2008

The internet, strategy and performance: a study of Australian export market ventures

Vinh N. Lu
University of Adelaide

Craig C. Julian
Southern Cross University

Publication details
Published version available from: http://dx.doi.org/10.1080/08911760802152132
THE INTERNET, STRATEGY AND PERFORMANCE: A STUDY OF
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Vinh Nhat Lu
School of Commerce,
University of Adelaide,
233 North Terrace,
Adelaide  S.A.  5000
Tel: 61-8-83037112
Fax: 61-8-83034368
E-Mail: Vinh.Lu@adelaide.edu.au

Craig C. Julian, PhD
Research Fellow,
School of Marketing,
Curtin Business School
Curtin University of Technology,
G.P.O. Box U1987,
Perth, W.A., 6845
Australia
Tel: 61-8-92662852
Fax: 61-8-92663937
E-Mail: C.Julian@exchange.curtin.edu.au
crgjulian@yahoo.com.au

ABSTRACT

This study examines the impact of the Internet, firm-specific characteristics, market characteristics, and export marketing strategy on export marketing performance. The unit of analysis was an individual product/market export venture. Data were gathered via a self-administered mail survey of 315 Australian firms involved in exporting. The findings indicate that when the Internet was used for communication purposes and to provide the firm with a competitive advantage it had a significant impact on export marketing performance. Firm-specific characteristics and export marketing strategy also had a significant impact on export marketing performance.

Key Words: The Internet, Marketing Strategy, Firm-Specific Characteristics, Export Marketing Performance

Paper submitted for review to: Journal of Global Marketing.

Send all correspondence to:
Dr. Craig C. Julian
Research Fellow,
School of Marketing,
Curtin Business School,
Curtin University of Technology,
G.P.O. Box U1987,
Perth, W.A., 6845
Australia
Phone: 61-8-92662852
Fax: 61-8-92663937
Email: crgjulian@yahoo.com.au
C.Julian@exchange.curtin.edu.au

Vinh Nhat Lu – is currently a PhD student and an Associate Lecturer at the University of Adelaide. He won the Bernie Mills Medal for his 2004 Honours Dissertation with Dr. Craig Julian as his supervisor.
Craig C. Julian, PhD - is a Research Fellow in the School of Marketing at Curtin University of Technology. He has won competitive research grants, including a prestigious large ARC Discovery Grant and has over 80 publications to his name. His work has appeared in many prestigious international journals including the European Journal of Marketing, Journal of Small Business Management and the Journal of Business Research to name a few.
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This study examines the impact of the Internet, firm-specific characteristics, market characteristics, and export marketing strategy on export marketing performance. The unit of analysis was an individual product/market export venture. Data were gathered via a self-administered mail survey of 315 Australian firms involved in exporting. The findings indicate that when the Internet was used for communication purposes and to provide the firm with a competitive advantage it had a significant impact on export marketing performance. Firm-specific characteristics and export marketing strategy also had a significant impact on export marketing performance.

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INTRODUCTION

The benefits of a firm’s involvement in exporting activities have long been acknowledged. Conceptual frameworks have been developed, enabling scholars to understand the factors determining a firm’s success or failure in foreign markets. However, despite considerable research attention inconclusive and sometimes contradictory findings still leave the antecedents of export marketing performance as being largely unresolved.
Furthermore, Australian firms are increasingly looking beyond their domestic market and are focusing on high growth foreign markets to enhance their international competitiveness (O’Cass and Julian, 2003). Some researchers such as O’Cass and Julian (2003) even suggest that export market development, in many ways, is becoming more a matter of survival rather than a matter of choice for many Australian firms. Importantly, it is widely recognised that success in the domestic market does not guarantee success in foreign markets (Shoham, 1999). Furthermore, as suggested by Maitland and Nicholas (2002), little research attention has been given to the internationalisation of Australian firms. As such, the primary objective of this study is to examine the antecedents of export marketing performance from an Australian perspective. The population used for the validation was small and medium-sized enterprises (SME’s), defined as firms with fewer than 500 employees (Styles, 1998). Export research focusing on this group of firms is of interest because (1) the potential growth in exports is perhaps the greatest among this group (Julian, 2003); and, (2) the suggestion that SME’s may operate in quite different ways than larger firms (Styles, 1998) and, therefore, would benefit from being researched separately.

**LITERATURE REVIEW**

Export marketing performance has been extensively studied over the past four decades (Cavusgil and Zou, 1994; O’Cass and Julian, 2003; Styles, 1998). A review of the empirical literature by Ngai (2003) yielded more than 100 studies on export marketing performance conducted across different industries and different national settings. However, conceptual and operational definitions used in export marketing research vary widely. According to Zou, Taylor and Osland (1998) conceptual
definitions of export marketing performance include export effectiveness, export efficiency, and continuous engagement in exporting, while Shoham (1998) simply defined export marketing performance as the composite outcome of a firm’s international sales, consisting of export sales, export profitability, and export growth. A more comprehensive definition was offered by Julian (2003) that included the extent to which a firm’s objectives, both economic and strategic, with respect to exporting a product/service into a foreign market, are achieved. The literature, therefore, has not even achieved a uniform definition of export marketing performance.

Export marketing performance has been measured via three principal methods: financial indicators, strategic indicators, and perceptual measures. First, export marketing performance has most commonly been measured via economic indicators (Zou, Taylor and Osland, 1998). The underlying theoretical justification for this measurement of export marketing performance is that exporting is part of the firm’s marketing program. As a firm’s marketing operations are measured in economic terms, export marketing performance should be measured in the same way, that is, in economic terms.

Second, export marketing performance has been measured via the strategic indicators. This is consistent with the emphasis on strategic considerations in marketing theory by Cavusgil and Zou (1994). That is, the incorporation of strategic dimensions in determining the firm’s export marketing performance contributes to its capability in gaining a foothold in foreign markets and confronting any competitive pressures, especially when international competition intensifies. The underlying theoretical
justification is that firms often set strategic goals as well as economic goals in exporting (Julian, 2003). Thus, the attainment of strategic goals, such as improved competitiveness, increased market share or strengthened market position must be considered as an integral part of a firm’s export marketing performance (Zou et al., 1998).

Third, export marketing performance has been measured via perceptual or attitudinal measures of performance. The underlying theoretical justification is that being positively disposed toward exporting and/or satisfied with exporting operations is a strong indication of success in exporting (Zou et al., 1998). Under this view, a firm’s export marketing performance may be measured either directly, such as perceived export success and satisfaction with the export venture (O’Cass and Julian, 2003), or indirectly, such as attitudes towards exporting (Johnson and Arunthanes, 1995).

The variety of approaches to the measurement of export marketing performance makes it difficult to compare the findings of different studies. When conflicting findings are obtained by studies that employ different measurement schemes for export marketing performance, it makes it impossible to identify whether the findings are because of the measurement scales or the independent variables being studied (Cavusgil and Zou, 1994). As a result of the use of different measurement schemes, it is difficult to assess which of the individual factors are the strongest predictors of export marketing performance (Zou et al., 1998).

The particular theoretical perspective adopted here is that export marketing performance is, firstly, measurable at the export venture level (that is, the
product/market level). Secondly, it incorporates the major perspectives of export marketing performance used in previous studies. Finally, it is consistent with the existing export marketing performance measures used by studies in different countries (Julian, 2003; Zou et al., 1998).

The benefits of adopting this theoretical perspective are firstly, it focuses on export venture performance related to one product and one market overcoming the difficulties involved in attempting to measure firm level export performance. Secondly, it combines the three primary means of measuring export marketing performance that have been used in previous studies: economic indicators, strategic indicators and satisfaction with the venture’s export performance (Zou et al., 1998). As such, this theoretical perspective helps integrate the existing literature. Finally, it is also consistent with the export marketing literature generated in various countries e.g., the U.S. (Cavusgil and Zou, 1994).

With the emergence of the Internet, there has been an increasing volume of literature on the role of the Internet in business activities. The Internet has been identified as one of the most significant marketing tools in the global marketplace (Rodgers and Sheldon, 2002) for its enormous potential uses for businesses. According to Hamill (1997) an Internet connection can substantially improve communications with actual and potential customers, suppliers and partners’ abroad, generate a wealth of information on market trends and developments worldwide, including the latest technology and R&D, and is a very powerful sales and promotion tool.
The Internet has been considered to fundamentally change the dynamics of the global economy (Singh and Kindu, 2002), leading to a profound impact on the world of international business (Park and Jun, 2003). The explosion of international marketing activity on the Internet has provided a fundamentally different environment for international marketing (Eid and Trueman, 2002). Not only has the marketing mix and the adopted marketing strategies been transformed (Strauss and Frost, 2001), the efficiency of traditional marketing functions has also increased. The Internet serves as a vehicle that accommodates the process of conducting export business or a tool deployed for promotion, information, and export revenue enhancement (Farhoomand and Lovelock, 2001).

Nevertheless, limited scholarly attention has been given to the extent to which the Internet has had an impact on a firm’s export marketing performance. To date, some studies (Bennett, 1997; Hamill, 1997; Samiee, 1998) have attempted to link access to the Internet to a firm’s export marketing performance. From a sample of UK exporting firms, Bennett (1997) concluded that the Internet made it feasible for firms to undertake significant export opportunities and get faster, cheaper, and easier access to world markets. Not only does the Internet furnish firms with a low-cost gateway to global markets, its benefits also extend to market research, image enhancement, cost reduction, and the improvement of sales volume. However, Bennett (1997) did not specifically investigate the extent to which the Internet may impact the export marketing performance outcomes of the firms in the sample.

Hamill (1997) also recognised this gap in the export marketing literature and proposed three mainstream uses of the Internet that can influence a firm’s exporting outcome.
These uses included communications, market intelligence, and sales promotion. However, Hamill (1997) did not perform any empirical research to verify his conceptual framework.

Consistent with Bennett (1997) and Hamill (1997), Samiee (1998) also claimed the Internet can be used as a vehicle that accommodates the process of conducting export business or a tool deployed for promotion, information, and export revenue enhancement. Nevertheless, the Samiee (1998) study was largely exploratory and examined the potential impact of the Internet from a conceptual viewpoint and did not formally test research propositions. Consequently, the impact of the Internet in export marketing has not been fully examined. Furthermore, these studies are now quite dated and it is timely to constitute a study that examines the impact of the Internet on export marketing performance formally testing research hypotheses. As such, the following hypothesis is offered for testing:

H1: The Internet will have a significant impact on export marketing performance when used for the purposes of:

a. Communication
b. Networking
c. Market Research
d. Improve Sales Volume
e. Image Enhancement
f. Cost Reduction
g. Competitive Advantage
Firm-specific characteristics as a key determinant of a firm’s export marketing performance has been well documented in the literature (Julian and O’Cass, 2004). Firm-specific characteristics relate to a firm’s capabilities and constraints, competitive advantages, experience and extent of international business involvement, as well as the availability of resources for export development (Cavusgil and Zou, 1994). Research into the impact of firm-specific characteristics on export marketing performance has produced varying results. Whilst support has been provided by Zou and Stan (1998) that firm competencies appear to be important determinants of export performance, other studies have reported firm-specific characteristics as being a non-significant predictor of export marketing performance (Julian, 2003).

Julian (2003) studied the key predictors of export marketing performance for exporting firms in Thailand, and found firm-specific characteristics to be a non-significant predictor of export marketing performance. As such, these findings demonstrate the existing knowledge on the relationship between firm-specific characteristics and export marketing performance is far from conclusive. Further research is, therefore, required to determine whether firm-specific characteristics have a significant impact on a venture’s export marketing performance. As such, the following hypothesis is offered for testing:

**H2: Firm-specific characteristics have a significant impact on export marketing performance.**

The potential impact of market characteristics on export marketing performance has received limited attention from researchers. In the review of literature by Zou and
Stan (1998), most of the studies on this subject have reported insignificant findings. An explanation for this is that these studies used the entire firm as their unit of analysis. A firm can export its products and services to various countries embedded with different market characteristics. As such, if a study focuses on a firm’s total exports, the impact of those factors associated with each foreign market cannot be clearly defined as it is reasonable to conclude that the firm will not perform at the same level for each foreign market it enters. As such, the following hypothesis is offered for testing:

**H3: Market characteristics have a significant impact on export marketing performance.**

Studies into the impact of export marketing strategy on the firm’s export marketing performance have produced mixed findings, especially in relation to the degree of standardization or adaptation of the strategy to the conditions of the foreign market. For instance, Cavusgil and Zou (1994) found a negative and moderate relationship between promotion adaptation and export marketing performance. This was in direct contrast with previous findings, which generally support the notion that promotion adaptation can better match the firm’s offering to export customers’ expectations and should ultimately lead to better export marketing performance.

Second, O’Cass and Julian (2003) found that the effects of adaptation or standardization strategies did not have a significant direct impact on Australian firms’ export marketing performance. Similar to Shoham and Albaum (1995), O’Cass and Julian (2003) concluded that exporters were split between those that mostly adapt and
those that standardize. In the same industry, some firms adapted their strategy in foreign markets, whilst others opted for a standardized strategy.

Third, in another study, export marketing strategy was concluded as a non-significant predictor of export marketing performance for Thai firms (Julian, 2003). The variation in the research findings highlights the need for further research on the direct effect of export marketing strategy on export marketing performance. As such, the following hypothesis is offered for testing:

**H4: Export marketing strategy has a significant impact on export marketing performance.**

**RESEARCH DESIGN**

The study was based on an empirical investigation of firms that used the Internet and were involved in exporting to foreign countries from Australia. The sample of firms came from a wide cross section of industries. In order to obtain valid and reliable measures of the variables, previously validated scales were used to measure firm-specific characteristics, market characteristics, export marketing strategy, export marketing performance, and the uses of the Internet (Julian, 2003; Julian and Holtedahl, 2005). All items were measured via five-point bipolar scales with scale poles ranging from strongly disagree (1) to strongly agree (5) (Julian, 2003). The questionnaire was developed and pre-tested using a small sample of exporters with the final instrument mailed to the sample that included 315 firms who were ápriori identified as being involved in direct exporting, yielding 133 useable questionnaires.
being returned accounting for an effective response rate of 42.2 percent and considered to be adequate (Groves, 1990).

The instrument contained items identified by the literature as to the use of the Internet in export marketing (Bennett, 1997; Julian and Holtedahl, 2005), together with items intended to measure firm-specific characteristics, market characteristics, export marketing strategy and export marketing performance (Julian, 2003). Bennett (1997) summarised the use of the Internet in export marketing into seven primary areas, namely, communication, networking, market research, sales, image enhancement, cost reduction and competitive advantage.

Communication was measured via items that tapped the degree to which the Internet improves internal communications and communications with suppliers and partners overseas. Networking was measured via items that tapped the degree to which the Internet helps make industry contacts and improves network relationships. Market research was measured via items that tapped the extent to which the Internet helps with export marketing research. Sales was measured via items that tapped the extent to which the Internet helps a firm increase its sales volume, whether the Internet is an effective sales tool for foreign markets and whether the Internet makes it easier for a firm to bypass local intermediaries in foreign markets. Image enhancement was measured via items that tapped the extent to which the Internet helps introduce new products, makes it easier to serve niche markets and creates a good business image. Cost reduction was measured via items that tapped the extent to which the Internet helps lower the costs of international marketing. Competitive advantage was measured via items that assessed the extent to which the Internet gives the company a
competitive advantage over competitors and has an effect on the competitive intensity in the foreign market (Julian and Holtedahl, 2005).

Firm-specific characteristics were measured via items that tapped the amount of international experience the firm has, the resources the firm has for export development, planning carried out by the firm and the firm’s management and resource commitment to this export market venture (Julian, 2003). Market characteristics were measured via items that assessed the intensity of price competition and the competitive intensity in the export market, the extent of government intervention and foreign competitors, the demand potential and customer familiarity of the venture’s products/services, and the sophistication of the marketing infrastructure in the export market (Julian and O’Cass, 2004).

Export marketing strategy was measured via items tapping the degree of product adaptation required, the extent to which the product label was in the local language, the degree of adaptation of the product’s packaging, positioning strategy and promotional strategy in the export market and the support and training provided to the export market venture’s distributors/subsidiaries (Cavusgil and Zou, 1994).

Export marketing performance has been measured via the use of economic indicators, strategic indicators and overall satisfaction with performance. As a result, this study used a composite measure of export marketing performance that incorporated all three measures of export marketing performance.
DATA ANALYSIS

Prior to analyzing the primary data the issue of non-response bias is discussed. An ‘extrapolation procedure’ technique was used to assess non-response bias. This assumes that the groupings of actual respondents by an identified criterion are similar to the ‘theoretical’ non-respondents (Armstrong and Overton, 1977). Frequencies and independent $t$-tests were used to determine whether significant differences existed between the sample of 133 Australian export ventures and the target population of 315 based on their industry classification. No significant differences were identified between the sample and the target population for this classification variable. Therefore, as the results suggest that there were no significant differences between respondents and non-respondents then the sample can be considered sufficient to draw conclusions about Australian export ventures for the issues under study.

The data were initially analysed using principal components analysis to assess the psychometric properties of the instrument. Our primary concern was interpretability of the factors. All items loaded appropriately and no cross loadings above .2 were identified with only factor loadings of above .5 being accepted. With eigenvalues greater than 1, ten factors were initially identified (Churchill and Iacobucci, 2002). The results of the principal components analysis are summarized in Table 1.

***************

Insert Table 1 here

***************
Each scale was reviewed using factor analysis to establish that they were unidimensional. Final reliabilities for all scales were greater than .70 with a few over .80 (see Table 2).

The preliminary results indicated that the psychometric properties of the scales were acceptable and as such it was appropriate to examine the research hypotheses. A multiple regression analysis was then conducted to examine the relationship between export marketing performance as a dependent variable when measured by a composite measure of export marketing performance and the seven primary uses of the Internet in export marketing together with firm-specific characteristics, market characteristics and export marketing strategy: “communication”, “networking”, “market research”, “sales”, “image enhancement”, “cost reduction”, “competitive advantage”, “firm-specific characteristics”, “market characteristics”, and “export marketing strategy” (Table 2). The analysis resulted in an $R^2 = .366$ suggesting that the seven uses of the Internet: “communication”, “networking”, “market research”, “sales”, “image enhancement”, “cost reduction” and “competitive advantage” together with “firm-specific characteristics”, “market characteristics”, and “export marketing strategy” explained 36.6 percent of the variation in the export marketing performance of Australian export market ventures as explanatory variables when measured by a composite measure of export marketing performance that included satisfaction with performance, achievement of strategic objectives and profitability. The results also
show only two uses of the Internet – “communication” and “competitive advantage”
together with “firm-specific characteristics” and “export marketing strategy” as
having a significant influence on the export marketing performance of Australian
export market ventures. As such, partial support was provided for H1, full support
was provided for H2 and H4 with H3 being rejected.

DISCUSSION

The two uses of the Internet in export marketing contributing significantly to the
variation in the export marketing performance of Australian export market ventures
were communication and competitive advantage together with firm-specific
characteristics and export marketing strategy. This means that how an export market
venture perceived the Internet’s usefulness in relation to communication and
competitive advantage could be used to significantly predict their marketing
performance. It is important for the management of any company to be aware of these
factors when using the Internet in an export market venture of any magnitude.

As far as communication was concerned the study findings demonstrate that by using
the Internet to create ongoing relationships with customers, to improve
communications with partners and suppliers overseas, to improve international
communications and as an important part of the firm’s marketing communication mix
this will have a negative impact on export marketing performance and managers of
export firms need to refrain from using the Internet for this purpose for export
marketing success. This finding has probably been brought about by the degree of
advertising clutter on the Internet as a direct result of the increasing number of
websites and the extremely high level of usage of the Internet for both internal and external communication and it is probably this advertising clutter that has caused a negative perception of the Internet when it is used for communication purposes. It could have also been caused by the type of website the export ventures had. Perhaps the different websites were not user friendly and it was difficult to access the required information via the websites. Furthermore, the different websites may have not been interactive preventing customers from ordering on-line and only providing product or related information thereby increasing the level of dissatisfaction with the respective websites. However, these conclusions are only speculative as the reasons for the negative effect of the Internet when used for communication purposes was beyond the scope of this study but is worthy of further investigation in future studies.

In relation to the Internet providing the firm with a competitive advantage the study findings clearly demonstrate that if the Internet was used to provide the firm with a competitive advantage over competitors this would have a positive impact on export marketing performance suggesting that the Internet provides the firm with a competitive advantage over competitors. The management of any export market venture needs to be aware of this and should use the Internet as a competitive weapon for export marketing success.

As far as firm-specific characteristics were concerned, export marketing performance is enhanced through certain firm-specific characteristics. Management’s international experience, competence and commitment to the venture make a positive contribution to export marketing performance. The study findings confirm that firms have much to gain if they allocate sufficient resources to fully capitalise on export market
opportunities. When firms are committed to an export market, they carefully plan the entry and allocate sufficient managerial and financial resources to the venture. With formal planning and resource commitment, uncertainty is reduced leading to better performance.

Finally, in relation to export marketing strategy the study findings provide empirical evidence for adapting the venture’s product/services to meet the needs of the foreign market as opposed to offering undifferentiated standardized products. The management of any export market venture must be aware of this for export marketing success. The message is simple, foreign firms must be prepared to substantially adapt their product offerings in foreign markets, they must be prepared to substantially adapt their product positioning strategy, packaging and promotional strategy and also be prepared to have the product label in the local language for export marketing success.

With respect to channel support the study findings have confirmed the importance of distribution access and supporting and training the export market venture’s distributors/subsidiaries. The overall support given to distributors/subsidiaries and the amount of training offered to the sales force of the export market ventures’ distributors/subsidiaries together proved to have a significant impact on export marketing performance. Once the distributors/subsidiaries and their sales force received sufficient support, they will be more committed, resulting in greater success for the export market venture. The management of any export market venture should be aware of this for export marketing success.
The present study has extended the literature on the relationship between the Internet and export marketing performance in several areas within the specific Australian context. First, the measurement scales developed by Julian and Holtedahl (2005) to examine the Internet’s use in export marketing in relation to communication, networking, market research, sales, image enhancement, cost reduction and competitive advantage have been further validated suggesting they can now be claimed as reliable and valid measures of the respective constructs. Second, the constructs developed here can serve as a foundation for further research into the Internet and export marketing performance. Third, the study has contributed to a more comprehensive understanding of the success factors in export marketing and the role the Internet plays. Fourth, evidence has been provided that the Internet when it is used for communication will have a negative impact on export marketing performance. Fifth, the Internet should be used as a competitive weapon because when it is it has a positive impact on export marketing performance. Finally, further evidence has been provided on the significance of firm-specific characteristics and export marketing strategy variables and their positive relationship with export marketing performance.

DIRECTIONS FOR FUTURE RESEARCH

Prior to discussing the directions for future research some of the study’s limitations are noted. One of the limitations of this study is its cross sectional design. The results from this investigation should be considered in this light. Taking this study as a point of departure longitudinal research is encouraged to examine the effect of the Internet on export marketing performance over time. As time goes by and as Internet technology improves it is likely the use of the Internet in export marketing is also
likely to change. As such, future research should continue to monitor and evaluate the uses of the Internet in export marketing. Future research should also replicate this study in a developing country of South East Asia to see if the findings of this study can be validated using a developing country as a sampling frame.

Future research could also examine why using the Internet for communication purposes is likely to have a negative impact on export marketing performance. For example, future research could examine whether or not it is important to have an interactive website where orders could be placed on line. Alternatively, whether or not the website should just provide information and be used solely as a promotional tool. Future research could also examine whether or not it was important for the website to be in multiple languages or how easy it was to communicate with the export venture via its website and whether or not this had a significant impact on export marketing performance.

From a methodological perspective, a potential concern might be that all measures are self-reported. While regression modeling is a robust technique, future research could utilize multiple means by which to measure the variables in order to reduce common method variance. Efforts were made in this study to minimize the problem by pre-testing the instrument and selecting measures that minimize item overlap. While utmost care is taken in the development and administration of the instrument, respondents still might not interpret all questionnaire items uniformly. The sample size is also smaller than desirable. Future research should replicate the study with a larger sample. Finally, a replication of this study should examine whether the relationships between the variables still would hold true on an industry by industry
basis as some industries may use the Internet differently and some industries may have more interactive websites than others.

REFERENCES


# TABLES AND FIGURES

## Table 1 – Summary of Principal Components Analysis

<table>
<thead>
<tr>
<th>Factor/Statement Name</th>
<th>Dominant Statements</th>
<th>Factor Loadings</th>
</tr>
</thead>
</table>
| **Factor 1 Communication** | The Internet improves communication with suppliers and partners overseas.  
The Internet creates ongoing relationships with customers.  
The Internet leads to improved internal communications.  
The Internet is an important part of the firm’s marketing communications mix. | 0.89            |
| **Factor 2 Networking** | The Internet helps make industry contacts.  
The Internet helps improve network relationships. | 0.91            |
| **Factor 3 Market Research** | The Internet helps keep track of the available information about the foreign market.  
The Internet helps with export marketing research.  
The Internet helps keep up to date with industry developments.  
The Internet helps generate useful feedback from foreign customers.  
The Internet helps track individual customer behavior. | 0.79            |
| **Factor 4 Sales** | The Internet helps the firm increase its sales volume without physically expanding the business.  
The Internet makes it easier to bypass local intermediaries in foreign markets.  
The Internet makes it easier for foreign customers to order goods.  
The Internet helps the firm sell anywhere in the world, no matter how remote the country.  
The Internet is an effective sales tool for foreign markets.  
The Internet creates sales leads. | 0.76            |
| **Factor 5 Image** | The Internet helps penetrate unfamiliar foreign markets.  
The Internet stimulates secondary markets.  
The Internet makes it easier to serve niche markets.  
The Internet creates a good business image.  
The Internet generates international awareness about the business.  
The Internet helps introduce new products. | 0.68            |
<table>
<thead>
<tr>
<th>Factor/Statement Name</th>
<th>Dominant Statements</th>
<th>Factor Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Factor 6</strong> Costs</td>
<td>The Internet helps avoid obtaining foreign representation.</td>
<td>0.83</td>
</tr>
<tr>
<td></td>
<td>The Internet avoids setting up new branches.</td>
<td>0.81</td>
</tr>
<tr>
<td></td>
<td>The Internet lowers the cost of international marketing.</td>
<td>0.76</td>
</tr>
<tr>
<td></td>
<td>The Internet helps to avoid bothering about foreign cultures and practices.</td>
<td>0.72</td>
</tr>
<tr>
<td></td>
<td>The Internet makes exporting easier.</td>
<td>0.65</td>
</tr>
<tr>
<td></td>
<td>The Internet helps reduce the costs of market information.</td>
<td>0.63</td>
</tr>
<tr>
<td><strong>Factor 7</strong> Competitive Advantage</td>
<td>The Internet has an effect on the intensity of competition in the foreign market.</td>
<td>0.88</td>
</tr>
<tr>
<td></td>
<td>The Internet gives the company a competitive advantage.</td>
<td>0.88</td>
</tr>
<tr>
<td><strong>Factor 8</strong> Firm-Specific Characteristics</td>
<td>The extent of management commitment to this export venture.</td>
<td>0.87</td>
</tr>
<tr>
<td></td>
<td>The extent of the firm’s resource commitment to this export venture.</td>
<td>0.85</td>
</tr>
<tr>
<td></td>
<td>Amount of resources the firm has for export development.</td>
<td>0.83</td>
</tr>
<tr>
<td></td>
<td>The extent of planning for this export venture.</td>
<td>0.82</td>
</tr>
<tr>
<td></td>
<td>The international experience of the firm.</td>
<td>0.66</td>
</tr>
<tr>
<td><strong>Factor 9</strong> Market Characteristics</td>
<td>The competitive intensity in the export market.</td>
<td>0.86</td>
</tr>
<tr>
<td></td>
<td>Extent of foreign competitors in the market.</td>
<td>0.85</td>
</tr>
<tr>
<td></td>
<td>Sophistication of the marketing infrastructure.</td>
<td>0.74</td>
</tr>
<tr>
<td></td>
<td>The extent of price competition in your industry.</td>
<td>0.72</td>
</tr>
<tr>
<td></td>
<td>The extent of government intervention.</td>
<td>0.63</td>
</tr>
<tr>
<td></td>
<td>The demand potential for the venture’s products/services in this export market.</td>
<td>0.62</td>
</tr>
<tr>
<td></td>
<td>Customer familiarity with the venture’s products/services.</td>
<td>0.62</td>
</tr>
<tr>
<td><strong>Factor 10</strong> Export Marketing Strategy</td>
<td>The amount of training given to the sales force of your distributors/subsidiaries.</td>
<td>0.88</td>
</tr>
<tr>
<td></td>
<td>The overall support given to your distributors/subsidiaries in this export market.</td>
<td>0.87</td>
</tr>
<tr>
<td></td>
<td>Degree of adaptation of product positioning strategy.</td>
<td>0.85</td>
</tr>
<tr>
<td></td>
<td>Degree of product adaptation for market entry</td>
<td>0.78</td>
</tr>
<tr>
<td></td>
<td>Degree of adaptation of your product’s packaging in this export market.</td>
<td>0.76</td>
</tr>
<tr>
<td></td>
<td>Degree of adaptation of your promotional strategy for this export market.</td>
<td>0.69</td>
</tr>
<tr>
<td></td>
<td>Extent to which the product label is in the local language.</td>
<td>0.64</td>
</tr>
</tbody>
</table>
Table 2 – Multiple Regression Analysis

<table>
<thead>
<tr>
<th>Variable</th>
<th>Alpha</th>
<th>Coefficient</th>
<th>T-Statistic</th>
<th>Sig T</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communication</td>
<td>0.72</td>
<td>-.261</td>
<td>-2.773</td>
<td>.006**</td>
</tr>
<tr>
<td>Networking</td>
<td>0.71</td>
<td>.028</td>
<td>0.292</td>
<td>.771</td>
</tr>
<tr>
<td>Market Research</td>
<td>0.76</td>
<td>-.077</td>
<td>-0.746</td>
<td>.457</td>
</tr>
<tr>
<td>Sales</td>
<td>0.81</td>
<td>-.084</td>
<td>-0.615</td>
<td>.539</td>
</tr>
<tr>
<td>Image Enhancement</td>
<td>0.79</td>
<td>.084</td>
<td>0.699</td>
<td>.486</td>
</tr>
<tr>
<td>Cost Reduction</td>
<td>0.83</td>
<td>.158</td>
<td>1.492</td>
<td>.138</td>
</tr>
<tr>
<td>Competitive Advantage</td>
<td>0.71</td>
<td>.192</td>
<td>1.993</td>
<td>.048*</td>
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<tr>
<td>Firm-Specific Characteristics</td>
<td>0.86</td>
<td>.478</td>
<td>5.770</td>
<td>.000***</td>
</tr>
<tr>
<td>Market Characteristics</td>
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<td>.089</td>
<td>1.103</td>
<td>.272</td>
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<tr>
<td>Export Marketing Strategy</td>
<td>0.76</td>
<td>.184</td>
<td>2.098</td>
<td>.038*</td>
</tr>
</tbody>
</table>

R² = 0.366  n = 133  df = 11

*p<.05
**p<.01
***p<.001