export customer needs of which our distributors are unaware
- We incorporate solutions to unarticulated export customer needs in our new products
- We brainstorm on how export customers use our products
- We innovate in our export market even at the risk of making our own products obsolete
- We search for opportunities in areas where export customers have a difficult time expressing their needs
- We work closely with lead users who try to recognize export customer needs months or even years before the majority of the market may recognize them
- We extrapolate key trends to gain insight into what users in a current export market will need in the future



Q 6: Continued

| Not at all | To a very slight extent | To a small extent | To a moderate extent | To a considerable extent | To a great extent | To an extreme extent | Don't Know |
|------------|-------------------------|-------------------|----------------------|--------------------------|-------------------|----------------------|------------|
| 1          | 2                       | 3                 | 4                    | 5                        | 6                 | 7                    | X          |

- Our venture can easily change it's strategic plans when a new technology emerges
- Our venture can easily change it's strategic plans when economic conditions shift
- Our venture can easily change it's strategic plans when a new competitor enters the market
- Our venture can easily change it's strategic plans when a governmental regulations change
- Our venture can easily change it's strategic plans when customer needs and preferences shift
- Our venture can easily change it's strategic plans when suppliers modify their strategies
- Our venture can easily change it's strategic plans when an unexpected opportunity arises
- Our venture can easily change it's strategic plans when an unexpected threat emerges
- Our venture can easily change it's strategic plans when there are political developments that affect our industry
- Our venture is aggressive and intensely competitive in trying to take away business from it's export competitors
- Our venture typically adopts a very competitive confrontational posture with it's export competitors
- Our venture is more innovative than our export competitors in deciding what methods to use in achieving our targets and objectives
- Our venture is more innovative than our export competitors in initiating new procedures or systems
- Our venture is more innovative than our export competitors in developing new ways for achieving our targets and objectives
- Our venture is more innovative than our export competitors in initiating changes in the job contents and work methods of our staff
- Managers agree that our venture's ability to learn is the key to export market competitive advantage
- Venture employee training and learning is seen as an investment rather than an expense
- The underlying values of our venture include learning as a key to improvement

Q 7: Here is a list of marketing assets and capabilities supplied by other managers about export ventures and what capabilities are brought in those ventures. Please rate **your** export venture, as above, relative to your export competitors in the following areas. *Please write in the number from the scale below that best represents your opinion.*

| <i>Much worse<br/>than<br/>competitors</i> | <i>Worse than<br/>competitors</i> | <i>Somewhat<br/>worse than<br/>competitors</i> | <i>Neither<br/>worse Nor<br/>better</i> | <i>Somewhat<br/>better than<br/>competitors</i> | <i>Better than<br/>competitors</i> | <i>Much better<br/>than<br/>competitors</i> |
|--|-----------------------------------|--|---|---|------------------------------------|---|
| 1  | 2                                 | 3  | 4                                       | 5   | 6                                  | 7   |

- Our financial management
- Our human resources management
- Our operations management expertise
- Our legal capabilities
- Our levels of employee job satisfaction compared to competitors
- Our levels of employee retention compared to competitors
- Our strength of relationships with distributors
- Our ability to attract and retain the best distributors
- Our ability to stay close with our distributors
- Our ability to add value to our distributors' businesses
- Our ability to provide high levels of service support to distributors
- Our ability to manage delivery to distributors
- Our ability to make most of all available information from distributors at the time  
when strategies are set
- Our ability to coordinate the interests of our distributors with all venture related  
functions
- The way we help our distributors anticipate developments in their markets
- The way we closely and frequently monitor distributor performance
- Our ability to launch successful new products and services
- Our effective new product development processes
- The way we ensure that product development processes are responsive to export  
customer needs
- Ability to successfully eliminate existing products
- Ability to successfully imitate export competitors' products
- Ability to effectively make changes in existing products

Q 7: Continued.

|                                    |                               |  |                                 |   |                                |                                     |
|------------------------------------|-------------------------------|--|---------------------------------|---|--------------------------------|-------------------------------------|
| <i>Much worse than competitors</i> | <i>Worse than competitors</i> | <i>Somewhat worse than competitors</i> | <i>Neither worse Nor better</i> | <i>Somewhat better than competitors</i> | <i>Better than competitors</i> | <i>Much better than competitors</i> |
| 1                                  | 2                             | 3                                      | 4                               | 5                                       | 6                              | 7                                   |

- Ability to effectively find new uses for existing products
- Ability to launch new products without losing focus on our entire product portfolio
- Our company reputation in the export market
- Our product or brand name in the export market
- Our credibility with customers through being well established in our export market
- Our product country of origin effects in the export market
- The uniqueness of our distribution approach
- Our ability to share technology with our distributor
- Our ability to access the managerial know-how and expertise of our distributor
- The technical quality of our products and services
- The level of customer service and support provided
- The price levels charged for our products and services
- The degree of innovation in our products and services
- The degree of customisation to individual customer requirements

Q 8: Do you believe your company has a competitive advantage over its export market place rivals? If so, how do you go about protecting and enhancing this advantage? *Please use the scale below:*

|                          |                 |                          |                |                       |              |                       |                   |
|--------------------------|-----------------|--------------------------|----------------|-----------------------|--------------|-----------------------|-------------------|
| <i>Strongly Disagree</i> | <i>Disagree</i> | <i>Somewhat Disagree</i> | <i>Neither</i> | <i>Somewhat Agree</i> | <i>Agree</i> | <i>Strongly Agree</i> | <i>Don't Know</i> |
| 1                        | 2               | 3                        | 4              | 5                     | 6            | 7                     | X                 |

- There would be significant costs for export customers if they switched from our products and services to those of competitors
- Our export competitive advantage is difficult for competitors to copy because it uses resources only we have access to
- It took time to build our export competitive advantage and competitors would find it time-consuming to follow a similar route
- Competitors find it difficult to see how we created our competitive advantage in the first place
- We protect our advantage legally through copyrights and patents

Q 9: Here are some other statements managers have made about their distributors. Please note that by export customer it is meant the **final customer** in your export market not your distributor. For this question please focus on your major distributor that operates in the same market as in question 5 above. *Please write in the number from the scale below closest to your views.*

|                   |                                |                          |                             |                                 |                          |                             |                   |
|-------------------|--------------------------------|--------------------------|-----------------------------|---------------------------------|--------------------------|-----------------------------|-------------------|
| <i>Not at all</i> | <i>To a very slight extent</i> | <i>To a small extent</i> | <i>To a moderate extent</i> | <i>To a considerable extent</i> | <i>To a great extent</i> | <i>To an extreme extent</i> | <i>Don't Know</i> |
| 1                 | 2                              | 3                        | 4                           | 5                               | 6                        | 7                           | X                 |

- Our distributor commitment to serving export customer needs is closely monitored
- Our distributor sales people share information about export competitors
- Our distributor objectives and strategies are driven by the creation of export customer satisfaction
- Our distributor achieves rapid response to export market competitive actions
- Our distributor top management regularly visit important export customers
- Information about export customers is freely communicated throughout our distributor
- Our distributor competitive strategies are based on understanding export customer needs
- Our distributor related business functions are integrated to serve export market needs
- Our distributor business strategies are driven by increasing value for export customers
- Customer satisfaction for our distributor is systematically and frequently assessed
- Our distributor gives close attention to after sales service
- Our distributor top management regularly discuss export competitors' strengths and weaknesses
- Our distributor managers understand how employees can contribute to value for export customers
- Customers are targeted when we have an opportunity for competitive advantage
- Our distributors anticipate developments in their markets
- Our distributors continuously try to discover additional export customer needs of which we are unaware
- Our distributors incorporate solutions to unarticulated export customer needs in our new products
- Our distributors brainstorm on how export customers use our products
- Our distributors innovate even at the risk of making our own products obsolete
- We search for opportunities in areas where export customers have a difficult time expressing their needs
- Our distributors work closely with lead users who try to recognize export customer needs months or even years before the majority of the market may recognize them
- Our distributors extrapolate key trends to gain insight into what users in a current export market will need in the future



Q 9 Continued:

| Not at all | To a very slight extent | To a small extent | To a moderate extent | To a considerable extent | To a great extent | To an extreme extent | Don't Know |
|------------|-------------------------|-------------------|----------------------|--------------------------|-------------------|----------------------|------------|
| 1          | 2                       | 3                 | 4                    | 5                        | 6                 | 7                    | X          |

- Our distributor can easily change it's strategic plans when a new technology emerges
- Our distributor can easily change it's strategic plans when economic conditions shift
- Our distributor can easily change it's strategic plans when a new competitor enters the market
- Our distributor can easily change it's strategic plans when a governmental regulations change
- Our distributor can easily change it's strategic plans when customer needs and preferences shift
- Our distributor can easily change it's strategic plans when suppliers modify their strategies
- Our distributor can easily change it's strategic plans when an unexpected opportunity arises
- Our distributor can easily change it's strategic plans when an unexpected threat emerges
- Our distributor can easily change it's strategic plans when there are political developments that affect our industry
- Our distributor is aggressive and intensely competitive in trying to take away business from it's export competitors
- Our distributor typically adopts a very competitive confrontational posture with it's export competitors
- Our distributor is more innovative than our export competitors in deciding what methods to use in achieving our targets and objectives
- Our distributor is more innovative than our export competitors in initiating new procedures or systems
- Our distributor is more innovative than our export competitors in developing new ways of achieving our targets and objectives
- Our distributor is innovative than our export competitors in initiating changes in the job contents and work methods of our staff
- Managers agree that our distributor's ability to learn is the key to export market competitive advantage
- Distributor employee training and learning is seen as an investment rather than an expense
- The underlying values of our distributor include learning as a key to improvement



Q 10: Here is a list of marketing assets and capabilities supplied by other managers for their distributors. For this question please focus on the same distributor as above. Please rate this distributor relative to other major distributors in the same market in the following areas. *Please write in the number from the scale below that best represents your opinion.*

|  |                                   |  |   |   |                                    |   |
|--|-----------------------------------|--|---|---|------------------------------------|---|
| <i>Much worse<br/>than<br/>competitors</i> | <i>Worse than<br/>competitors</i> | <i>Somewhat<br/>worse than<br/>competitors</i> | <i>Neither<br/>worse Nor<br/>better</i> | <i>Somewhat<br/>better than<br/>competitors</i> | <i>Better than<br/>competitors</i> | <i>Much better<br/>than<br/>competitors</i> |
| <b>1</b>                                   | <b>2</b>                          | <b>3</b>                                       | <b>4</b>                                | <b>5</b>  | <b>6</b>                           | <b>7</b>                                    |

- Our distributor's financial management
- Our distributor's human resources management
- Our distributor's operations management expertise
- Our distributor's legal capabilities
- Our distributor's levels of employee job satisfaction compared to competitors
- Our distributor's levels of employee retention compared to competitors
- Our distributor's marketing planning skills
- Our distributor's ability to effectively segment and target markets
- Our distributor's marketing management skills and processes
- Developing creative marketing strategies
- Thoroughness of marketing planning processes
- Our distributor's ability to share information with us about export customers and competitors
- Our distributor's ability to share with us confidential information
- Our distributor's ability to provide accurate information
- Our distributor's ability to deliver excellent financial performance
- Our distributor's ability to achieve market share or sales volume targets
- Our distributor's ability to deliver superior levels of customer performance
- Our distributor's trust in our relationship
- Our distributor's ability to Allocate Marketing Resources effectively
- Our distributor's ability to deliver marketing programs effectively
- Our distributor's ability to translate marketing strategies into action
- Our distributor's ability to execute marketing strategies quickly

Q 10: Continued.

|  |                                   |  |   |   |                                    |   |
|--|-----------------------------------|--|---|---|------------------------------------|---|
| <i>Much worse<br/>than<br/>competitors</i> | <i>Worse than<br/>competitors</i> | <i>Somewhat<br/>worse than<br/>competitors</i> | <i>Neither<br/>worse Nor<br/>better</i> | <i>Somewhat<br/>better than<br/>competitors</i> | <i>Better than<br/>competitors</i> | <i>Much better<br/>than<br/>competitors</i> |
| 1  | 2                                 | 3  | 4                                       | 5   | 6                                  | 7   |

- Our distributor's ability to monitor marketing performance
- Our distributor's ability to develop and execute advertising programs
- Our distributor's advertising management and creative skills
- Our distributor's public relations skills
- Our distributor's lobbying skills
- Our distributor's brand management skills and processes
- Our distributor's ability to manage corporate image and reputation
- Our distributor's ability to give salespeople the training they need to be effective
- Our distributor's sales management planning and control systems
- Our distributor's selling skills of salespeople
- Our distributor's sales management skills
- Our distributor's ability to provide effective sales support to the sales force
- Our distributor's ability to use pricing skills and systems to respond quickly to export market changes
- Our distributor's knowledge of competitors' pricing tactics
- Our distributor's ability to effectively price products/services
- Our distributor's ability to provide superior levels of export customer service support
- Our distributor's relationships with key target export customers
- Our distributor's ability to understand what export customer needs and requirements are
- Our distributor's ability to create relationships with customers
- Our distributor's ability to maintain and enhance relationships with customers
- Our distributor's company reputation in the market
- Our distributor's product or brand name in the market
- Our distributor's credibility with customers through being well established in the market
- The uniqueness of our distributor's distribution approach
- The ability of our distributor to share technology with our venture
- The ability of our distributor to access the managerial know-how and expertise of our venture

Q 11: In your last financial year, how well did your **venture** perform compared with your main competitors on the following criteria? How well did your company perform relative to the previous financial year? *For both of these questions please use the scale below.* Can you also tell us, which are the most important measures of performance in your **venture**? Please tick the **THREE** most important factors as far as your **venture** is concerned.

Much Worse      Somewhat Worse      Worse      The same      Better      Somewhat Better      Much Better

1                      2                      3                      4                      5                      6                      7

|   | Relative to main competitors | Relative to last financial year | Importance (tick up to three factors) |
|---|------------------------------|---------------------------------|---------------------------------------|
| Overall Profit Levels Achieved                      | <input type="checkbox"/>     | <input type="checkbox"/>        | <input type="checkbox"/>              |
| Profit Margins Achieved                             | <input type="checkbox"/>     | <input type="checkbox"/>        | <input type="checkbox"/>              |
| Return on Investment                                | <input type="checkbox"/>     | <input type="checkbox"/>        | <input type="checkbox"/>              |
| Return on Sales Achieved                            | <input type="checkbox"/>     | <input type="checkbox"/>        | <input type="checkbox"/>              |
| Sales Volume Achieved                               | <input type="checkbox"/>     | <input type="checkbox"/>        | <input type="checkbox"/>              |
| Market penetration established                      | <input type="checkbox"/>     | <input type="checkbox"/>        | <input type="checkbox"/>              |
| Market share achieved                               | <input type="checkbox"/>     | <input type="checkbox"/>        | <input type="checkbox"/>              |
| Levels of customer satisfaction achieved            | <input type="checkbox"/>     | <input type="checkbox"/>        | <input type="checkbox"/>              |
| Levels of customer loyalty achieved                 | <input type="checkbox"/>     | <input type="checkbox"/>        | <input type="checkbox"/>              |
| Shareholder satisfaction with financial performance | <input type="checkbox"/>     | <input type="checkbox"/>        | <input type="checkbox"/>              |

Q 12: Can you please now tell us a little more about your company? Which of the following, **best** describes the main industry your company operates in. Please tick **ONE** only:

|                                   |                          |                              |                          |
|-----------------------------------|--------------------------|------------------------------|--------------------------|
| Consumer Durables                 | <input type="checkbox"/> | Capital Industrial Equipment | <input type="checkbox"/> |
| Fast Moving Consumer Goods (FMCG) | <input type="checkbox"/> | Business Services            | <input type="checkbox"/> |
| Materials and Components          | <input type="checkbox"/> | Consumer Services            | <input type="checkbox"/> |
| Other                             | <input type="checkbox"/> |                              | <input type="checkbox"/> |

Q 13: What is the approximate number of employees in your company?

|              |                          |           |                          |                |                          |
|--------------|--------------------------|-----------|--------------------------|----------------|--------------------------|
| Less than 20 | <input type="checkbox"/> | 250-499   | <input type="checkbox"/> | More than 5000 | <input type="checkbox"/> |
| 20-99        | <input type="checkbox"/> | 500-999   | <input type="checkbox"/> | Don't Know     | <input type="checkbox"/> |
| 100-249      | <input type="checkbox"/> | 1000-4999 | <input type="checkbox"/> |                |                          |

Q14: What was the approximate total sales turnover of your company in your last financial year? *Please write in:*

Turnover: € \_\_\_\_\_

Q15: What was the approximate sales turnover of your total exports as % of your total sales turnover in your last financial year? *Please write in:*

Turnover: % \_\_\_\_\_

Q16: What was the approximate sales turnover of the venture you have been describing in the questions above as a % of your total exports sales in your last financial year? *Please write in:*

Turnover: % \_\_\_\_\_

Q17: What was the approximate profit before tax of your company as a % of your total company sales in your last financial year? *Please write in:*

Profit before tax (PBT): € \_\_\_\_\_

*Thank you very much for your time and your help.*

4<sup>th</sup> September 2006

## MARKETING RESOURCES OF ACTIVELY INVOLVED EXPORTERS

Dear Manager/Respondent,

I am a Ph.D. student at Aston University in Birmingham, U.K., and kindly ask you to participate in this study that seeks to identify success factors in export markets. This research project is supported by two academic institutions Aston University, in the U.K., and the ALBA Graduate Business School, in Greece.

Through your participation I hope to understand what resources are important for a successful export venture between the exporter and their agent/distributor and plan to share my results with all respondents by publishing a summary report once the data have been analyzed.

Given that export ventures involve both an exporter and an agent/distributor it is important to understand the perspective of both parties. Therefore, along with this letter there is one questionnaire titled distributor. A similar questionnaire will also be completed by the supplier that has identified your company as being more familiar with.

I am therefore asking you, if you wish to do so, to complete the attached questionnaire titled distributor and send either to my email address: [angelisi@aston.ac.uk](mailto:angelisi@aston.ac.uk) or fax it to +30-210-8964737. All responses will be treated as confidential and will be used only for academic purposes. The questionnaire should take 15minutes to complete.

Your participation as is voluntary, but your contribution can be substantial. Please reply! If you have any questions or concerns about completing the questionnaire or about being in this study, you may contact me at +44-(0)1902-843306.

Yannis Angelis  
Ph.D. Candidate  
e-mail: [angelisi@aston.ac.uk](mailto:angelisi@aston.ac.uk)  
Fax: +30-210-8964737

ASTON ACADEMY FOR RESEARCH IN MANAGEMENT, Aston University, Aston Triangle, Birmingham, B4 7ET, UK  
Tel: +44 (0)121 204 3219, Fax: +44 (0)121 204 3326, <http://www.abs.aston.ac.uk>

ALBA GRADUATE BUSINESS SCHOOL, 2A Athinas & Areos Avenue, 16671, Vouliagmeni, Greece  
Tel: +30-210-8964531 ext.(222), Fax: +30-210-8964737. <http://www.alba.edu.gr> Email: [angelisi@aston.ac.uk](mailto:angelisi@aston.ac.uk)



## MARKETING RESOURCES OF EXPORT VENTURES AND THEIR DISTRIBUTORS

Please fill in the following questions based on the supplier that has sent you this questionnaire and his product performance in the market you operate in.

Q 1: Which country does your company operate in? \_\_\_\_\_

Q 2: How many years has your firm been involved with the particular supplier?

Years: \_\_\_\_\_

Q 3: Do you believe your company has a competitive advantage over its rivals? If so, how do you go about protecting and enhancing this advantage? *Please use the scale below:*

|                          |                 |                          |                |                       |              |                       |                   |
|--------------------------|-----------------|--------------------------|----------------|-----------------------|--------------|-----------------------|-------------------|
| <i>Strongly Disagree</i> | <i>Disagree</i> | <i>Somewhat Disagree</i> | <i>Neither</i> | <i>Somewhat Agree</i> | <i>Agree</i> | <i>Strongly Agree</i> | <i>Don't Know</i> |
| <b>1</b>                 | <b>2</b>        | <b>3</b>                 | <b>4</b>       | <b>5</b>              | <b>6</b>     | <b>7</b>              | <b>X</b>          |

There would be significant costs for our customers if they switched from our products and services to those of our competitors

Our competitive advantage is difficult for competitors to copy because it uses resources only we have access to

It took time to build our competitive advantage and competitors would find it time-consuming to follow a similar route

Competitors find it difficult to see how we created our competitive advantage in the first place

We protect our advantage legally through copyrights and patents

Q 4: Here are some other statements distributor managers have made about their operations. Please note that by customer it is meant the **final customer in your market for your supplier's product**. Please write in the number from the scale below closest to your views.

|                   |                                |                          |                             |                                 |                          |                             |                   |
|-------------------|--------------------------------|--------------------------|-----------------------------|---------------------------------|--------------------------|-----------------------------|-------------------|
| <i>Not at all</i> | <i>To a very slight extent</i> | <i>To a small extent</i> | <i>To a moderate extent</i> | <i>To a considerable extent</i> | <i>To a great extent</i> | <i>To an extreme extent</i> | <i>Don't Know</i> |
| 1                 | 2                              | 3                        | 4                           | 5                               | 6                        | 7                           | X                 |

- Our commitment to serving customer needs is closely monitored
- Our sales people share information about competitors
- Our objectives and strategies are driven by the creation of customer satisfaction
- We achieve rapid response to market competitive actions
- Our top management regularly visit important customers
- Information about customers is freely communicated throughout our company
- Our competitive strategies are based on understanding customer needs
- Our business functions are integrated to serve market needs
- Our business strategies are driven by increasing value for customers
- Our customer satisfaction is systematically and frequently assessed
- We give close attention to after sales service
- Our top management regularly discuss competitors' strengths and weaknesses
- Our managers understand how employees can contribute to value for customers
- Customers are targeted when we have an opportunity for competitive advantage
- We anticipate developments in our markets
- We continuously try to discover additional customer needs of which we are unaware
- We incorporate solutions to unarticulated customer needs in our new products
- We brainstorm on how customers use our products
- We innovate even at the risk of making our own products obsolete
- We search for opportunities in areas where customers have a difficult time expressing their needs
- We work closely with lead users who try to recognize customer needs months or even years before the majority of the market may recognize them
- We extrapolate key trends to gain insight into what users in a current market will need in the future

Q 4 Continued:

| Not at all | To a very slight extent | To a small extent | To a moderate extent | To a considerable extent | To a great extent | To an extreme extent | Don't Know |
|------------|-------------------------|-------------------|----------------------|--------------------------|-------------------|----------------------|------------|
| 1          | 2                       | 3                 | 4                    | 5                        | 6                 | 7                    | X          |

- We can easily change our strategic plans when a new technology emerges
- We can easily change our strategic plans when economic conditions shift
- We can easily change our strategic plans when a new competitor enters the market
- We can easily change our strategic plans when a governmental regulations change
- We can easily change our strategic plans when customer needs and preferences shift
- We can easily change our strategic plans when suppliers modify their strategies
- We can easily change our strategic plans when an unexpected opportunity arises
- We can easily change our strategic plans when an unexpected threat emerges
- We can easily change our strategic plans when there are political developments that affect our industry
- We are aggressive and intensely competitive in trying to take away business from our competitors
- We typically adopt a very competitive confrontational posture with our competitors
- We are more innovative than our competitors in deciding what methods to use in achieving our targets and objectives
- We are more innovative than our competitors in initiating new procedures or systems
- We are more innovative than our competitors in developing new ways of achieving our targets and objectives
- We are more innovative than our competitors in initiating changes in the job contents and work methods of our staff
- Our ability to learn is the key to market competitive advantage
- Our employee training and learning is seen as an investment rather than an expense
- Our underlying values include learning as a key to improvement

Q 5: Here is a list of marketing assets and capabilities supplied distributor managers about their operations. Please rate your company relative to other major competitors in the same market in the following areas. *Please write in the number from the scale below that best represents your opinion.*

| <i>Much worse<br/>than<br/>competitors</i> | <i>Worse than<br/>competitors</i> | <i>Somewhat<br/>worse than<br/>competitors</i> | <i>Neither<br/>worse Nor<br/>better</i> | <i>Somewhat<br/>better than<br/>competitors</i> | <i>Better than<br/>competitors</i> | <i>Much better<br/>than<br/>competitors</i> |
|--|-----------------------------------|--|---|---|------------------------------------|---|
| 1  | 2                                 | 3  | 4                                       | 5   | 6                                  | 7   |

- Our financial management
- Our human resources management
- Our operations management expertise
- Our legal capabilities
- Our levels of employee job satisfaction compared to competitors
- Our levels of employee retention compared to competitors
- Our marketing planning skills
- Our ability to effectively segment and target markets
- Our marketing management skills and processes
- Our ability to develop creative marketing strategies
- The thoroughness of our marketing planning processes
- Our ability to share information with our supplier about customers and competitors
- Our ability to share with our supplier confidential information
- Our ability to provide accurate information to our supplier
- Our ability to deliver excellent financial performance
- Our ability to achieve market share or sales volume targets
- Our ability to deliver superior levels of customer performance
- Our trust in the relationship with our supplier
- Our ability to allocate marketing resources effectively
- Our ability to deliver marketing programs effectively
- Our ability to translate marketing strategies into action
- Our ability to execute marketing strategies quickly

Q 5: Continued.

|  |                                   |  |   |   |                                    |   |
|--|-----------------------------------|--|---|---|------------------------------------|---|
| <i>Much worse<br/>than<br/>competitors</i> | <i>Worse than<br/>competitors</i> | <i>Somewhat<br/>worse than<br/>competitors</i> | <i>Neither<br/>worse Nor<br/>better</i> | <i>Somewhat<br/>better than<br/>competitors</i> | <i>Better than<br/>competitors</i> | <i>Much better<br/>than<br/>competitors</i> |
| 1  | 2                                 | 3  | 4                                       | 5   | 6                                  | 7   |

- Our ability to monitor marketing performance
- Our ability to develop and execute advertising programs
- Our advertising management and creative skills
- Our public relations skills
- Our lobbying skills
- Our brand management skills and processes
- Our ability to manage corporate image and reputation
- Our ability to give salespeople the training they need to be effective
- Our sales management planning and control systems
- The selling skills of our salespeople
- Our sales management skills
- Our ability to provide effective sales support to the sales force
- Our ability to use pricing skills and systems to respond quickly to market changes
- Our knowledge of competitors' pricing tactics
- Our ability to effectively price products/services
- Our ability to provide superior levels of customer service support
- Our relationships with key target customers
- Our ability to understand what customer needs and requirements are
- Our ability to create relationships with customers
- Our ability to maintain and enhance relationships with customers
- Our company's reputation in the market
- Our product or brand name in the market
- Our credibility with customers through being well established in the market
- The uniqueness of our distribution approach
- Our ability to share technology with our supplier
- Our ability to access the managerial know-how and expertise of our supplier

*Marketing Research Group, Aston Business School, Aston University, Birmingham, B4 7ET, United Kingdom  
ALBA Graduate Business School, Athinas Ave. & 2A Areos Str., 166 71 Vouliagmeni, Greece. e-mail:  
angelisi@aston.ac.uk, Fax: +30-210-8964737*



Q 6: What is the approximate number of employees in your company?

Appendix 4 Survey Questionnaire Greek & English

|              |                          |           |                          |                |                          |
|--------------|--------------------------|-----------|--------------------------|----------------|--------------------------|
| Less than 20 | <input type="checkbox"/> | 250-499   | <input type="checkbox"/> | More than 5000 | <input type="checkbox"/> |
| 20-99        | <input type="checkbox"/> | 500-999   | <input type="checkbox"/> | Don't Know     | <input type="checkbox"/> |
| 100-249      | <input type="checkbox"/> | 1000-4999 | <input type="checkbox"/> |                |                          |

Q 7: What was the approximate total sales turnover of your company in your last financial year? *Please write in:*

Turnover: € \_\_\_\_\_

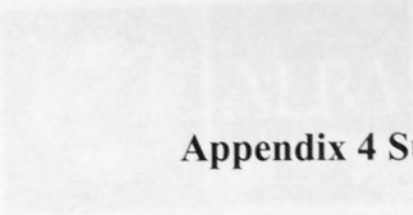
Q 8: What was the approximate sales turnover specific to the particular supplier's product as a % of your total sales turnover in your last financial year? *Please write in:*

Turnover: % \_\_\_\_\_

Q 9: What was the approximate profit before tax of your company as a % of your total company sales in your last financial year? *Please write in:*

Profit before tax (PBT): € \_\_\_\_\_

*Thank you very much for your time and your help.*



### Appendix 4 Survey Questionnaire Greek & English

Αθήνα, 15 Νοεμβρίου 2006

Αξιότιμη κυρία/κύριε,

Η έρευνά μας αφορά Marketing του ΑΕΚ (Αθλητική Ένωσις Κωνσταντινούπολης) School of Business σε συνεργασία με το Παιδαγωγικό Παιδείας και Επιστήμης της Αγωγής, Παιδαγωγικό Παιδείας και Επιστήμης της Αγωγής, Παιδαγωγικό Παιδείας και Επιστήμης της Αγωγής. Η έρευνα που το Παιδαγωγικό Παιδείας και Επιστήμης της Αγωγής, Παιδαγωγικό Παιδείας και Επιστήμης της Αγωγής είναι να δοθούν απαντήσεις σε κάποιες ερωτήσεις.

- Πώς είναι η επικοινωνία της εταιρείας με τους πελάτες σε επίπεδο του ελληνικού επιχειρηματικού περιβάλλοντος;
- Πώς επηρεάζει την επικοινωνία της εταιρείας με τους πελάτες στην Ελλάδα η επικοινωνία της εταιρείας με τους πελάτες στην Ελλάδα;

Το ενδιαφέρον της έρευνας είναι να διερευνηθεί η σχέση της επικοινωνίας της εταιρείας με τους πελάτες με την επικοινωνία της εταιρείας με τους πελάτες στην Ελλάδα. Η έρευνα που το Παιδαγωγικό Παιδείας και Επιστήμης της Αγωγής, Παιδαγωγικό Παιδείας και Επιστήμης της Αγωγής είναι να δοθούν απαντήσεις σε κάποιες ερωτήσεις.

Η έρευνα που το Παιδαγωγικό Παιδείας και Επιστήμης της Αγωγής, Παιδαγωγικό Παιδείας και Επιστήμης της Αγωγής είναι να δοθούν απαντήσεις σε κάποιες ερωτήσεις.

Η έρευνα που το Παιδαγωγικό Παιδείας και Επιστήμης της Αγωγής, Παιδαγωγικό Παιδείας και Επιστήμης της Αγωγής είναι να δοθούν απαντήσεις σε κάποιες ερωτήσεις.

Επικοινωνία με τον πελάτη  
 Επικοινωνία με τον πελάτη  
 Επικοινωνία με τον πελάτη  
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 Επικοινωνία με τον πελάτη



Αθήνα, 13 Νοεμβρίου 2006

Αξιότιμε/η κύριε/κυρία ,

Η ερευνητική ομάδα Marketing του ALBA (Athens Graduate School of Business) σε συνεργασία με το Πανεπιστήμιο του Aston, στο Birmingham της Αγγλίας, διεξάγει μια έρευνα για το **Στρατηγικό Εξαγωγικό Marketing στην Ελλάδα**. Στόχος της έρευνας είναι να δοθούν απαντήσεις σε καίρια ερωτήματα όπως:

- **Ποιοι είναι οι στρατηγικοί παράγοντες που οδηγούν σε επιτυχία την ελληνική εξαγωγική επιχείρηση;**
- **Πόσο συνδράμει στην επιτυχία της ελληνικής εξαγωγικής επιχείρησης ο αντιπρόσωπος της εκάστοτε χώρας στην οποία αυτή εξάγει;**

Το κατάλληλο πρόσωπο για να απαντήσει σε αυτή την έρευνα είναι ο Γενικός Διευθυντής, ο Διευθύνων Σύμβουλος, ο επικεφαλής του τμήματος Marketing (π.χ. Marketing Director, Marketing Manager ή Εμπορικός Διευθυντής), ή ο Διευθυντής/Υπεύθυνος Εξαγωγών της εταιρίας σας.

Θέλουμε να σας διαβεβαιώσουμε ότι **όλες οι απαντήσεις είναι ανώνυμες και δεν πρόκειται να χρησιμοποιηθούν παρά μόνο για τη διεξαγωγή ακαδημαϊκής έρευνας**. Μετά τη συμπλήρωση του ερωτηματολογίου από το κατάλληλο άτομο, παρακαλείσθε να το στείλετε στο ΦΑΞ: 210-8964737.

Κατανοούμε πλήρως ότι ο χρόνος σας είναι περιορισμένος, γι' αυτό και φροντίσαμε η συμπλήρωση του ερωτηματολογίου να μην είναι χρονοβόρος. Ως ένδειξη εκτίμησης για τη βοήθειά σας, **θα θέλαμε να σας αποστείλουμε τα αποτελέσματα της έρευνας**. Σε περίπτωση που επιθυμείτε να λάβετε τα αποτελέσματα, παρακαλούμε συμπεριλάβετε τα στοιχεία σας σε συνοδευτική επιστολή.

Σας ευχαριστούμε εκ των προτέρων.

Με εκτίμηση,  
Δρ. Βασίλης Θεοχαράκης  
Αναπληρωτής Καθηγητής Marketing  
ALBA  
e-mail: [vtheochar@alba.edu.gr](mailto:vtheochar@alba.edu.gr)  
Τηλ: 210-8964531  
ΦΑΞ: 210-8964737

ASTON ACADEMY FOR RESEARCH IN MANAGEMENT, Aston University, Aston Triangle, Birmingham, B4 7ET, UK  
Tel: +44 (0)121 204 3219, Fax: +44 (0)121 204 3326, <http://www.abs.aston.ac.uk>

ALBA GRADUATE BUSINESS SCHOOL, 2A Athinas & Arcos Avenue, 16671, Vouliagmeni, Greece  
Tel: +30-210-8964531 ext.(222), Fax: +30-210-8964737, <http://www.alba.edu.gr>

**MARKETING ΤΩΝ ΕΛΛΗΝΙΚΩΝ ΕΞΑΓΩΓΙΚΩΝ ΕΤΑΙΡΙΩΝ ΚΑΙ ΤΩΝ ΑΝΤΙΠΡΟΣΩΠΩΝ ΤΟΥΣ**

- E 1: Έτος ιδρύσεως της επιχείρησής; \_\_\_\_\_
- E 2: Σε πόσες χώρες πραγματοποιεί εξαγωγές η επιχείρησή σας; \_\_\_\_\_
- E 3: Πόσα χρόνια πραγματοποιεί εξαγωγές η επιχείρησή σας; \_\_\_\_\_

Παρακαλούμε **επιλέξτε μία εξαγωγική δραστηριότητα** με την οποία είστε εξοικειωμένοι προκειμένου να απαντήσετε στις ακόλουθες ερωτήσεις. Με τον όρο 'εξαγωγική δραστηριότητα' εννοούμε την εξαγωγή ενός συγκεκριμένου προϊόντος, σε μια συγκεκριμένη χώρα, μέσω ενός συγκεκριμένου αντιπροσώπου.

- E 4: Σε ποια χώρα πραγματοποιείται η εξαγωγική δραστηριότητα την οποία επιλέξατε;  
\_\_\_\_\_
- E 5: Για την αναφερόμενη εξαγωγική δραστηριότητα, προσδιορίστε πόσα χρόνια αυτή διεξάγεται:  
\_\_\_\_\_

E 6: Βασισμένοι στην αγορά σχετικά με την Ερώτηση 3, στην οποία η εξαγωγική σας δραστηριότητα πραγματοποιείται και ο αντιπρόσωπός σας λειτουργεί, παρακαλούμε, χρησιμοποιώντας την ακόλουθη κλίμακα προσδιορίστε κατά πόσο συμφωνείτε με κάθε μία από τις ακόλουθες προτάσεις αναφορικά με αυτή την αγορά:

| Καθόλου | Σε πολύ μικρό βαθμό | Σε μικρό βαθμό | Σε μέτριο βαθμό | Σε σημαντικό βαθμό | Σε μεγάλο βαθμό | Σε πολύ μεγάλο βαθμό | Δεν ξέρω |
|---------|---------------------|----------------|-----------------|--------------------|-----------------|----------------------|----------|
| 1       | 2                   | 3              | 4               | 5                  | 6               | 7                    | X        |

- Ο ανταγωνισμός σε αυτή την εξαγωγική αγορά είναι σκληρός
- Υπάρχει έντονος ανταγωνισμός προώθησης των πωλήσεων σε αυτή την εξαγωγική αγορά
- Σε αυτή την αγορά οτιδήποτε μπορεί να προσφέρει ένας ανταγωνιστής, μπορούν εύκολα και οι άλλοι
- Ο ανταγωνισμός τιμών είναι ένα έντονο χαρακτηριστικό αυτής της εξαγωγικής αγοράς
- Κάποιος ακούει για μία νέα κίνηση ανταγωνισμού σε αυτή την εξαγωγική αγορά σχεδόν κάθε μέρα
- Οι προτιμήσεις των πελατών της εξαγωγικής μας δραστηριότητας αλλάζουν αρκετά κατά τη διάρκεια του χρόνου
- Οι προτιμήσεις των νέων πελατών της εξαγωγικής μας δραστηριότητας σχετικά με τα προϊόντα τείνουν να είναι διαφορετικές από αυτές των υπαρχόντων πελατών
- Οι πελάτες αυτής της εξαγωγικής αγοράς ψάχνουν συνεχώς για νέα προϊόντα
- Η τεχνολογία στον κλάδο μας αλλάζει πολύ γρήγορα
- Οι τεχνολογικές αλλαγές παρέχουν σημαντικές ευκαιρίες στον κλάδο μας
- Ένας μεγάλος αριθμός νέων προϊόντων, έχει γίνει πραγματικότητα λόγω των τεχνολογικών καινοτομιών
- Σε αυτή την αγορά, η κυβερνητική νομοθεσία για την τιμολόγηση, τη διανομή, το περιβάλλον, την ανακύκλωση κτλ αλλάζει πολύ γρήγορα
- Σε αυτή την αγορά, η κυβερνητική νομοθεσία για την τιμολόγηση, τη διανομή, το περιβάλλον, την ανακύκλωση κτλ παρέχει μεγάλες ευκαιρίες στον κλάδο μας



Ε 7: Ακολουθεί μια σειρά από σχόλια/προτάσεις άλλων managers σχετικά με το marketing και τις πωλήσεις των εξαγωγικών τους δραστηριοτήτων. Με τον όρο πελάτη εννοούμε τον τελικό πελάτη στην αγορά που εξάγετε και όχι τον αντιπρόσωπό σας. Σχετικά με την εξαγωγική αγορά που επιλέξατε στην Ερώτηση 5, σε τι βαθμό είναι κάθε σχόλιο σχετικό με τη δική σας εξαγωγική δραστηριότητα; Παρακαλούμε σημειώσατε τον αριθμό, από την ακόλουθη κλίμακα, που αντιπροσωπεύει καλύτερα την άποψή σας.

| Καθόλου  | Σε πολύ μικρό βαθμό | Σε μικρό βαθμό | Σε μέτριο βαθμό | Σε σημαντικό βαθμό | Σε μεγάλο βαθμό | Σε πολύ μεγάλο βαθμό | Δεν ξέρω |
|--|---------------------|----------------|-----------------|--------------------|-----------------|----------------------|----------|
| 1  | 2                   | 3              | 4               | 5                  | 6               | 7                    | X        |
| Ελέγχουμε συχνά ότι εξυπηρετούμε τις ανάγκες των πελατών <input type="checkbox"/>  |                     |                |                 |                    |                 |                      |          |
| Οι πωλητές μας ενημερώνουν τους συναδέλφους τους για τυχόν πληροφορίες σχετικές με τον ανταγωνισμό <input type="checkbox"/>  |                     |                |                 |                    |                 |                      |          |
| Οι στόχοι και η στρατηγική μας χαράσσονται με βάση την ικανοποίηση των πελατών <input type="checkbox"/>  |                     |                |                 |                    |                 |                      |          |
| Καταφέρνουμε να αντιδρούμε έγκαιρα στις ενέργειες των ανταγωνιστών μας <input type="checkbox"/>  |                     |                |                 |                    |                 |                      |          |
| Τα ανώτερα διευθυντικά στελέχη μας επισκέπτονται τακτικά σημαντικούς πελάτες <input type="checkbox"/>  |                     |                |                 |                    |                 |                      |          |
| Οι πληροφορίες για τους πελάτες διακινούνται ελεύθερα μέσα στην εταιρία <input type="checkbox"/>   |                     |                |                 |                    |                 |                      |          |
| Η ανταγωνιστική στρατηγική μας βασίζεται στην κατανόηση των αναγκών των πελατών μας <input type="checkbox"/>   |                     |                |                 |                    |                 |                      |          |
| Οι επιχειρηματικές λειτουργίες είναι εναρμονισμένες ώστε να ικανοποιούν τις ανάγκες της αγοράς <input type="checkbox"/>  |                     |                |                 |                    |                 |                      |          |
| Η επιχειρησιακή στρατηγική στοχεύει στην αύξηση της προστιθέμενης αξίας προς τους πελάτες <input type="checkbox"/>   |                     |                |                 |                    |                 |                      |          |
| Η ικανοποίηση των πελατών μετριέται συστηματικά και συχνά <input type="checkbox"/>   |                     |                |                 |                    |                 |                      |          |
| Ιδιαίτερη προσοχή δίνεται στις υπηρεσίες μετά την πώληση <input type="checkbox"/>  |                     |                |                 |                    |                 |                      |          |
| Τα ανώτερα διευθυντικά στελέχη συζητούν συχνά τα δυνατά και αδύνατα σημεία των ανταγωνιστών <input type="checkbox"/>   |                     |                |                 |                    |                 |                      |          |
| Οι managers καταλαβαίνουν πως όλοι οι υπάλληλοι μπορούν να συμβάλουν στη δημιουργία προστιθέμενης αξίας για τους πελάτες <input type="checkbox"/>  |                     |                |                 |                    |                 |                      |          |
| Στοχεύουμε σε αγορές πελατών, όπου υπάρχει η δυνατότητα για ανταγωνιστικό πλεονέκτημα <input type="checkbox"/>   |                     |                |                 |                    |                 |                      |          |
| Βοηθάμε τους πελάτες μας να προβλέψουν τις εξελίξεις στην αγορά τους <input type="checkbox"/>  |                     |                |                 |                    |                 |                      |          |
| Προσπαθούμε συνεχώς να ανακαλύψουμε τις πρόσθετες ανάγκες των πελατών μας τις οποίες δεν γνωρίζουν <input type="checkbox"/>  |                     |                |                 |                    |                 |                      |          |
| Οι ανάγκες των πελατών μας ενσωματώνονται στα νέα προϊόντα μας <input type="checkbox"/>  |                     |                |                 |                    |                 |                      |          |
| Συζητάμε συχνά για το πώς οι πελάτες μας χρησιμοποιούν τα προϊόντα και τις υπηρεσίες μας <input type="checkbox"/>  |                     |                |                 |                    |                 |                      |          |
| Καινοτομούμε στην αγορά της εξαγωγικής μας δραστηριότητας ακόμα και με κίνδυνο να καταστήσουμε τα προϊόντα μας ξεπερασμένα <input type="checkbox"/>  |                     |                |                 |                    |                 |                      |          |
| Ψάχνουμε για ευκαιρίες στις περιοχές όπου οι πελάτες μας έχουν δυσκολία να εκφράσουν τις ανάγκες τους <input type="checkbox"/>   |                     |                |                 |                    |                 |                      |          |
| Συνεργαζόμαστε στενά με τους «κύριους χρήστες» που προσπαθούν να αναγνωρίσουν τις ανάγκες των πελατών μας, αρκετό καιρό πριν να μπορέσει να τις αναγνωρίσει η αγορά <input type="checkbox"/> |                     |                |                 |                    |                 |                      |          |
| Χρησιμοποιούμε τις βασικές τάσεις της αγοράς για να προβλέψουμε αυτά που οι χρήστες θα χρειαστούν στο μέλλον <input type="checkbox"/>  |                     |                |                 |                    |                 |                      |          |
| Η εξαγωγική μας δραστηριότητα μπορεί εύκολα να αλλάξει στρατηγική όταν προκύψει μια νέα τεχνολογία <input type="checkbox"/>  |                     |                |                 |                    |                 |                      |          |
| Η εξαγωγική μας δραστηριότητα μπορεί εύκολα να αλλάξει στρατηγική όταν αλλάξουν οι οικονομικές συνθήκες <input type="checkbox"/>   |                     |                |                 |                    |                 |                      |          |
| Η εξαγωγική μας δραστηριότητα μπορεί εύκολα να αλλάξει στρατηγική όταν μπει στην αγορά ένας νέος ανταγωνιστής <input type="checkbox"/>   |                     |                |                 |                    |                 |                      |          |



Ε 7: Συνέχεια

| Καθόλου  | Σε πολύ μικρό βαθμό | Σε μικρό βαθμό | Σε μέτριο βαθμό | Σε σημαντικό βαθμό | Σε μεγάλο βαθμό | Σε πολύ μεγάλο βαθμό | Δεν ξέρω |
|--|---------------------|----------------|-----------------|--------------------|-----------------|----------------------|----------|
| 1  | 2                   | 3              | 4               | 5                  | 6               | 7                    | X        |
| <p>Η εξαγωγική μας δραστηριότητα μπορεί εύκολα να αλλάξει στρατηγική όταν αλλάξει η κυβερνητική νομοθεσία <input type="checkbox"/></p> <p>Η εξαγωγική μας δραστηριότητα μπορεί εύκολα να αλλάξει στρατηγική όταν αλλάξουν οι προτιμήσεις και οι ανάγκες των πελατών μας <input type="checkbox"/></p> <p>Η εξαγωγική μας δραστηριότητα μπορεί εύκολα να αλλάξει στρατηγική όταν υπάρχουν πολιτικές εξελίξεις που έχουν επιπτώσεις στο κλάδο μας <input type="checkbox"/></p> <p>Η εξαγωγική μας δραστηριότητα είναι επιθετική και έντονα ανταγωνιστική στην προσπάθεια μας να κερδίσουμε μερίδιο αγοράς από άλλες εξαγωγικές επιχειρήσεις <input type="checkbox"/></p> <p>Η εξαγωγική μας δραστηριότητα υιοθετεί μία ιδιαίτερα επιθετική στάση με τους ανταγωνιστές της <input type="checkbox"/></p> <p>Στην εξαγωγική μας δραστηριότητα είμαστε περισσότερο καινοτόμοι από τους ανταγωνιστές μας στον τρόπο με τον οποίο αποφασίζουμε τι μεθόδους να χρησιμοποιήσουμε για την επίτευξη των στόχων μας <input type="checkbox"/></p> <p>Στην εξαγωγική μας δραστηριότητα είμαστε περισσότερο καινοτόμοι από τους ανταγωνιστές μας στον τρόπο με τον οποίο εισάγουμε νέες διαδικασίες ή συστήματα <input type="checkbox"/></p> <p>Στην εξαγωγική μας δραστηριότητα είμαστε περισσότερο καινοτόμοι από τους ανταγωνιστές μας στο να δημιουργούμε νέους τρόπους επίτευξης των στόχων μας <input type="checkbox"/></p> <p>Στην εξαγωγική μας δραστηριότητα είμαστε περισσότερο καινοτόμοι από τους ανταγωνιστές μας στην εισαγωγή αλλαγών στις μεθόδους και το αντικείμενο εργασίας του προσωπικού <input type="checkbox"/></p> <p>Οι managers συμφωνούν ότι η ικανότητα της εξαγωγικής μας δραστηριότητας 'να μαθαίνει', αποτελεί το κλειδί για την απόκτηση ανταγωνιστικού πλεονεκτήματος <input type="checkbox"/></p> <p>Η εκπαίδευση και η μάθηση των υπαλλήλων της εξαγωγικής μας δραστηριότητας θεωρείται επένδυση και όχι δαπάνη <input type="checkbox"/></p> <p>Οι αρχές που διέπουν την εξαγωγική μας δραστηριότητα περιλαμβάνουν τη μάθηση ως κλειδί για βελτίωση <input type="checkbox"/></p> |                     |                |                 |                    |                 |                      |          |

Ε 8: Ακολουθεί μια λίστα από δυνατότητες και ικανότητες marketing που έχουν αναφέρει άλλοι managers για τις εξαγωγικές τους δραστηριότητες. Παρακαλούμε βαθμολογήστε την εξαγωγική σας δραστηριότητα σε σχέση με τους ανταγωνιστές σας, χρησιμοποιώντας την ακόλουθη κλίμακα:

| Πολύ κατώτερα από τον ανταγωνισμό  | Κατώτερα από τον ανταγωνισμό | Λίγο κατώτερα από τον ανταγωνισμό | Το ίδιο όπως ο ανταγωνισμός | Λίγο ανώτερα από τον ανταγωνισμό | Ανώτερα από τον ανταγωνισμό | Πολύ ανώτερα από τον ανταγωνισμό |
|--|------------------------------|-----------------------------------|-----------------------------|----------------------------------|-----------------------------|----------------------------------|
| 1  | 2                            | 3                                 | 4                           | 5                                | 6                           | 7                                |
| <p>Η ικανότητα χρηματοοικονομικής διαχείρισης <input type="checkbox"/></p> <p>Η αποτελεσματική διαχείριση ανθρώπινων πόρων <input type="checkbox"/></p> <p>Η ικανότητα διαχείρισης των επιχειρησιακών λειτουργιών (operations management) <input type="checkbox"/></p> <p>Οι νομικές μας ικανότητες <input type="checkbox"/></p> <p>Βαθμός ικανοποίησης των υπαλλήλων από τη δουλειά τους <input type="checkbox"/></p> <p>Διατηρησιμότητα εργαζομένων (employee retention) <input type="checkbox"/></p> <p>Οι σχέσεις με τους αντιπροσώπους μας <input type="checkbox"/></p> |                              |                                   |                             |                                  |                             |                                  |



E 9: Θεωρείτε ότι η επιχείρησή σας έχει ένα ανταγωνιστικό πλεονέκτημα ως προς τη θέση που έχει στη αγορά εξαγωγών, έναντι των ανταγωνιστών της; Αν ναι, τότε τι κάνετε για να διαφυλάξετε το πλεονέκτημα αυτό; Παρακαλούμε χρησιμοποιήστε την παρακάτω κλίμακα:

|                   |         |                     |                              |                     |         |                 |             |
|-------------------|---------|---------------------|------------------------------|---------------------|---------|-----------------|-------------|
| Διαφωνώ<br>έντονα | Διαφωνώ | Διαφωνώ<br>εν μέρει | Ούτε διαφωνώ<br>ούτε συμφωνώ | Συμφωνώ<br>εν μέρει | Συμφωνώ | Συμφωνώ<br>πολύ | Δεν γνωρίζω |
| 1                 | 2       | 3                   | 4                            | 5                   | 6       | 7               | X           |

- Θα υπήρχε σημαντικό κόστος για τους πελάτες μας αν αποφάσιζαν να προτιμήσουν τα προϊόντα ή τις υπηρεσίες των ανταγωνιστών μας
- Είναι δύσκολο για τους ανταγωνιστές μας να αντιγράψουν το ανταγωνιστικό μας πλεονέκτημα, γιατί στηρίζεται σε πόρους που είναι προσβάσιμοι μόνο από εμάς
- Χρειάστηκε πολύς χρόνος για να χτίσουμε το ανταγωνιστικό μας πλεονέκτημα και θα είναι πολύ χρονοβόρο για τους ανταγωνιστές μας να ακολουθήσουν μια παρόμοια πορεία
- Οι ανταγωνιστές μας δυσκολεύονται να καταλάβουν πώς δημιουργήσαμε το ανταγωνιστικό μας πλεονέκτημα
- Οι ανταγωνιστές μας θα μπορούσαν να αντιγράψουν το ανταγωνιστικό μας πλεονέκτημα, αλλά θα ήταν αντιοικονομικό για αυτούς
- Προστατεύουμε νομικά το πλεονέκτημά μας κατοχυρώνοντας τα δικαιώματα πνευματικής ιδιοκτησίας μας και με πατέντες

E 10: Ακολουθεί μια σειρά από σχόλια/ προτάσεις που έχουν κάνει managers για τους διανομείς τους. Παρακαλώ σημειώστε ότι με τον όρο πελάτης εννοούμε τον τελικό πελάτη στην αγορά που εξάγεται και όχι τον αντιπρόσωπό σας. Σχετικά με τον αντιπρόσωπό σας που αναπτύσσει δραστηριότητες στην αγορά που επιλέξατε στην ερώτηση 5, σε τι βαθμό είναι κάθε σχόλιο σχετικό με τον αντιπρόσωπό σας; Παρακαλούμε σημειώστε τον αριθμό, από την ακόλουθη, που αντιπροσωπεύει καλύτερα την άποψή σας.

|         |                        |                   |                    |                       |                    |                         |          |
|---------|------------------------|-------------------|--------------------|-----------------------|--------------------|-------------------------|----------|
| Καθόλου | Σε πολύ μικρό<br>βαθμό | Σε μικρό<br>βαθμό | Σε μέτριο<br>βαθμό | Σε σημαντικό<br>βαθμό | Σε μεγάλο<br>βαθμό | Σε πολύ μεγάλο<br>βαθμό | Δεν ξέρω |
| 1       | 2                      | 3                 | 4                  | 5                     | 6                  | 7                       | X        |

- Ελέγχουμε συχνά ότι ο αντιπρόσωπός μας εξυπηρετεί τις ανάγκες των πελατών
- Οι πωλητές του αντιπροσώπου μας, ενημερώνουν τους συναδέλφους τους για τυχόν πληροφορίες σχετικές με τον ανταγωνισμό
- Οι στόχοι και η στρατηγική του αντιπροσώπου μας χαράσσονται με βάση την ικανοποίηση των πελατών
- Ο αντιπρόσωπος μας καταφέρνει να αντιδρά έγκαιρα στις ενέργειες των ανταγωνιστών μας
- Τα ανώτερα διευθυντικά στελέχη του αντιπροσώπου μας επισκέπτονται τακτικά σημαντικούς πελάτες
- Οι πληροφορίες για τους πελάτες διακινούνται ελεύθερα στον αντιπρόσωπό μας
- Η ανταγωνιστική στρατηγική του αντιπροσώπου μας βασίζεται στην κατανόηση των αναγκών των πελατών μας
- Οι επιχειρηματικές λειτουργίες του αντιπροσώπου μας είναι εναρμονισμένες ώστε να ικανοποιούν τις ανάγκες της αγοράς
- Η επιχειρησιακή στρατηγική του αντιπροσώπου μας στοχεύει στην αύξηση της προστιθέμενης αξίας προς τους πελάτες
- Η ικανοποίηση των πελατών από τον αντιπρόσωπό μας μετριέται συστηματικά και συχνά
- Ο αντιπρόσωπος μας δίνει ιδιαίτερη προσοχή στις υπηρεσίες μετά την πώληση
- Τα ανώτερα διευθυντικά στελέχη του αντιπροσώπου μας συζητούν συχνά τα δυνατά και αδύνατα σημεία των ανταγωνιστών
- Οι managers του αντιπροσώπου μας καταλαβαίνουν πως όλοι οι υπάλληλοι μπορούν να συμβάλουν στη δημιουργία προστιθέμενης αξίας για τους πελάτες
- Ο αντιπρόσωπός μας στοχεύει σε αγορές πελατών, όπου υπάρχει η δυνατότητα για ανταγωνιστικό πλεονέκτημα





**Ε 11: Συνέχεια**

|  |   |  |  |   |  |   |
|--|---|--|--|---|--|---|
| <i>Πολύ κατώτερα<br/>από τον<br/>ανταγωνισμό</i> | <i>Κατώτερα από<br/>τον<br/>ανταγωνισμό</i> | <i>Λίγο κατώτερα<br/>από τον<br/>ανταγωνισμό</i> | <i>Το ίδιο όπως<br/>ο ανταγωνισμός</i> | <i>Λίγο ανώτερα από<br/>τον ανταγωνισμό</i> | <i>Ανώτερα από<br/>τον ανταγωνισμό</i> | <i>Πολύ ανώτερα<br/>από τον<br/>ανταγωνισμό</i> |
| 1  | 2   | 3  | 4                                      | 5   | 6                                      | 7   |

- Η ικανότητα του αντιπροσώπου μας να διαχειρίζεται την εταιρική εικόνα και φήμη
- Η ικανότητα του αντιπροσώπου μας να παρέχει στους πωλητές του την κατάρτιση που χρειάζονται ώστε να είναι αποτελεσματικοί
- Ο διοικητικός προγραμματισμός των πωλήσεων και τα συστήματα ελέγχου του αντιπροσώπου μας
- Η ικανότητα πώλησης των πωλητών του αντιπροσώπου μας
- Η ικανότητα του αντιπροσώπου μας στη διοίκηση των πωλήσεων
- Η ικανότητα του αντιπροσώπου μας να παρέχει αποτελεσματική στήριξη στους πωλητές του
- Η ικανότητα του αντιπροσώπου μας να χρησιμοποιεί συστήματα τιμολόγησης για να ανταποκρίνεται γρήγορα στις αλλαγές της αγοράς.
- Η γνώση του αντιπροσώπου μας για τις τακτικές τιμολόγησης των ανταγωνιστών μας
- Η ικανότητα του αντιπροσώπου μας να τιμολογεί αποτελεσματικά προϊόντα/υπηρεσίες
- Η ικανότητα του αντιπροσώπου μας να παρέχει υψηλού επιπέδου εξυπηρέτηση στους πελάτες
- Οι σχέσεις του αντιπροσώπου μας με τους βασικούς πελάτες
- Η ικανότητα του αντιπροσώπου μας να καταλάβει ποιες είναι οι ανάγκες και οι απαιτήσεις του πελάτη
- Η ικανότητα του αντιπροσώπου μας να δημιουργεί σχέσεις με τους πελάτες
- Η ικανότητα του αντιπροσώπου μας να διατηρεί και να ενισχύει τις σχέσεις με τους πελάτες
- Η φήμη της επιχείρησης του αντιπροσώπου μας στην αγορά
- Το προϊόν ή το εμπορικό σήμα του αντιπροσώπου μας στην αγορά
- Η αξιοπιστία του αντιπροσώπου μας με τους πελάτες μέσω της καθιέρωσής του στην αγορά
- Η μοναδικότητα του τρόπου διανομής του αντιπροσώπου μας
- Η ικανότητα του αντιπροσώπου μας να μοιράζεται την τεχνολογία μαζί μας
- Η ικανότητα του αντιπροσώπου μας να έχει πρόσβαση στην τεχνογνωσία και την εμπειρία της εξαγωγικής μας δραστηριότητας

**Ε 12:** Σκεπτόμενος την εξαγωγική δραστηριότητα και την απόδοσή της κατά την τελευταία οικονομική χρήση, παρακαλούμε δείξτε κατά πόσο συμφωνείτε με κάθε μια από τις ακόλουθες δηλώσεις χρησιμοποιώντας την κλίμακα:

|                |                                |                           |                            |                               |                            |                                 |                 |
|----------------|--------------------------------|---------------------------|----------------------------|-------------------------------|----------------------------|---------------------------------|-----------------|
| <i>Καθόλου</i> | <i>Σε πολύ μικρό<br/>βαθμό</i> | <i>Σε μικρό<br/>βαθμό</i> | <i>Σε μέτριο<br/>βαθμό</i> | <i>Σε σημαντικό<br/>βαθμό</i> | <i>Σε μεγάλο<br/>βαθμό</i> | <i>Σε πολύ μεγάλο<br/>βαθμό</i> | <i>Δεν ξέρω</i> |
| 1              | 2                              | 3                         | 4                          | 5                             | 6                          | 7                               | X               |

- Η απόδοση της εξαγωγικής δραστηριότητας είναι πολύ ικανοποιητική
- Η εξαγωγική δραστηριότητα είναι πολύ επιτυχής
- Η εξαγωγική δραστηριότητα έχει ικανοποιήσει πλήρως τις προσδοκίες μας



Ε 13: Κατά την τελευταία οικονομική χρήση, πόσο καλή ήταν η απόδοση της εταιρίας σχετικά με την απόδοση των ανταγωνιστών; Επίσης, πόσο καλή απόδοση είχε η εταιρία σας σχετικά με το προηγούμενο από αυτή (την οικονομική χρήση) έτος; Και για τα 2 αυτά ερωτήματα, παρακαλούμε επιλέξτε έναν αριθμό από την παρακάτω κλίμακα και σημειώστε τον στις 2 πρώτες στήλες. Σημειώστε επίσης με √ τα 3 πιο σημαντικά κριτήρια για την απόδοση της εταιρίας σας στην τρίτη στήλη.

| Πολύ χειρότερα  | Κάπως χειρότερα | Χειρότερα | Το ίδιο | Καλύτερα                              | Λίγο καλύτερα                 | Πολύ καλύτερα                                    |
|---|-----------------|-----------|---------|---------------------------------------|-------------------------------|--|
| 1   | 2               | 3         | 4       | 5                                     | 6                             | 7  |
|   |                 |           |         | Σχετικά με τους βασικούς ανταγωνιστές | Σχετικά με το τελευταία χρήση | Σημαντικότητα (σημειώστε μέχρι τρεις παράγοντες) |
| Συνολικό επίπεδο κερδών                               |                 |           |         | <input type="checkbox"/>              | <input type="checkbox"/>      | <input type="checkbox"/>                         |
| Περιθώρια κέρδους                                     |                 |           |         | <input type="checkbox"/>              | <input type="checkbox"/>      | <input type="checkbox"/>                         |
| Αποδοτικότητα επενδυμένου κεφαλαίου                   |                 |           |         | <input type="checkbox"/>              | <input type="checkbox"/>      | <input type="checkbox"/>                         |
| Αποδοτικότητα πωλήσεων                                |                 |           |         | <input type="checkbox"/>              | <input type="checkbox"/>      | <input type="checkbox"/>                         |
| Όγκος πωλήσεων  |                 |           |         | <input type="checkbox"/>              | <input type="checkbox"/>      | <input type="checkbox"/>                         |
| Βαθμός διείσδυσης στην αγορά (market penetration)     |                 |           |         | <input type="checkbox"/>              | <input type="checkbox"/>      | <input type="checkbox"/>                         |
| Μερίδιο αγοράς  |                 |           |         | <input type="checkbox"/>              | <input type="checkbox"/>      | <input type="checkbox"/>                         |
| Επίπεδα ικανοποίησης πελατών                          |                 |           |         | <input type="checkbox"/>              | <input type="checkbox"/>      | <input type="checkbox"/>                         |
| Πιστοί πελάτες (customer loyalty)                     |                 |           |         | <input type="checkbox"/>              | <input type="checkbox"/>      | <input type="checkbox"/>                         |
| Η ικανοποίηση μετόχων με τη χρηματοοικονομική απόδοση |                 |           |         | <input type="checkbox"/>              | <input type="checkbox"/>      | <input type="checkbox"/>                         |

Ε 14: Μπορείτε να μας πείτε μερικά παραπάνω πράγματα για την εταιρία σας; Ποιο από τα παρακάτω περιγράφει καλύτερα την αγορά στην οποία δραστηριοποιείστε; Παρακαλούμε σημειώστε με √ μόνο ένα.

|  |                          |   |                          |
|--|--------------------------|---|--------------------------|
| Καταναλωτικά αγαθά διαρκείας (Consumer Durables) | <input type="checkbox"/> | Βιομηχανικός εξοπλισμός/ Μηχανήματα υψηλής κεφαλαιακής αξίας (Capital industrial equipment) | <input type="checkbox"/> |
| Καταναλωτικά αγαθά (FMCG)                        | <input type="checkbox"/> | Υπηρεσίες για επιχειρήσεις (Business Services)  | <input type="checkbox"/> |
| Πρώτες ύλες/ Εξαρτήματα (Materials & Components) | <input type="checkbox"/> | Υπηρεσίες καταναλωτών (Consumer Services)   | <input type="checkbox"/> |
| Άλλο   | <input type="checkbox"/> |   |                          |

Ε 15: Ποιος είναι, κατά προσέγγιση, ο αριθμός των υπαλλήλων στην επιχείρησή σας;

|                 |                          |         |                          |                       |                          |
|-----------------|--------------------------|---------|--------------------------|-----------------------|--------------------------|
| Λιγότεροι από 9 | <input type="checkbox"/> | 100-249 | <input type="checkbox"/> | 1000-4999             | <input type="checkbox"/> |
| 10-19           | <input type="checkbox"/> | 250-499 | <input type="checkbox"/> | Περισσότεροι από 5000 | <input type="checkbox"/> |
| 20-99           | <input type="checkbox"/> | 500-999 | <input type="checkbox"/> | Δεν γνωρίζω           | <input type="checkbox"/> |

E 16: Είναι οικογενειακή επιχείρηση; Ναι \_\_\_\_\_ Όχι \_\_\_\_\_

Αν ναι, παρακαλώ συμπληρώστε τις ερωτήσεις 17, 18 και 19. Ειδάλλως συνεχίστε από την ερώτηση 20.

E 17: Ποσοστό της επιχείρησης που ανήκει στην οικογένεια; \_\_\_\_\_ %

E 18: Το άτομο που διοικεί την επιχείρηση σε καθημερινή βάση είναι μέλος της οικογένειας;

Ναι \_\_\_\_\_ Όχι \_\_\_\_\_

E 19: Ποια γενιά της οικογένειας λειτουργεί την επιχείρηση σήμερα;

1<sup>η</sup> \_\_\_\_\_ 2<sup>η</sup> \_\_\_\_\_ 3<sup>η</sup> \_\_\_\_\_ 4<sup>η</sup> \_\_\_\_\_ 5<sup>η</sup> \_\_\_\_\_

E 20: Ποιο ποσοστό από την παραγωγή σας πραγματοποιείται σε χώρες του εξωτερικού; \_\_\_\_\_ %

Σε ποιές; \_\_\_\_\_

E 21 : Ποιος ήταν, κατά προσέγγιση, ο συνολικός κύκλος εργασιών (πωλήσεις) της επιχείρησής σας κατά την τελευταία οικονομική χρήση;

Κύκλος εργασιών: € \_\_\_\_\_

E 22: Ποιος ήταν, κατά προσέγγιση, ο κύκλος εργασιών (πωλήσεις) **των συνολικών εξαγωγών** σας ως ποσοστό (%) επί του συνολικού κύκλου εργασιών (πωλήσεων) σας κατά την τελευταία οικονομική χρήση;

Κύκλος εργασιών: % \_\_\_\_\_

E 23: Ποιος ήταν κατά προσέγγιση ο κύκλος εργασιών (πωλήσεις) της εξαγωγικής δραστηριότητας που έχετε περιγράψει στις παραπάνω ερωτήσεις ως ποσοστό (%) επί των συνολικών εξαγωγών, κατά την τελευταία οικονομική χρήση;

Κύκλος εργασιών: % \_\_\_\_\_

E 24: Ποια ήταν, κατά προσέγγιση, τα κέρδη προ φόρων της επιχείρησής σας ως ποσοστό (%) επί των συνολικών πωλήσεων της επιχείρησής σας, στο τελευταίο οικονομικό έτος; Παρακαλώ γράψτε σε;

Κέρδη προ φόρων (ΚΠΦ): % \_\_\_\_\_

Για να μπορέσουμε να σας αποστείλουμε τα αποτελέσματα της έρευνας που διεξάγουμε παρακαλώ συμπληρώστε τα ακόλουθα στοιχεία επικοινωνίας:

Όνομα: \_\_\_\_\_ Επίθετο: \_\_\_\_\_

Διεύθυνση: \_\_\_\_\_

E-mail Address: \_\_\_\_\_ Επωνυμία Επιχείρησης: \_\_\_\_\_

**Σας ευχαριστούμε πολύ για το χρόνο και τη βοήθειά σας**

ALBA Graduate Business School, Athinas Ave. & 2A Areos Str., 166 71 Vouliagmeni, Greece.

Tel : +30-210-8964531, Fax: +30-210-8964737, e-mail: vtheohar@alba.edu.gr &

Marketing Research Group, Aston Business School, Aston University, Birmingham, B4 7ET, United Kingdom

15L

## MARKETING RESOURCES OF EXPORT VENTURES AND THEIR DISTRIBUTORS

Q 1: What year was your company established? \_\_\_\_\_

Q 2: How many countries do you export to? \_\_\_\_\_

Q 3: How many years has your firm been involved in exporting? \_\_\_\_\_

Please **choose a venture** that you are familiar with in order to answer the following questions. By venture it is meant the exporting of a specific product to a specific country through a specific distributor.

Q 4: What country does this venture export to? \_\_\_\_\_

Q 5: For the venture reported, please indicate how many years the venture has been operating:  
\_\_\_\_\_

Q 6: Thinking about the market from Question 3, in which your export venture sells and the distributor operates in, *Please indicate how far you agree with each of the following statements about this particular market using the scale:*

| Not at all | <i>To a very slight extent</i> | <i>To a small extent</i> | <i>To a moderate extent</i> | <i>To a considerable extent</i> | <i>To a great extent</i> | <i>To an extreme extent</i> | Don't Know |
|------------|--------------------------------|--------------------------|-----------------------------|---------------------------------|--------------------------|-----------------------------|------------|
| 1          | 2                              | 3                        | 4                           | 5                               | 6                        | 7                           | X          |

- Competition in this export market is "cut-throat"
- There are many promotion wars in this export market
- In this market anything that one competitor can offer others can match easily
- Price competition is a hallmark of this export market
- One hears of a new competitive move in this export market almost every day
- Our export customers' product preferences change quite a bit over time
- New export customers in this market tend to have product-related needs that are different from existing customers
- Customers in this market tend to look for new products all the time
- The technology in our industry is changing rapidly
- Technological changes provide big opportunities in our industry
- A large number of new product ideas have been made possible through technological breakthroughs
- In this market governmental regulations in pricing, distribution, environment, recycling, etc. change rapidly
- In this market governmental regulations in pricing, distribution, environment, recycling, etc. provide big opportunities in our industry

Q 7: Here are a number of statements other managers have made about marketing and sales issues for their **export ventures**. Please note that by customer it is meant the final customer in your export market not your distributor. Thinking about the export market you just answered question 6 for, how well do you think each statement relates to **your venture** operating in the same market? Please write in the number from the scale below that best represents your opinion.

|                   |                                |                          |                             |                                 |                          |                             |                   |
|-------------------|--------------------------------|--------------------------|-----------------------------|---------------------------------|--------------------------|-----------------------------|-------------------|
|                   | <i>To a very slight extent</i> | <i>To a small extent</i> | <i>To a moderate extent</i> | <i>To a considerable extent</i> | <i>To a great extent</i> | <i>To an extreme extent</i> | <i>Don't Know</i> |
| <i>Not at all</i> |                                |                          |                             |                                 |                          |                             |                   |
| <b>1</b>          | <b>2</b>                       | <b>3</b>                 | <b>4</b>                    | <b>5</b>                        | <b>6</b>                 | <b>7</b>                    | <b>X</b>          |

- Our commitment to serving export customer needs is closely monitored 1
- Our sales people or export managers share information about export competitors 2
- Our objectives and strategies are driven by the creation of export customer satisfaction 3
- We achieve rapid response to export competitive actions 4
- Our top management regularly visits important export customers 5
- Information about export customers is freely communicated throughout our venture 6
- Our competitive strategies are based on understanding export customer needs 7
- Business functions related to our venture are integrated to serve export market needs 8
- Our business strategies are driven by increasing value for export customers 9
- We systematically and frequently assess export customer satisfaction with our venture 10
- We pay close attention to after sales service for our export customers 11
- Our top management regularly discuss export competitors' strengths and weaknesses 12
- Our managers understand how employees can contribute to value for export customers 13
- Export customers are targeted when we have an opportunity for competitive advantage 14
- We help our export customers anticipate developments in their markets 15
- We continuously try to discover additional needs of our export customers of which they are unaware 16
- We incorporate solutions to unarticulated export customer needs in our new products 17
- We brainstorm on how our export customers use our products and services 18
- We innovate in our export market even at the risk of making our own products obsolete 19
- We search for opportunities in areas where export customers have a difficult time expressing their needs 20
- We work closely with lead users who try to recognize export customer needs months or even years before the majority of the market may recognize them 21
- We extrapolate key trends to gain insight into what users in a current export market will need in the future 22
- Our venture can easily change it's strategic plans when a new technology emerges 23
- Our venture can easily change it's strategic plans when economic conditions shift 24
- Our venture can easily change it's strategic plans when a new competitor enters the market 25
- Our venture can easily change it's strategic plans when a governmental regulations change 26
- Our venture can easily change it's strategic plans when customer needs and preferences shift 27



Q 7: Continued

| <i>Not at all</i> | <i>To a very slight extent</i> | <i>To a small extent</i> | <i>To a moderate extent</i> | <i>To a considerable extent</i> | <i>To a great extent</i> | <i>To an extreme extent</i> | <i>Don't Know</i>        |
|-------------------|--------------------------------|--------------------------|-----------------------------|---------------------------------|--------------------------|-----------------------------|--------------------------|
| 1                 | 2                              | 3                        | 4                           | 5                               | 6                        | 7                           | X                        |
|                   |                                |                          |                             |                                 |                          |                             | <input type="checkbox"/> |
|                   |                                |                          |                             |                                 |                          |                             | <input type="checkbox"/> |
|                   |                                |                          |                             |                                 |                          |                             | <input type="checkbox"/> |
|                   |                                |                          |                             |                                 |                          |                             | <input type="checkbox"/> |
|                   |                                |                          |                             |                                 |                          |                             | <input type="checkbox"/> |
|                   |                                |                          |                             |                                 |                          |                             | <input type="checkbox"/> |
|                   |                                |                          |                             |                                 |                          |                             | <input type="checkbox"/> |
|                   |                                |                          |                             |                                 |                          |                             | <input type="checkbox"/> |
|                   |                                |                          |                             |                                 |                          |                             | <input type="checkbox"/> |
|                   |                                |                          |                             |                                 |                          |                             | <input type="checkbox"/> |
|                   |                                |                          |                             |                                 |                          |                             | <input type="checkbox"/> |
|                   |                                |                          |                             |                                 |                          |                             | <input type="checkbox"/> |
|                   |                                |                          |                             |                                 |                          |                             | <input type="checkbox"/> |

Q 8: Here is a list of marketing assets and capabilities supplied by other managers about export ventures and what capabilities are brought in those ventures. Please rate **your** export venture, as above, relative to your export competitors in the following areas.

*Please write in the number from the scale below that best represents your opinion.*

| <i>Much worse than competitors</i> | <i>Worse than competitors</i> | <i>Somewhat worse than competitors</i> | <i>Neither worse Nor better</i> | <i>Somewhat better than competitors</i> | <i>Better than competitors</i> | <i>Much better than competitors</i> |
|------------------------------------|-------------------------------|--|---------------------------------|---|--------------------------------|-------------------------------------|
| 1                                  | 2                             | 3                                      | 4                               | 5                                       | 6                              | 7                                   |
|                                    |                               |  |                                 |   |                                | <input type="checkbox"/>            |
|                                    |                               |  |                                 |   |                                | <input type="checkbox"/>            |
|                                    |                               |  |                                 |   |                                | <input type="checkbox"/>            |
|                                    |                               |  |                                 |   |                                | <input type="checkbox"/>            |
|                                    |                               |  |                                 |   |                                | <input type="checkbox"/>            |
|                                    |                               |  |                                 |   |                                | <input type="checkbox"/>            |
|                                    |                               |  |                                 |   |                                | <input type="checkbox"/>            |
|                                    |                               |  |                                 |   |                                | <input type="checkbox"/>            |
|                                    |                               |  |                                 |   |                                | <input type="checkbox"/>            |
|                                    |                               |  |                                 |   |                                | <input type="checkbox"/>            |
|                                    |                               |  |                                 |   |                                | <input type="checkbox"/>            |
|                                    |                               |  |                                 |   |                                | <input type="checkbox"/>            |



- Our ability to provide high levels of service support to distributors 11
- Our ability to manage delivery to distributors 12
- Our ability to make most of all available information from distributors at the time when strategies are set 13
- Our ability to coordinate the interests of our distributors with all venture related functions 14
- The way we help our distributors anticipate developments in their markets 15
- The way we closely and frequently monitor distributor performance 16
- Our ability to launch successful new products and services 17
- Our effective new product development processes 18
- The way we ensure that product development processes are responsive to export customer needs 19
- Ability to successfully eliminate existing products 20
- Ability to successfully imitate export competitors' products 21
- Ability to effectively make changes in existing products 22
- Ability to effectively find new uses for existing products 23
- Ability to launch new products without losing focus on our entire product portfolio 24
- Our company reputation in the export market 25
- Our product or brand name in the export market 26
- Our credibility with customers through being well established in our export market 27
- Our product country of origin effects in the export market 28
- The uniqueness of our distribution approach 29
- Our ability to share technology with our distributor 30
- Our ability to access the managerial know-how and expertise of our distributor 31
- The technical quality of our products and services 32
- The level of customer service and support provided 33
- The price levels charged for our products and services 34
- The degree of innovation in our products and services 35
- The degree of customisation to individual customer requirements 36
- Our marketing planning skills 37
- Our ability to effectively segment and target markets 38
- Our marketing management skills and processes 39
- Developing creative marketing strategies 40
- Thoroughness of marketing planning processes 41

Q 9: Do you believe your company has a competitive advantage over its export market place rivals? If so, how do you go about protecting and enhancing this advantage? *Please use the scale below:*

|                          |                 |                          |                |                       |              |                       |                   |
|--------------------------|-----------------|--------------------------|----------------|-----------------------|--------------|-----------------------|-------------------|
| <i>Strongly Disagree</i> | <i>Disagree</i> | <i>Somewhat Disagree</i> | <i>Neither</i> | <i>Somewhat Agree</i> | <i>Agree</i> | <i>Strongly Agree</i> | <i>Don't Know</i> |
| 1                        | 2               | 3                        | 4              | 5                     | 6            | 7                     | X                 |

- There would be significant costs for export customers if they switched from our products and services to those of competitors 1
- Our export competitive advantage is difficult for competitors to copy because it uses resources only we have access to 2
- It took time to build our export competitive advantage and competitors would find it time-consuming to follow a similar route 3
- Competitors find it difficult to see how we created our competitive advantage in the first place 4
- Competitors could copy our competitive advantage but it would be uneconomic for them to do so 5
- We protect our advantage legally through copyrights and patents 6

Q 10: Here are some other statements managers have made about their distributors. Please note that by export customer it is meant the **final customer** in your export market not your distributor. For this question please focus on your major distributor that operates in the same market as in question 5 above. *Please write in the number from the scale below closest to your views.*

|                   |                                |                          |                             |                                 |                          |                             |                   |
|-------------------|--------------------------------|--------------------------|-----------------------------|---------------------------------|--------------------------|-----------------------------|-------------------|
| <i>Not at all</i> | <i>To a very slight extent</i> | <i>To a small extent</i> | <i>To a moderate extent</i> | <i>To a considerable extent</i> | <i>To a great extent</i> | <i>To an extreme extent</i> | <i>Don't Know</i> |
| 1                 | 2                              | 3                        | 4                           | 5                               | 6                        | 7                           | X                 |

- Our distributor commitment to serving export customer needs is closely monitored 1
- Our distributor sales people share information about export competitors 2
- Our distributor objectives and strategies are driven by the creation of export customer satisfaction 3
- Our distributor achieves rapid response to export market competitive actions 4
- Our distributor top management regularly visit important export customers 5
- Information about export customers is freely communicated throughout our distributor 6
- Our distributor competitive strategies are based on understanding export customer needs 7
- Our distributor related business functions are integrated to serve export market needs 8
- Our distributor business strategies are driven by increasing value for export customers 9
- Customer satisfaction for our distributor is systematically and frequently assessed 10
- Our distributor gives close attention to after sales service 11
- Our distributor top management regularly discuss export competitors' strengths and weaknesses 12
- Our distributor managers understand how employees can contribute to value for export customers 13
- Customers are targeted when we have an opportunity for competitive advantage 14

Q 11: Here is a list of marketing assets and capabilities supplied by other managers for their distributors. For this question please focus on the same distributor as above. Please rate this distributor relative to other major distributors in the same market in the following areas. *Please write in the number from the scale below that best represents your opinion.*

|  |                                   |  |   |   |                                    |   |
|--|-----------------------------------|--|---|---|------------------------------------|---|
| <i>Much<br/>worse than<br/>competitors</i> | <i>Worse than<br/>competitors</i> | <i>Somewhat<br/>worse than<br/>competitors</i> | <i>Neither<br/>worse<br/>Nor better</i> | <i>Somewhat<br/>better than<br/>competitors</i> | <i>Better than<br/>competitors</i> | <i>Much better<br/>than<br/>competitors</i> |
| 1  | 2                                 | 3  | 4                                       | 5   | 6                                  | 7   |

- Our distributor's financial management 1
- Our distributor's human resources management 2
- Our distributor's operations management expertise 3
- Our distributor's legal capabilities 4
- Our distributor's levels of employee job satisfaction compared to competitors 5
- Our distributor's levels of employee retention compared to competitors 6
- Our distributor's marketing planning skills 7
- Our distributor's ability to effectively segment and target markets 8
- Our distributor's marketing management skills and processes 9
- Our distributor's ability to develop creative marketing strategies 10
- Our distributor's thoroughness of marketing planning processes 11
- Our distributor's ability to share information with us about export customers and competitors 12
- Our distributor's ability to share with us confidential information 13
- Our distributor's ability to provide accurate information 14
- Our distributor's ability to deliver excellent financial performance 15
- Our distributor's ability to achieve market share or sales volume targets 16
- Our distributor's ability to deliver superior levels of customer performance 17
- Our distributor's trust in our relationship 18
- Our distributor's ability to Allocate Marketing Resources effectively 19
- Our distributor's ability to deliver marketing programs effectively 20
- Our distributor's ability to translate marketing strategies into action 21
- Our distributor's ability to execute marketing strategies quickly 22
- Our distributor's ability to monitor marketing performance 23
- Our distributor's ability to develop and execute advertising programs 24
- Our distributor's advertising management and creative skills 25
- Our distributor's public relations skills 26
- Our distributor's lobbying skills 27
- Our distributor's brand management skills and processes 28
- Our distributor's ability to manage corporate image and reputation 29
- Our distributor's ability to give salespeople the training they need to be effective 30
- Our distributor's sales management planning and control systems 31
- Our distributor's selling skills of salespeople 32
- Our distributor's sales management skills 33
- Our distributor's ability to provide effective sales support to the sales force 34

Our distributor's ability to use pricing skills and systems to respond quickly to export market changes 35

Q 11: Continued.

|                                    |                               |  |                                 |   |                                |                                     |
|------------------------------------|-------------------------------|--|---------------------------------|---|--------------------------------|-------------------------------------|
| <i>Much worse than competitors</i> | <i>Worse than competitors</i> | <i>Somewhat worse than competitors</i> | <i>Neither worse Nor better</i> | <i>Somewhat better than competitors</i> | <i>Better than competitors</i> | <i>Much better than competitors</i> |
| 1                                  | 2                             | 3                                      | 4                               | 5                                       | 6                              | 7                                   |

- Our distributor's knowledge of competitors' pricing tactics 36
- Our distributor's ability to effectively price products/services 37
- Our distributor's ability to provide superior levels of export customer service support 38
- Our distributor's relationships with key target export customers 39
- Our distributor's ability to understand what export customer needs and requirements are 40
- Our distributor's ability to create relationships with customers 41
- Our distributor's ability to maintain and enhance relationships with customers 42
- Our distributor's company reputation in the market 43
- Our distributor's product or brand name in the market 44
- Our distributor's credibility with customers through being well established in the market 45
- The uniqueness of our distributor's distribution approach 46
- The ability of our distributor to share technology with our venture 47
- The ability of our distributor to access the managerial know-how and expertise of our venture 48

Q 12: Thinking about the venture and its performance in the last financial year, *Please indicate how far you agree with each of the following statements about this particular market using the scale:*

|                   |                                |                          |                             |                                 |                          |                             |                   |
|-------------------|--------------------------------|--------------------------|-----------------------------|---------------------------------|--------------------------|-----------------------------|-------------------|
| <i>Not at all</i> | <i>To a very slight extent</i> | <i>To a small extent</i> | <i>To a moderate extent</i> | <i>To a considerable extent</i> | <i>To a great extent</i> | <i>To an extreme extent</i> | <i>Don't Know</i> |
| 1                 | 2                              | 3                        | 4                           | 5                               | 6                        | 7                           | X                 |

- The performance of this export venture has been very satisfactory 1
- This export venture has been very successful 2
- This export venture has fully met our expectations 3



Q 13: In your last financial year, how well did your **venture** perform compared with your main competitors on the following criteria? How well did your company perform relative to the previous financial year? *For both of these questions please use the scale below. Can you also tell us, which are the most important measures of performance in your **venture**? Please tick the **THREE** most important factors as far as your **venture** is concerned.*

| <i>Much<br/>Worse</i> | <i>Somewhat<br/>Worse</i> | <i>Worse</i> | <i>The same</i> | <i>Better</i>                               | <i>Somewh<br/>at Better</i>                    | <i>Much<br/>Better</i>                                      |
|-----------------------|---------------------------|--------------|-----------------|---|--|---|
| 1                     | 2                         | 3            | 4               | 5   | 6  | 7   |
|                       |                           |              |                 | <i>Relative to<br/>main<br/>competitors</i> | <i>Relative to<br/>last financial<br/>year</i> | <i>Importance<br/>(tick up to<br/><b>three</b> factors)</i> |
|                       |                           |              |                 | <input type="checkbox"/>                    | <input type="checkbox"/>                       | <input type="checkbox"/>                                    |
|                       |                           |              |                 | <input type="checkbox"/>                    | <input type="checkbox"/>                       | <input type="checkbox"/>                                    |
|                       |                           |              |                 | <input type="checkbox"/>                    | <input type="checkbox"/>                       | <input type="checkbox"/>                                    |
|                       |                           |              |                 | <input type="checkbox"/>                    | <input type="checkbox"/>                       | <input type="checkbox"/>                                    |
|                       |                           |              |                 | <input type="checkbox"/>                    | <input type="checkbox"/>                       | <input type="checkbox"/>                                    |
|                       |                           |              |                 | <input type="checkbox"/>                    | <input type="checkbox"/>                       | <input type="checkbox"/>                                    |
|                       |                           |              |                 | <input type="checkbox"/>                    | <input type="checkbox"/>                       | <input type="checkbox"/>                                    |
|                       |                           |              |                 | <input type="checkbox"/>                    | <input type="checkbox"/>                       | <input type="checkbox"/>                                    |
|                       |                           |              |                 | <input type="checkbox"/>                    | <input type="checkbox"/>                       | <input type="checkbox"/>                                    |
|                       |                           |              |                 | <input type="checkbox"/>                    | <input type="checkbox"/>                       | <input type="checkbox"/>                                    |
|                       |                           |              |                 | <input type="checkbox"/>                    | <input type="checkbox"/>                       | <input type="checkbox"/>                                    |

Q 14: Can you please now tell us a little more about your company? Which of the following, **best** describes the main industry your company operates in. *Please tick **ONE** only:*

- |                                   |                          |                              |                          |
|-----------------------------------|--------------------------|------------------------------|--------------------------|
| Consumer Durables                 | <input type="checkbox"/> | Capital Industrial Equipment | <input type="checkbox"/> |
| Fast Moving Consumer Goods (FMCG) | <input type="checkbox"/> | Business Services            | <input type="checkbox"/> |
| Materials and Components          | <input type="checkbox"/> | Consumer Services            | <input type="checkbox"/> |
| Other                             | <input type="checkbox"/> |                              | <input type="checkbox"/> |

Q 15: What is the approximate number of employees in your company?

- |              |                          |           |                          |                |                          |
|--------------|--------------------------|-----------|--------------------------|----------------|--------------------------|
| Less than 20 | <input type="checkbox"/> | 250-499   | <input type="checkbox"/> | More than 5000 | <input type="checkbox"/> |
| 20-99        | <input type="checkbox"/> | 500-999   | <input type="checkbox"/> | Don't Know     | <input type="checkbox"/> |
| 100-249      | <input type="checkbox"/> | 1000-4999 | <input type="checkbox"/> |                |                          |



Appendix 5 Scales and Items used in R.P.M.

Q 16: Is your company family owned? Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, please reply to answers 17, 18, and 19. Otherwise continue with question 20

Q 17: What percent does the family own of your company? \_\_\_\_\_%

Q 18: Is the person that runs the company on a day-to-day basis a family member?

Yes \_\_\_\_\_ No \_\_\_\_\_

Q19: Which family generation is running the company today?

1<sup>st</sup> \_\_\_\_\_ 2<sup>nd</sup> \_\_\_\_\_ 3<sup>rd</sup> \_\_\_\_\_ 4<sup>th</sup> \_\_\_\_\_ 5<sup>th</sup> \_\_\_\_\_

Q 20: What percent of your production is made in companies outside of Greece \_\_\_\_\_%

In which ones? \_\_\_\_\_

Q 21: What was the approximate total sales turnover of your company in your last financial year? *Please write in:*

Turnover: € \_\_\_\_\_

Q 22: What was the approximate sales turnover of your total exports as % of your total sales turnover in your last financial year? *Please write in:*

Turnover: % \_\_\_\_\_

Q 23: What was the approximate sales turnover of the venture you have been describing in the questions above as a % of your total exports sales in your last financial year? *Please write in:*

Turnover: % \_\_\_\_\_

Q 24: What was the approximate profit before tax of your company as a % of your total company sales in your last financial year? *Please write in:*

Profit before tax (PBT): € \_\_\_\_\_

If you wish to receive a summary report of the results of our research please complete your details below, your details will be confidential:

First Name: \_\_\_\_\_ Last Name: \_\_\_\_\_

Address: \_\_\_\_\_

Email Address: \_\_\_\_\_ Company Name \_\_\_\_\_

*Thank you very much for your time and your help.*

## Appendix 5 Scales and Items used in S.E.M.

### Export Venture Market Orientation

|  |          |
|--|----------|
| Our commitment to serving export customer needs is closely monitored                     | retained |
| Our sales people or export managers share information about export competitors           | retained |
| Our objectives and strategies are driven by the creation of export customer satisfaction | dropped  |
| We achieve rapid response to export competitive actions                                  | dropped  |
| Our top management regularly visits important export customers                           | dropped  |
| Information about export customers is freely communicated throughout our venture         | dropped  |
| Our competitive strategies are based on understanding export customer needs              | dropped  |
| Business functions related to our venture are integrated to serve export market needs    | dropped  |
| Our business strategies are driven by increasing value for export customers              | dropped  |
| We systematically and frequently assess export customer satisfaction with our venture    | retained |
| We pay close attention to after sales service for our export customers                   | retained |
| Our top management regularly discuss export competitors' strengths and weaknesses        | dropped  |
| Our managers understand how employees can contribute to value for export customers       | dropped  |
| Export customers are targeted when we have an opportunity for competitive advantage      | dropped  |

### Export Venture Proactive Market Orientation

|   |          |
|---|----------|
| We help our export customers anticipate developments in their markets   | dropped  |
| We occasionally try to discover additional needs of our export customers of which they are unaware  | retained |
| We incorporate solutions to unarticulated export customer needs in our new products   | retained |
| We brainstorm on how our export customers use our products and services   | retained |
| We innovate in our export market even at the risk of making our own products obsolete   | retained |
| We search for opportunities to meet where export customers have a difficult, difficult expressing their needs                                       | dropped  |
| We work closely with lead users who try to anticipate our customers needs months or even years before the majority of the market may recognize them | dropped  |
| We anticipate key trends to gain insight into what users in a particular market segment will need in the future                                     | retained |

### Export Venture Market Orientation

|  |          |
|--|----------|
| Our commitment to serving export customer needs is closely monitored                     | retained |
| Our sales people or export managers share information about export competitors           | retained |
| Our objectives and strategies are driven by the creation of export customer satisfaction | dropped  |
| We achieve rapid response to export competitive actions                                  | dropped  |
| Our top management regularly visits important export customers                           | dropped  |
| Information about export customers is freely communicated throughout our venture         | dropped  |
| Our competitive strategies are based on understanding export customer needs              | dropped  |
| Business functions related to our venture are integrated to serve export market needs    | dropped  |
| Our business strategies are driven by increasing value for export customers              | dropped  |
| We systematically and frequently assess export customer satisfaction with our venture    | retained |
| We pay close attention to after sales service for our export customers                   | retained |
| Our top management regularly discuss export competitors' strengths and weaknesses        | dropped  |
| Our managers understand how employees can contribute to value for export customers       | dropped  |
| Export customers are targeted when we have an opportunity for competitive advantage      | dropped  |

### Export Venture Proactive Market Orientation

|  |          |
|--|----------|
| We help our export customers anticipate developments in their markets  | dropped  |
| We continuously try to discover additional needs of our export customers of which they are unaware   | retained |
| We incorporate solutions to unarticulated export customer needs in our new products  | retained |
| We brainstorm on how our export customers use our products and services  | retained |
| We innovate in our export market even at the risk of making our own products obsolete  | retained |
| We search for opportunities in areas where export customers have a difficult time expressing their needs   | dropped  |
| We work closely with lead users who try to recognize export customer needs months or even years before the majority of the market may recognize them | retained |
| We extrapolate key trends to gain insight into what users in a current export market will need in the future   | retained |

### **Export Venture Channel Management Capabilities**

|   |          |
|---|----------|
| Our strength of relationships with distributors                       | retained |
| Our ability to attract and retain the best distributors               | retained |
| Our ability to stay close with our distributors                       | retained |
| Our ability to add value to our distributors' businesses              | retained |
| Our ability to provide high levels of service support to distributors | dropped  |
| Our ability to manage delivery to distributors                        | dropped  |

### **Export Venture Market Innovation Capabilities**

|  |          |
|--|----------|
| Our ability to launch successful new products and services                                   | retained |
| Our effective new product development processes  | retained |
| The way we ensure that product development processes are responsive to export customer needs | retained |
| Ability to successfully eliminate existing products  | dropped  |
| Ability to successfully imitate export competitors' products                                 | dropped  |
| Ability to effectively make changes in existing products                                     | dropped  |
| Ability to effectively find new uses for existing products                                   | retained |
| Ability to launch new products without losing focus on our entire product portfolio          | dropped  |

### **Export Venture Reputation Assets**

|  |          |
|--|----------|
| Our company reputation in the export market  | retained |
| Our product or brand name in the export market                                     | retained |
| Our credibility with customers through being well established in our export market | dropped  |
| Our product country of origin effects in the export market                         | retained |

### **Export Venture Marketing Planning Capabilities**

|   |          |
|---|----------|
| Our marketing planning skills                         | retained |
| Our ability to effectively segment and target markets | retained |
| Our marketing management skills and processes         | retained |
| Developing creative marketing strategies              | retained |
| Thoroughness of marketing planning processes          | retained |

### **Distributor Market Orientation**

|  |          |
|--|----------|
| Our distributor commitment to serving export customer needs is closely monitored                     | dropped  |
| Our distributor sales people share information about export competitors                              | dropped  |
| Our distributor objectives and strategies are driven by the creation of export customer satisfaction | retained |
| Our distributor achieves rapid response to export market competitive actions                         | dropped  |
| Our distributor top management regularly visit important export customers                            | retained |
| Information about export customers is freely communicated throughout our distributor                 | retained |
| Our distributor competitive strategies are based on understanding export customer needs              | retained |
| Our distributor related business functions are integrated to serve export market needs               | dropped  |
| Our distributor business strategies are driven by increasing value for export customers              | dropped  |
| Customer satisfaction for our distributor is systematically and frequently assessed                  | dropped  |
| Our distributor gives close attention to after sales service   | dropped  |
| Our distributor top management regularly discuss export competitors' strengths and weaknesses        | dropped  |
| Our distributor managers understand how employees can contribute to value for export customers       | dropped  |
| Customers are targeted when we have an opportunity for competitive advantage                         | dropped  |

### **Distributor Marketing Implementation Capabilities**

|   |          |
|---|----------|
| Our distributor's ability to Allocate Marketing Resources effectively   | dropped  |
| Our distributor's ability to deliver marketing programs effectively     | retained |
| Our distributor's ability to translate marketing strategies into action | retained |
| Our distributor's ability to execute marketing strategies quickly       | retained |
| Our distributor's ability to monitor marketing performance              | retained |

### **Distributor Marketing Communication Capabilities**

|   |          |
|---|----------|
| Our distributor's ability to develop and execute advertising programs | retained |
| Our distributor's advertising management and creative skills          | dropped  |
| Our distributor's public relations skills                             | retained |
| Our distributor's lobbying skills                                     | retained |
| Our distributor's brand management skills and processes               | retained |
| Our distributor's ability to manage corporate image and reputation    | retained |

### **Distributor Selling Capabilities**

|  |          |
|--|----------|
| Our distributor's ability to give salespeople the training they need to be effective | retained |
| Our distributor's sales management planning and control systems                      | retained |
| Our distributor's selling skills of salespeople                                      | retained |
| Our distributor's sales management skills  | retained |



Our distributor's ability to provide effective sales support to the sales force retained

**Distributor Pricing Capabilities (construct dropped)**

Our distributor's ability to use pricing skills and systems to respond quickly to export market changes dropped

Our distributor's knowledge of competitors' pricing tactics dropped

Our distributor's ability to effectively price products/services dropped

**Distributor Customer Linking Capabilities (construct dropped)**

Our distributor's ability to provide superior levels of export customer service support dropped

Our distributor's relationships with key target export customers dropped

Our distributor's ability to understand what export customer needs and requirements are dropped

Our distributor's ability to create relationships with customers dropped

Our distributor's ability to maintain and enhance relationships with customers dropped

**Distributor Reputation Assets (construct dropped)**

Our distributor's company reputation in the market dropped

Our distributor's product or brand name in the market dropped

Our distributor's credibility with customers through being well established in the market dropped



|       | EMO_1        | EMO_2        | EMO_3        | EMO_4        | PMO_1        | PMO_2        | PMO_3        | PMO_4        | PMO_5        | PMO_6        | DMO_1        | DMO_2        | DMO_3        | DMO_4        | EMO   | PMO   | DMO | Loading | t-value |
|-------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------|-------|-----|---------|---------|
| EMO_1 | 1            |              |              |              |              |              |              |              |              |              |              |              |              |              |       |       |     | 0.847   | -       |
| EMO_2 | 0.555        | 1            |              |              |              |              |              |              |              |              |              |              |              |              |       |       |     | 0.655   | 8.340   |
| EMO_3 | 0.599        | 0.463        | 1            |              |              |              |              |              |              |              |              |              |              |              |       |       |     | 0.707   | 9.324   |
| EMO_4 | 0.671        | 0.519        | 0.56         | 1            |              |              |              |              |              |              |              |              |              |              |       |       |     | 0.792   | 10.643  |
| PMO_1 | 0.498        | 0.385        | 0.416        | 0.466        | 1            |              |              |              |              |              |              |              |              |              |       |       |     | 0.777   | -       |
| PMO_2 | 0.552        | 0.427        | 0.461        | 0.517        | 0.669        | 1            |              |              |              |              |              |              |              |              |       |       |     | 0.861   | 13.512  |
| PMO_3 | 0.516        | 0.399        | 0.431        | 0.483        | 0.625        | 0.693        | 1            |              |              |              |              |              |              |              |       |       |     | 0.805   | 12.513  |
| PMO_4 | 0.475        | 0.367        | 0.396        | 0.444        | 0.575        | 0.445        | 0.596        | 1            |              |              |              |              |              |              |       |       |     | 0.740   | 11.529  |
| PMO_5 | 0.457        | 0.353        | 0.381        | 0.428        | 0.553        | 0.613        | 0.573        | 0.527        | 1            |              |              |              |              |              |       |       |     | 0.712   | 11.330  |
| PMO_6 | 0.464        | 0.359        | 0.387        | 0.434        | 0.562        | 0.623        | 0.582        | 0.536        | 0.516        | 1            |              |              |              |              |       |       |     | 0.724   | 8.571   |
| DMO_1 | 0.283        | 0.219        | 0.236        | 0.265        | 0.364        | 0.403        | 0.377        | 0.347        | 0.334        | 0.339        | 1            |              |              |              |       |       |     | 0.741   | -       |
| DMO_2 | 0.260        | 0.201        | 0.217        | 0.243        | 0.334        | 0.370        | 0.346        | 0.319        | 0.306        | 0.311        | 0.504        | 1            |              |              |       |       |     | 0.681   | 5.687   |
| DMO_3 | 0.312        | 0.241        | 0.26         | 0.291        | 0.400        | 0.444        | 0.415        | 0.382        | 0.367        | 0.373        | 0.604        | 0.555        | 1            |              |       |       |     | 0.816   | 6.764   |
| DMO_4 | 0.331        | 0.256        | 0.277        | 0.310        | 0.426        | 0.472        | 0.441        | 0.406        | 0.391        | 0.397        | 0.643        | 0.591        | 0.708        | 1            |       |       |     | 0.868   | 7.099   |
| DMO   | 0.382        | 0.295        | 0.319        | 0.357        | 0.491        | 0.544        | 0.509        | 0.468        | 0.450        | 0.457        | <b>0.741</b> | <b>0.681</b> | <b>0.816</b> | <b>0.868</b> | 1     |       |     |         |         |
| PMO   | 0.642        | 0.496        | 0.535        | 0.600        | <b>0.777</b> | <b>0.861</b> | <b>0.805</b> | <b>0.740</b> | <b>0.712</b> | <b>0.724</b> | 0.468        | 0.430        | 0.515        | 0.548        | 0.632 | 1     |     |         |         |
| EMO   | <b>0.847</b> | <b>0.655</b> | <b>0.707</b> | <b>0.792</b> | 0.588        | 0.652        | 0.609        | 0.561        | 0.539        | 0.548        | 0.334        | 0.307        | 0.368        | 0.391        | 0.451 | 0.757 | 1   |         |         |

Table 20 Correlation Matrix and Loadings for EMO, PMO, and DMO

| Variable          | N   | Min  | Max  | Mean ( $\bar{x}$ ) |          | $\sigma$ | Skewness  |          | Kurtosis  |          |
|-------------------|-----|------|------|--------------------|----------|----------|-----------|----------|-----------|----------|
|                   |     |      |      | Statistic          | Std. Er. |          | Statistic | Std. Er. | Statistic | Std. Er. |
| EMO_1             | 186 | 1    | 7    | 5.54               | 0.18     | 1.28     | -0.93     | 0.56     | 0.35      |          |
| EMO_2             | 183 | 1    | 7    | 5.48               | 0.18     | 1.22     | -0.77     | 0.18     | 0.36      |          |
| EMO_3             | 188 | 1    | 7    | 5.12               | 0.18     | 1.28     | -1.00     | 0.44     | 0.35      |          |
| EMO_4             | 189 | 1    | 7    | 5.05               | 0.18     | 1.47     | -0.53     | -0.65    | 0.35      |          |
| PMO_1             | 187 | 1    | 7    | 4.90               | 0.18     | 1.31     | -0.61     | -0.30    | 0.35      |          |
| PMO_2             | 186 | 2    | 7    | 5.48               | 0.18     | 1.22     | -0.89     | 0.31     | 0.35      |          |
| PMO_3             | 187 | 2    | 7    | 5.03               | 0.18     | 1.30     | -0.94     | 0.20     | 0.35      |          |
| PMO_4             | 184 | 1    | 6    | 3.72               | 0.18     | 1.54     | -0.10     | -1.01    | 0.36      |          |
| PMO_5             | 184 | 1    | 7    | 4.41               | 0.18     | 1.48     | -0.34     | -1.13    | 0.36      |          |
| PMO_6             | 187 | 1    | 7    | 4.98               | 0.18     | 1.23     | -0.96     | 0.66     | 0.35      |          |
| DMO_1             | 187 | 2    | 7    | 5.40               | 0.19     | 0.85     | -0.70     | 1.40     | 0.38      |          |
| DMO_2             | 184 | 1    | 7    | 5.45               | 0.19     | 1.06     | -1.23     | 2.53     | 0.38      |          |
| DMO_3             | 184 | 2    | 7    | 5.31               | 0.19     | 1.05     | -0.72     | 0.36     | 0.38      |          |
| DMO_4             | 188 | 2    | 7    | 5.39               | 0.19     | 0.91     | -0.82     | 0.57     | 0.38      |          |
| Exp-Perf_1        | 177 | 2    | 7    | 4.61               | 0.18     | 0.92     | -0.35     | 0.92     | 0.36      |          |
| Exp-Perf_2        | 175 | 2    | 7    | 4.59               | 0.18     | 0.92     | -0.26     | 0.24     | 0.37      |          |
| Exp-Perf_3        | 175 | 2    | 7    | 4.61               | 0.18     | 1.02     | 0.10      | 0.51     | 0.37      |          |
| Exp-Perf_4        | 175 | 2    | 7    | 4.74               | 0.18     | 0.95     | -0.11     | 0.61     | 0.37      |          |
| Mark_Plan         | 190 | 1.45 | 6.33 | 4.43               | 0.18     | 0.96     | -0.63     | -0.21    | 0.35      |          |
| Exp_Reput         | 190 | 0.75 | 5.26 | 4.01               | 0.18     | 0.65     | -1.39     | 3.20     | 0.35      |          |
| E_Mark_Innovation | 190 | 1.56 | 5.26 | 3.76               | 0.18     | 0.84     | -0.65     | 1.23     | 0.35      |          |
| E_Channel_Mngmnt  | 190 | 0.16 | 5.60 | 4.26               | 0.18     | 0.93     | -1.53     | 3.87     | 0.35      |          |
| Dist_Sales_Caps   | 190 | 1.32 | 6.20 | 4.54               | 0.18     | 0.91     | -1.08     | 2.34     | 0.35      |          |
| Dist_Mark_Comm    | 190 | 2.00 | 5.79 | 4.30               | 0.18     | 0.75     | -0.54     | -0.33    | 0.36      |          |
| Dist_Mark_Implem  | 190 | 1.80 | 6.30 | 4.49               | 0.18     | 0.85     | -0.43     | 0.11     | 0.35      |          |

Table 21 Descriptive Statistics for Construct Items

|                | Mark_Plan | Reput | M_Innov | Channel | Selling | Com   | Implem | CusLin | V_P_1 | V_P_2 | V_P_3 | V_P_4 | EMBR  | DMBR  | V_Perf | Loading | t-value | $\bar{x}$ | $\sigma$ |
|----------------|-----------|-------|---------|---------|---------|-------|--------|--------|-------|-------|-------|-------|-------|-------|--------|---------|---------|-----------|----------|
| E_Mark_Plan    | 1         |       |         |         |         |       |        |        |       |       |       |       |       |       |        | 0.753   | -       | 4.435     | 0.955    |
| E_Reputation   | 0.491     | 1     |         |         |         |       |        |        |       |       |       |       |       |       |        | 0.578   | 7.186   | 4.005     | 0.647    |
| E_Mark_Inno    | 0.669     | 0.523 | 1       |         |         |       |        |        |       |       |       |       |       |       |        | 0.828   | 10.530  | 3.789     | 0.788    |
| E_Channel      | 0.597     | 0.381 | 0.634   | 1       |         |       |        |        |       |       |       |       |       |       |        | 0.852   | 10.779  | 4.288     | 0.897    |
| D_Selling      | 0.446     | 0.253 | 0.391   | 0.502   | 1       |       |        |        |       |       |       |       |       |       |        | 0.914   | -       | 4.539     | 0.908    |
| D_Comm         | 0.436     | 0.324 | 0.404   | 0.574   | 0.837   | 1     |        |        |       |       |       |       |       |       |        | 0.933   | 20.258  | 4.301     | 0.751    |
| D_Implement    | 0.489     | 0.309 | 0.460   | 0.460   | 0.698   | 0.787 | 1      |        |       |       |       |       |       |       |        | 0.854   | 16.498  | 4.488     | 0.853    |
| D_Cust_Link    | 0.459     | 0.382 | 0.451   | 0.550   | 0.783   | 0.827 | 0.713  | 1      |       |       |       |       |       |       |        | 0.867   | 16.844  | 4.668     | 0.847    |
| EV_Perf_1      | 0.315     | 0.213 | 0.259   | 0.282   | 0.321   | 0.327 | 0.336  | 0.352  | 1     |       |       |       |       |       |        | 0.694   | -       | 4.610     | 0.917    |
| EV_Perf_2      | 0.056     | 0.040 | 0.145   | 0.098   | 0.265   | 0.247 | 0.249  | 0.272  | 0.585 | 1     |       |       |       |       |        | 0.765   | 8.524   | 4.594     | 0.923    |
| EV_Perf_3      | 0.187     | 0.105 | 0.160   | 0.146   | 0.314   | 0.314 | 0.345  | 0.351  | 0.560 | 0.648 | 1     |       |       |       |        | 0.857   | 9.327   | 4.606     | 1.022    |
| EV_Perf_4      | 0.143     | 0.113 | 0.085   | 0.156   | 0.315   | 0.332 | 0.269  | 0.397  | 0.543 | 0.576 | 0.712 | 1     |       |       |        | 0.835   | 9.163   | 4.737     | 0.947    |
| EMBR           | 0.728     | 0.545 | 0.838   | 0.872   | 0.613   | 0.623 | 0.577  | 0.586  | 0.135 | 0.149 | 0.167 | 0.163 | 1     |       |        |         |         |           |          |
| DMBR           | 0.490     | 0.367 | 0.564   | 0.587   | 0.910   | 0.924 | 0.853  | 0.861  | 0.306 | 0.338 | 0.379 | 0.369 | 0.676 | 1     |        |         |         |           |          |
| EV_Performance | 0.142     | 0.106 | 0.163   | 0.170   | 0.402   | 0.408 | 0.377  | 0.380  | 0.694 | 0.765 | 0.857 | 0.835 | 0.195 | 0.442 | 1      |         |         |           |          |

Table 22 Correlation Matrix and Loadings for EMBR, DMBR, and Venture Performance



|          | Ch_1  | Ch_2  | Ch_3  | Ch_4  | Innov_1 | Innov_2 | Innov_3 | Reput_1 | Reput_2 | Reput_3 | Plan_1 | Plan_2 | Plan_3 | Plan_4 | Planning | Reput | Innov | Channel | EMBR  | t-value | $\sigma$ | $\bar{x}$ |
|----------|-------|-------|-------|-------|---------|---------|---------|---------|---------|---------|--------|--------|--------|--------|----------|-------|-------|---------|-------|---------|----------|-----------|
| Ch_1     | 1     |       |       |       |         |         |         |         |         |         |        |        |        |        |          |       |       |         | 0.734 | -       | 1.099    | 5.710     |
| Ch_2     | 0.617 | 1     |       |       |         |         |         |         |         |         |        |        |        |        |          |       |       |         | 0.841 | 11.233  | 1.055    | 5.212     |
| Ch_3     | 0.618 | 0.708 | 1     |       |         |         |         |         |         |         |        |        |        |        |          |       |       |         | 0.842 | 12.207  | 1.012    | 5.453     |
| Ch_4     | 0.620 | 0.711 | 0.712 | 1     |         |         |         |         |         |         |        |        |        |        |          |       |       |         | 0.845 | 11.117  | 1.223    | 5.279     |
| Innov_1  | 0.502 | 0.575 | 0.576 | 0.578 | 1       |         |         |         |         |         |        |        |        |        |          |       |       |         | 0.907 | -       | 1.225    | 5.151     |
| Innov_2  | 0.526 | 0.603 | 0.603 | 0.606 | 0.861   | 1       |         |         |         |         |        |        |        |        |          |       |       |         | 0.949 | 17.339  | 1.288    | 5.056     |
| Innov_3  | 0.350 | 0.401 | 0.401 | 0.403 | 0.573   | 0.600   | 1       |         |         |         |        |        |        |        |          |       |       |         | 0.632 | 9.936   | 1.229    | 4.816     |
| Reput_1  | 0.365 | 0.419 | 0.419 | 0.421 | 0.461   | 0.483   | 0.321   | 1       |         |         |        |        |        |        |          |       |       |         | 0.823 | -       | 1.045    | 5.464     |
| Reput_2  | 0.437 | 0.501 | 0.502 | 0.504 | 0.551   | 0.578   | 0.384   | 0.811   | 1       |         |        |        |        |        |          |       |       |         | 0.985 | 14.416  | 1.127    | 5.380     |
| Reput_3  | 0.349 | 0.399 | 0.400 | 0.401 | 0.440   | 0.460   | 0.306   | 0.646   | 0.773   | 1       |        |        |        |        |          |       |       |         | 0.785 | 10.524  | 0.938    | 5.480     |
| Plan_1   | 0.502 | 0.576 | 0.576 | 0.579 | 0.634   | 0.664   | 0.442   | 0.461   | 0.552   | 0.440   | 1      |        |        |        |          |       |       |         | 0.914 | -       | 1.145    | 4.944     |
| Plan_2   | 0.470 | 0.539 | 0.539 | 0.541 | 0.593   | 0.621   | 0.413   | 0.432   | 0.516   | 0.412   | 0.781  | 1      |        |        |          |       |       |         | 0.855 | 17.686  | 0.958    | 4.905     |
| Plan_3   | 0.508 | 0.582 | 0.583 | 0.585 | 0.641   | 0.671   | 0.446   | 0.466   | 0.558   | 0.445   | 0.844  | 0.789  | 1      |        |          |       |       |         | 0.923 | 22.829  | 1.039    | 4.989     |
| Plan_4   | 0.513 | 0.588 | 0.589 | 0.591 | 0.647   | 0.678   | 0.451   | 0.471   | 0.563   | 0.449   | 0.852  | 0.797  | 0.861  | 1      |          |       |       |         | 0.933 | 23.652  | 1.152    | 4.838     |
| Planning | 0.550 | 0.630 | 0.631 | 0.633 | 0.694   | 0.726   | 0.483   | 0.505   | 0.604   | 0.482   | 0.914  | 0.855  | 0.923  | 0.933  | 1        |       |       |         | 0.872 | -       |          |           |
| Reput    | 0.444 | 0.509 | 0.509 | 0.511 | 0.560   | 0.586   | 0.390   | 0.823   | 0.985   | 0.785   | 0.560  | 0.524  | 0.566  | 0.572  | 0.613    | 1     |       |         | 0.704 | 9.205   |          |           |
| Innov    | 0.554 | 0.635 | 0.635 | 0.638 | 0.907   | 0.949   | 0.632   | 0.509   | 0.608   | 0.485   | 0.699  | 0.654  | 0.707  | 0.714  | 0.765    | 0.618 | 1     |         | 0.878 | 14.040  |          |           |
| Channel  | 0.734 | 0.841 | 0.842 | 0.845 | 0.684   | 0.717   | 0.477   | 0.498   | 0.596   | 0.475   | 0.685  | 0.640  | 0.692  | 0.699  | 0.749    | 0.605 | 0.755 | 1       | 0.860 | 10.080  |          |           |
| EMBR     | 0.631 | 0.723 | 0.724 | 0.727 | 0.796   | 0.833   | 0.554   | 0.579   | 0.693   | 0.552   | 0.796  | 0.745  | 0.805  | 0.813  | 0.872    | 0.704 | 0.878 | 0.860   | 1     |         |          |           |

Table 23 Correlation Matrix and Loadings for EMBR Constructs

|         | I 1  | I 2  | I 3  | I 4  | C 1  | C 2  | C 3  | C 4  | C 5  | S 1  | S 2  | S 3  | S 4  | S 5  | DMBR | Implem | Comm  | Sales | EMBR  | t-value | $\sigma$ | $\bar{x}$ |  |
|---------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|--------|-------|-------|-------|---------|----------|-----------|--|
| Impl 1  | 1    |      |      |      |      |      |      |      |      |      |      |      |      |      |      |        |       |       | 0.937 | -       | 1.091    | 5.058     |  |
| Impl 2  | .822 | 1    |      |      |      |      |      |      |      |      |      |      |      |      |      |        |       |       | 0.877 | 18.278  | 1.072    | 5.013     |  |
| Impl 3  | .775 | .725 | 1    |      |      |      |      |      |      |      |      |      |      |      |      |        |       |       | 0.827 | 15.630  | 0.960    | 4.968     |  |
| Impl 4  | .857 | .803 | .756 | 1    |      |      |      |      |      |      |      |      |      |      |      |        |       |       | 0.915 | 20.809  | 1.107    | 4.917     |  |
| Comm 1  | .730 | .684 | .644 | .713 | 1    |      |      |      |      |      |      |      |      |      |      |        |       |       | 0.847 | -       | 1.158    | 4.833     |  |
| Comm 2  | .747 | .700 | .659 | .729 | .883 | 1    |      |      |      |      |      |      |      |      |      |        |       |       | 0.867 | 21.485  | 1.168    | 4.936     |  |
| Comm 3  | .710 | .665 | .627 | .693 | .698 | .714 | 1    |      |      |      |      |      |      |      |      |        |       |       | 0.824 | 13.060  | 1.144    | 5.180     |  |
| Comm 4  | .653 | .611 | .576 | .637 | .641 | .656 | .624 | 1    |      |      |      |      |      |      |      |        |       |       | 0.757 | 11.024  | 1.111    | 5.128     |  |
| Comm 5  | .775 | .725 | .683 | .756 | .761 | .779 | .740 | .680 | 1    |      |      |      |      |      |      |        |       |       | 0.899 | 15.375  | 1.030    | 5.295     |  |
| Sales 1 | .748 | .700 | .660 | .730 | .677 | .693 | .659 | .605 | .718 | 1    |      |      |      |      |      |        |       |       | 0.878 | -       | 1.021    | 5.147     |  |
| Sales 2 | .744 | .696 | .656 | .726 | .674 | .689 | .655 | .602 | .714 | .766 | 1    |      |      |      |      |        |       |       | 0.873 | 15.742  | 0.952    | 5.058     |  |
| Sales 3 | .759 | .711 | .669 | .741 | .688 | .703 | .669 | .614 | .729 | .782 | .777 | 1    |      |      |      |        |       |       | 0.891 | 16.478  | 1.092    | 5.199     |  |
| Sales 4 | .781 | .731 | .688 | .762 | .707 | .723 | .688 | .632 | .750 | .804 | .799 | .816 | 1    |      |      |        |       |       | 0.916 | 17.480  | 1.029    | 5.263     |  |
| Sales 5 | .772 | .723 | .681 | .753 | .699 | .715 | .680 | .625 | .742 | .795 | .790 | .807 | .830 | 1    |      |        |       |       | 0.906 | 16.378  | 1.101    | 5.289     |  |
| DMBR    | .898 | .841 | .792 | .876 | .813 | .832 | .791 | .727 | .863 | .833 | .828 | .845 | .869 | .860 | 1    |        |       |       |       |         |          |           |  |
| Implem  | .937 | .877 | .827 | .915 | .779 | .797 | .758 | .696 | .827 | .798 | .793 | .810 | .833 | .824 | .958 | 1      |       |       | 0.958 | 16.544  |          |           |  |
| Comm    | .862 | .807 | .760 | .841 | .847 | .867 | .824 | .757 | .899 | .800 | .795 | .812 | .835 | .826 | .960 | 0.920  | 1     |       | 0.960 | 13.409  |          |           |  |
| Sales   | .852 | .798 | .752 | .832 | .772 | .790 | .751 | .690 | .819 | .878 | .873 | .891 | .916 | .906 | .949 | 0.909  | 0.911 | 1     | 0.949 | 12.832  |          |           |  |

Table 24 Correlation Matrix and Loadings for DMBR Constructs

| Construct Pairs/Correlations | r     | p     |
|------------------------------|-------|-------|
| EMO - DMO                    | 0.451 | 0.010 |
| EMO-EMBR                     | 0.560 | 0.010 |
| EMO-ExpPerf                  | 0.208 | 0.050 |
| EMO-DMBR                     | 0.668 | 0.010 |
| EMO-PMO                      | 0.757 | 0.001 |
| PMO-DMO                      | 0.581 | 0.010 |
| PMO-EMBR                     | 0.557 | 0.010 |
| PMO-DMBR                     | 0.251 | 0.050 |
| PMO-ExpPerf                  | 0.074 | n.s.  |
| DMO-EMBR                     | 0.476 | 0.010 |
| DMO - DMBR                   | 0.551 | 0.010 |
| DMO-ExpPerf                  | 0.286 | 0.050 |
| EMBR-DMBR                    | 0.668 | 0.010 |
| EMBR-ExpPerf                 | 0.231 | 0.050 |
| DMBR-ExpPerf                 | 0.430 | 0.010 |

Table 25 Correlations and Squared Correlations for Construct Pairs

| Construct/Fit Indices            | dof | X <sup>2</sup> | p-value | NNFI  | CFI   | RMSEA | AVE   | Original Items | Items 1st Order CFA | Items 2nd Order CFA | $\rho$ | $\alpha$ |
|----------------------------------|-----|----------------|---------|-------|-------|-------|-------|----------------|---------------------|---------------------|--------|----------|
| EMO                              | 2   | 3.03           | 0.22    | 0.986 | 0.995 | 0.054 | 0.570 | 14             | 4                   | -                   | 0.87   | 0.86     |
| DMO                              | 2   | 3.80           | 0.15    | 0.988 | 0.99  | 0.069 | 0.604 | 14             | 4                   | -                   | 0.89   | 0.86     |
| PMO                              | 9   | 9.41           | 0.03    | 0.994 | 0.997 | 0.032 | 0.576 | 8              | 6                   | -                   | 0.89   | 0.83     |
| Exp. Venture Channel Manag.      | 5   | 5.35           | 0.38    | 0.998 | 0.998 | 0.020 | 0.643 | 6              | 5                   | 4                   | 0.89   | 0.88     |
| Exp. Venture Market Innovation   | 5   | 8.83           | 0.12    | 0.977 | 0.991 | 0.081 | 0.637 | 8              | 5                   | 3                   | 0.88   | 0.84     |
| Exp. Venture Marketing Planning  | 5   | 5.88           | 0.32    | 0.992 | 0.993 | 0.051 | 0.812 | 5              | 4                   | 4                   | 0.95   | 0.94     |
| Exp. Venture Reputation Assets   | 3   | 5.00           | 0.17    | 0.962 | 0.987 | 0.051 | 0.619 | 4              | 3                   | 3                   | 0.9    | 0.9      |
| Dist. Sales Capabilities         | 5   | 6.64           | 0.25    | 0.994 | 0.997 | 0.045 | 0.784 | 5              | 5                   | 5                   | 0.95   | 0.95     |
| Dist. Communication Capabilities | 5   | 6.50           | 0.26    | 0.992 | 0.995 | 0.045 | 0.684 | 6              | 5                   | 5                   | 0.92   | 0.92     |
| Dist. Marketing Implement. Cap   | 2   | 4.30           | 0.12    | 0.963 | 0.988 | 0.081 | 0.643 | 5              | 4                   | 4                   | 0.88   | 0.88     |
| Dist. Customer Linking Cap.      | 2   | 4.26           | 0.12    | 0.964 | 0.984 | 0.077 | 0.687 | 5              | 4                   | 4                   | 0.9    | 0.9      |
| Dist. Pricing Capabilities       | 1   | 11.25          | 0.00    | 0.339 | 0.736 | 0.593 | n/a   | 3              | dropped             | -                   |        |          |
| Dist. Reputation Assets          | 1   | 51.20          | 0.00    | 0.362 | 0.652 | 0.671 | n/a   | 3              | dropped             | -                   |        |          |
| Export Venture Performance       | 2   | 4.23           | 0.12    | 0.963 | 0.988 | 0.081 | 0.607 | 4              | 4                   | -                   | 0.86   | 0.86     |
| EMBR 2nd Order                   | 89  | 158.72         | 0.00    | 0.95  | 0.957 | 0.066 | 0.697 | -              | -                   | -                   | 0.9    | 0.88     |
| DMBR 2nd Order                   | 76  | 122.43         | 0.00    | 0.965 | 0.971 | 0.059 | 0.872 | -              | -                   | -                   | 0.96   | 0.95     |
| EMBR Parcelled                   | 2   | 1.90           | 0.39    | 0.994 | 0.994 | 0.054 | 0.692 | 4              | 4                   | -                   | 0.87   | 0.86     |
| DMBR Parcelled                   | 2   | 2.44           | 0.295   | 0.98  | 0.98  | 0.037 | 0.804 | 4              | 4                   | -                   | 0.93   | 0.9      |

Table 26 CFA Results, AVE, Reliability Coefficients  $\rho$  and  $\alpha$ , and Number of Items for Model Constructs

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