

2009

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Publication details

Post-print of: Julian, CC & Ali, MY 2009, 'Incentives to export for Australian export market ventures', *Journal of Small Business and Enterprise Development*, vol. 16, no. 3, pp. 418-431.

Published version available from:

<http://dx.doi.org/10.1108/14626000910977143>

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Incentives to Export for Australian Export Market Ventures

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Paper submitted for review to: Journal of Small Business and Enterprise
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Key Words: export incentives, antecedents, Australia, export marketing performance

Word Count: 6,617 words

Incentives to Export for Australian Export Market Ventures

Structured Abstract

Research Paper

Purpose

This study examines the impact that various incentives to export have on the export marketing performance of Australian export market ventures.

Methodology

The study was based on an empirical investigation of firms involved in exporting to foreign countries from Australia. The sample of firms came from a wide cross section of industries. The list of firms comprising the sample was provided by a state government department

Findings

The findings indicate that the export marketing performance of Australian export market ventures was positively influenced by the export incentive of the chance to diversify into new markets.

Research Limitations

From a methodological perspective, a potential concern may be that the measures are all self-reported. Consequently, the relationships tested may be susceptible to the influence of common method variance.

Practical Implications

The importance of diversifying into new markets was identified. Management should consider taking international expansion opportunities because a preoccupation with the domestic market can make local firms vulnerable to other growth oriented foreign firms and economies of scale via increased productive capacity can assist in reducing the costs of production thereby enabling firms to be more competitive in the global market as well as in the firm's own domestic market.

Originality

A major contribution of this study is that it validates a measure for examining the different incentives to export. Furthermore, it examines the relationship between incentives to export and export marketing performance identifying the chance to diversify into new markets as the key predictor of export marketing performance.

Keywords: export incentives, antecedents, Australia, export marketing performance.

Incentives to Export for Australian Export Market Ventures

Abstract

This study examines the impact that various incentives to export have on the export marketing performance of Australian export market ventures. The incentives to export used in this study were adapted from Sullivan and Bauerschmidt (1990). The unit of analysis was Australian export market ventures engaged in exporting to foreign markets. Data were gathered via a self-administered mail survey directed to the Managing Director of 694 Australian export market ventures identified by a government department as being involved in exporting. The findings indicate that the only export incentive that was a significant antecedent of export marketing performance was the chance to diversify into new markets.

Introduction

At a micro level, the export of goods and services has become increasingly important for the survival of growth oriented domestic firms. At a macro level, exporting is important for dealing with the trade deficit problems experienced by many countries, including Australia. For example, in the year 2000-01, Australia experienced a \$18.7 billion trade deficit (Australian Bureau of Statistics, 2002). Efficient and effective export marketing decisions are vital for a country's improved economic situation (Leonidou, 1995). As such, an understanding of the incentives that firms value to engage in export activities that impact export marketing performance will not only improve the performance of growth oriented domestic firms engaging in export but

also the economic performance of a country, like Australia, who is very much reliant on its export performance for its economic well being (Julian, 1995).

The expansion of a country's exports has positive effects on the growth of the economy as a whole as well as on individual firms (Julian and O'Cass, 2004). Exporting is of vital economic importance to trading nations and their firms. Exports boost profitability, improve capacity utilization, provide employment, and improve trade balances (Ahmed, Julian, Baalbaki and Hadidian, 2006). According to Gripsrud (1990) the growing globalisation of the world economy and the widespread opinion that increased exports benefit society has stimulated research in this area. In Australia, the growing trade deficit is the most immediate factor behind the interest in this topic (Australian Bureau of Statistics, 2002). A common objective in most countries today is to find ways to increase exports. This can be achieved either by encouraging exporting firms to export more or by inducing non-exporters to begin exporting.

One of the most important research questions in the international business literature is why some firms export and others do not? (Ahmed *et al.*, 2006). An explanation offered by previous research is that non-exporters perceive considerable barriers to exporting (Barker and Kaynak, 1992). Thus, before non-exporters can export, a threshold fear must be overcome. However, the findings are inconclusive. Ahmed *et al.* (2004) found no difference in barrier perceptions between exporters and non-exporters whereas Barker and Kaynak's (1992) findings indicate that exporters perceive more export barriers than do non-exporters. As such, it makes sense, commercially and academically, to determine what are the primary incentives for

firms to engage in export? Furthermore, of those incentives are any of them significant antecedents of export marketing performance.

Literature Review

Exporting has been one of the fastest growing economic activities, consistently exceeding the rate of growth in world economic output over the past two decades (IMF, 1995). A common objective of most countries is to find ways to increase exports.

Gripsrud (1990) defined export intention as the motivation, attitude, beliefs, and expectancy about export contribution to the firm's growth. According to Lim, Sharkey and Kim (1991) non-exporters are those who have never exported. Non-exporters have very little knowledge about the process of exporting and have no experience with the incentives to export. Marginal exporters refer to those who are exploring exporting and may have filled some unsolicited orders. Marginal exporters have learned the basics of the export process, but their low level of commitment may also be coupled with frustration that lead to the perception of inadequate export incentives. Active exporters have mastered the technicalities of exporting and have learned that exporting is an important mechanism for achieving organizational goals. Active exporters have taken advantage of the various incentives to export that have been available.

Sullivan and Bauerschmidt (1990) concluded that firms who were exporting on a regular basis were firms that were actively involved in exporting and whose exports

over the last three years have averaged at least 10 percent of its annual sales. A non-exporter being defined as a firm not currently engaged in exporting. This includes a company that has never exported or one that exported in a previous accounting period but for one reason or another has decided to phase out its export activity.

According to Czinkota, Rivoli and Ronkainen (1992) export development is highly regarded by both public and corporate policy-makers, due mainly to the substantial macroeconomic and microeconomic benefits derived from external trade. From a macroeconomic perspective, exporting can enable national economies to enrich their foreign exchange reserves, provide employment, create backward and forward linkages, and ultimately, lead to a higher standard of living. Terpstra and Sarathy (1994) clarified the benefit of exporting to an economy in terms of its microeconomic gains. Exporting can give individual firms a competitive advantage, improve their financial position, increase capacity utilisation, and raise technological standards (Terpstra and Sarathy, 1994).

Close proximity to foreign markets, diminishing growth opportunities in the home market, expectation of economies resulting from added volume of trade, availability of unused productive capacity, managerial beliefs about the value of exporting, improvement in the growth potential of the product market and the chance to diversify into new markets are the major incentives for firms to engage in export-related activities (Sullivan and Bauerschmidt, 1990). Additionally, Sullivan and Bauerschmidt (1990) identified other incentives to export that include: ability to easily modify products for foreign markets, new information about sales opportunities in foreign markets, intensifying competition in the domestic market, adverse domestic

market conditions, opportunity to lessen the power of domestic customers, providing a hedge against an economic downturn, management expertise, increase in international marketing experience could improve domestic competitiveness, opportunity to extend the domestic product life cycle (PLC), export incentives offered by home country governments, opportunity to reduce inventories, favourable short term profit opportunities, chance to use obsolete equipment elsewhere, reduction of tariffs in target countries, availability of profitable ways to ship products to foreign markets, decline in the value of currency relative to foreign markets, eased export regulations in foreign countries and the receipt of unsolicited orders from foreign buyers.

According to Mc Clelland (1987), the main reason for firms engaging in international business is to expand their business activities because their domestic markets are relatively saturated and international expansion might promote increased sales revenues over time. As a result of competition that emerges with trade liberalization, many firms consider exporting an easier option than continuing in the intensely competitive domestic market (Chetty, 1999). Even when there is ample scope for expansion within the domestic economy, international expansion might be the preferred strategy if the expected increase in profit on incremental sales abroad exceeds the expected increase in profit on additional domestic sales. Higher net selling prices might be attainable in certain foreign markets because of a weaker degree of competition in those markets. Entrepreneurial firms that were surveyed about their reasons for expanding internationally also indicate that reducing costs is an important motive for international expansion, especially expansion taking the form of establishing subsidiaries abroad. The primary consideration in this regard usually is access to lower cost factors of production.

Bijmolt and Zwart (1994) and Westhead (1995) found that other motivators which have been found to be correlated with initial export involvement are receipt of unsolicited foreign orders, aspirations for higher profit, sales growth, the desire to spread research and development costs across a wider volume, the need to make use of excess manufacturing capacity and the desire to achieve stability through diversification. According to Globerman (1986) the rationale for any business to engage in international business is to improve net earnings or profit for the company. Undertaking international business activity may be beneficial to a firm's shareholders because it enhances the value of sales revenue and it contributes to lower costs.

According to Meredith (1984) international expansion may allow large firms to spread overhead costs over a large volume of output. Effectively, international business may allow the firm to fully exploit available economies of scale. Meredith (1984) also argued that the owners of a firm would benefit if that firm spreads its sources of income over a set of activities that are diversified internationally. The idea is that the firm's income stream will be less volatile by conducting business in a variety of countries rather than in a single country.

As far as export marketing performance is concerned, export marketing performance has been measured, principally, by three different ways. Firstly, via the economic indicators of performance i.e. via profit, sales or market share. The underlying theoretical justification for measuring export marketing performance via the economic indicators is that exporting is part of the firm's marketing program and as a firm's marketing operations have been measured in economic terms, therefore, the marketing performance of an export venture should be measured in the same way i.e. in

economic terms (Julian and O’Cass, 2004; Styles, 1998; Zou, Taylor and Osland, 1998). Measuring export marketing performance via the economic indicators is the most commonly used measure of export marketing performance in the literature (Zou, Taylor and Osland, 1998).

Secondly, export marketing performance has been measured via the strategic indicators, such as gain in market share, gain in strategic presence in the export market or attainment of a competitive position in the export market (Cavusgil and Zou, 1994; Julian and O’Cass, 2004; Styles, 1998; Zou, Taylor and Osland, 1998). Here, the underlying theoretical justification is that firms set strategic goals as well as economic goals in exporting (Cavusgil and Zou, 1994; Zou, Taylor and Osland, 1998). Thus, the attainment of strategic goals, such as improved competitiveness, increased market share or strengthened strategic position must be considered as part of a firm’s export marketing performance (Julian and O’Cass, 2004; Styles, 1998; Zou, Taylor and Osland, 1998).

Finally, export marketing performance has been measured via perceptual or attitudinal measures i.e. marketing performance being measured directly via perceived export success or satisfaction with the export market venture (Cavusgil and Zou, 1994; Julian and O’Cass, 2004; Styles, 1998; Zou, Taylor and Osland, 1998). Here, 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, Taylor and Osland, 1998).

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. As a result of the use of different measurement schemes, it is difficult to assess which of the individual variables are the strongest predictors of export marketing performance (Zou, Taylor, and Osland, 1998).

The particular theoretical perspective adopted here is that the measurement scheme should incorporate the major perspectives of export marketing performance used in previous studies and it should be consistent with the existing export marketing performance measures used by studies in different countries (Julian and O’Cass, 2004; Styles, 1998). The benefits of adopting this theoretical perspective are that 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 marketing performance (Cavusgil and Zou, 1994; Julian and O’Cass, 2004; Zou, Taylor, and Osland, 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 United States (Cavusgil and Zou, 1994), Australia (Julian and O’Cass, 2004) and the United Kingdom (Styles, 1998).

Essentially, the theoretical perspective that has been adopted is that for export marketing performance measurement scales to be reliable and valid across different

national settings they need to include items that are drawn from multiple perspectives of previous studies conducted in various countries. That way the scale will reflect the fact that firms in different countries may tend to emphasise different types of performance measures for cultural, economic or sectoral reasons (Julian and O’Cass, 2004; Zou, Taylor, and Osland, 1998).

Exports cannot flourish on individual initiative alone. Efforts made through organizations pursuing combined interests could lead to more efficient long-term outcomes. Creation of government organisations such as AUSTRADE and the Departments of State Development within each state of Australia could facilitate and encourage export activities through the promotion of an overall development and marketing plan for goods and services. An effective organisation promoting the combined interests of a variety of different exporters and industries requires close collaboration of professional associations, chambers of commerce and public institutions. Through the Export Market Support Scheme (EMSS) and the Export Market Development Grant (EMDG) Scheme Federal and State Governments in Australia have been able to provide support and incentives for Australian exporters to develop foreign markets for their goods and services. Thereby, acknowledging the importance of incentives and support for export marketing success (Czinkota, 1994; Lages and Montgomery, 2004).

To better face the challenges of the global village, Australian firms need to get ready, target export markets and adopt a global vision of business development. Australian firms need to be aware of the limits of protection and the necessity to innovate and promote quality. This can be achieved as Australian firms implement a market

orientation at the same time they develop an export culture (Leonidou, Katsikeas, and Samiee, 2002).

Effort is needed to help promote and advertise Australian goods and services in foreign markets. Some of the proposed solutions include the use of trade delegations and participation in trade fairs and exhibitions. Furthermore, the presence of a large expatriate community in foreign markets, especially the ASEAN Countries and their entrepreneurial spirit is an advantage to benefit from. A collective promotion strategy, based on partnerships and formal channels, would present increased chances to realize the complete potential of Australian firms in overseas markets.

A number of free trade agreements have been signed in recent years to progressively liberalize trade and promote regional integration. These include bilateral free trade agreements between Australia and the Peoples Republic of China, between Australia and Singapore and between Australia and Thailand and Australia and the U.S. The bilateral free trade agreement between Australia and Thailand was recently formalised in the APEC (Asia Pacific Economic Cooperation) Summit in Bangkok in October 2003. The primary beneficiaries of this free trade agreement will be the wine industry and the motor vehicle industry making Australian products in those industries far more competitive than its European counterparts. Furthermore, a bilateral free trade agreement has been negotiated between Australia and the United States and was formalised at the end of 2005 to promote stronger economic ties and increased trade between Australia and the U.S. With these important bilateral trade agreements being negotiated between Australia and the leading countries of the Asia Pacific Region the government of Australia is providing incentives for Australian firms who are non-

exporters to commence exporting and for Australian firms who are struggling with their export operations to continue to export with the likelihood of success being seriously enhanced. As such, it is timely to determine which export incentives are the most important for Australian firms and which export incentives have the greatest impact on export marketing performance.

As is evidenced by these bilateral trade agreements efforts are being made to recover a competitive export market share through free trade agreements with the leading countries of the Asia Pacific Region. Reinforcing trade with the ASEAN Countries presents an imperative potential that has not yet been fully exploited. Now that the ASEAN Countries are trading more with each other (Julian and O’Cass, 2002) special focus is on trade with the ASEAN countries, particularly with Thailand, Singapore and Indonesia, with the aim of bringing back some balance to the trade flow and capital accounts. That is why bilateral trade agreements have been negotiated with Singapore and Thailand. As such, the Australian government is doing its best to provide incentives to exporters and to non-exporters to commence exporting and its timely to determine what are the important export incentives as far as Australian firms are concerned and of those export incentives what are the significant predictors of export marketing performance? As such, the following research questions are offered for testing:

RQ1: What export incentives are important for Australian firms?

RQ2: Which export incentives are significant predictors of export marketing performance?

Methodology

The study was based on an empirical investigation of firms involved in exporting to foreign countries from Australia. The sample of firms came from a wide cross section of industries. The list of firms comprising the sample was provided by a state government department. In order to obtain valid and reliable measures of the variables, previously validated scales were used for all of the constructs in this study. The questionnaire was developed and pre-tested using a small sample of exporters with the final instrument mailed to the sample. All items were measured via five-point bipolar scales with scale poles ranging from strongly disagree (1) to strongly agree (5) (Cavusgil and Zou, 1994).

To ensure valid and reliable measures, questionnaire development followed several steps. First, the relevant literature was reviewed to identify the various incentives to export. Second, to ensure content validity, several exporters reviewed the questionnaire and provided input for revision. Finally, to reach the most knowledgeable key informants, the questionnaire was directed to the Managing Director of the firm. From the results of the pre-test, it was expected that the Managing Director would be the person most knowledgeable about the organization's performance and the various export incentives. The case, where the Managing Director was not knowledgeable about the various incentives to export it was expected that the Managing Director, as Chief Executive Officer, would re-direct the questionnaire to the appropriate executive within the organization.

In this study the Managing Director was used as the key informant. Managing Directors or CEOs have been used as key informants in similar research on innovation-based competitive strategy (Li and Calantone, 1998). Although some researchers have advocated the use of multiple informants (Hogarth and Makridakis, 1981), others have found that CEOs provide data that is as reliable and valid as multiple informants (Zahra and Covin, 1993). Data on strategy gathered from middle and lower managers have been argued to have questionable validity because these managers typically do not have access to information about how the total system operates (Snow and Hrebiniak, 1980). CEOs possess the most comprehensive knowledge of the characteristics of the organization, its strategy and inter-organizational relationships (Snow and Hrebiniak, 1980).

The instrument contained items identified by the literature as measuring incentives to export such as the chance to diversify into new markets, improvement in the growth potential of the product market, ability to easily modify products for foreign markets, new information about sales opportunities in foreign markets, possession of current information of advanced technology, intensifying competitive rivalry in the domestic market, entry of foreign competitors in the domestic market, adverse domestic market conditions, opportunity to lessen the power of domestic customers and providing a hedge against an economic downturn (Sullivan and Bauerschmidt, 1990). Other incentives to export included in the research instrument were managerial belief about the value of exporting, opportunity to better utilise management talent, presence of a manager in the unit who was export minded, increase in international marketing experience could improve domestic competitiveness, opportunity to extend the PLC of domestic products, attractive export incentives offered by the home country

government, awareness of export programs sponsored by the home country government, availability of unused productive capacity, expectation of potential income growth as a result of increase in total trade, diminishing growth opportunities in the domestic market, opportunity to reduce inventories, favourable short-term profit opportunities, moves by national competitors to export, chance to use obsolete equipment elsewhere, exports could make a major contribution to the firm's growth, reduction of tariffs in target countries, availability of profitable ways to ship products to foreign markets, decline in the value of currency relative to foreign markets, eased export regulations in foreign countries and receipt of unsolicited orders from foreign buyers (Sullivan and Bauerschmidt, 1990).

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

From the pre-test ten strategic objectives were preset in the research instrument. Respondents were asked to indicate the relative importance of each objective on a five-point bipolar scale with scale poles ranging from strongly disagree (1) to strongly agree (5) (Cavusgil and Zou, 1994). The extent to which the objectives were achieved was then computed. Respondents then indicated their perceived success of the export venture on a 10-point bipolar scale (1=unsuccessful, 10=successful). Finally, they were asked to indicate how profitable the export market venture was on a 10-point bipolar scale (1=fairly profitable, 10=extremely profitable). These three indicators

were then summed into a composite scale for measuring export marketing performance (Cavusgil and Zou, 1994).

After the pilot test the questionnaire was mailed to a purposeful sample of 694 firms who were à priori identified as being involved in direct exporting, yielding 158 useable questionnaires being returned accounting for an effective response rate of 22.7 percent and considered to be adequate (Groves, 1990).

Research Questions

RQ1: What export incentives are important for Australian firms?

RQ2: Which export incentives are significant predictors of export marketing performance?

Data Analysis

Prior to analysing the data a description of the sample is provided. As far as the type of organisation the firm was, the majority of respondents were from national companies or were sole traders with 36.8 percent and 23.2 percent respectively indicating that a large percentage of the responding firms were reasonably large in size. In relation to firm size the export marketing literature suggests that firm size is directly related to exporting as larger companies have a higher propensity to export than do smaller ones. Firms with limited export experience perceive greater export barriers and are less likely to export (Leonidou, 1995; Da Silva and Da Rocha, 2000).

As far as the age of the firm was concerned, the majority of the firms were over 21 years old with 47.9 percent of the respondents' organisations being over 21 years old. This indicates that a large percentage of the firms had significant experience in exporting and were most capable of judging the important incentives to export. Furthermore, the export marketing literature suggests that export experience is inversely proportional with the perceptions of barriers to export as firms with more experience in exporting perceive less export barriers (Da Silva and Da Rocha, 2000).

As far as the industry in which the firm competed was concerned, the dominant industries represented include manufacturing (39.4 percent) and services (19.9 percent). The findings indicate that the majority of the firms belong to the manufacturing and the services industries with 59.3 percent of the sample coming from these industries.

In examining RQ1, "the important export incentives for Australian firms" it was evident from the mean scores that were produced that most of the export incentives listed were identified as being equally important with mean scores greater than three on a five-point scale. Only the export incentives of attractive government export incentives, opportunity to reduce inventories and using obsolete equipment elsewhere had mean scores less than three indicating that they were not important incentives to export. Of the important incentives to export the most important incentives to export were potential income growth as a result of total trade increase and making a major contribution to the firm's growth as these were the only incentives to export that had mean scores greater than four on a five-point scale.

Next, a test for reliability was conducted on the 30 incentives to export to determine the internal consistency of the measures. A test for reliability of the 30 incentives to export resulted in a Cronbach's Alpha of 0.87 suggesting high reliability. After examining the internal consistency of the 30 incentives to export a multiple regression analysis was conducted to examine RQ2 "Which export incentives are significant predictors of export marketing performance?"

A multiple regression analysis was undertaken to examine the relationship between the export marketing performance of Australian export market ventures as a dependent variable and the 30 incentives to export as independent variables (Table 1). The analysis resulted in an $R^2 = .284$ suggesting that the 30 incentives to export together explained 28.4 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, profitability and the achievement of strategic objectives. The results also show only one export incentive – chance to diversify into new markets (t-value = 2.420, $p < .05$) as having a significant influence on the export marketing performance of Australian export market ventures. Overall the results indicate that the export marketing performance of Australian export market ventures was positively influenced by the export incentive of the chance to diversify into new markets.

"take in Table I"

Discussion

The export incentive contributing significantly to the variation in the export marketing performance of Australian export market ventures was the chance to diversify into new markets. The other export incentives had no impact on the export marketing performance of Australian export market ventures. It is important for the management of any company to be aware of this issue when contemplating an export venture of any magnitude.

By diversifying into new markets this will expand the nation's exports and will have positive effects on the growth of the economy as well as on individual firms (Julian and O'Cass, 2004). As already discussed, exporting is of vital economic importance to trading nations and their firms. The main benefit for firms diversifying into different country markets is to expand their business activities because their domestic market is relatively saturated and international expansion generates increased sales revenues over time. Additionally, by diversifying into new markets it will enable export firms to make use of excess manufacturing capacity and achieve stability via diversification. Furthermore, international expansion allows large firms to spread overhead costs over a large volume of output. Effectively, by diversifying into new markets firms are able to fully exploit available economies of scale. Finally, owners of a firm would benefit if that firm spreads its sources of income over a set of activities that are diversified internationally. The idea is that the firm's income stream will be less volatile by conducting business in a variety of countries rather than in a single country. As such, it is not surprising to find that this study's findings have

concluded that by diversifying into new markets it is likely to enhance a firm's export marketing performance.

Managerial Implications

The present study has extended the literature on the effect of incentives to export on export marketing performance in several areas within the specific Australian context. First, the importance of diversifying into new markets has been identified. Management should consider taking international expansion opportunities because a preoccupation with the domestic market can make local firms vulnerable to other growth oriented foreign firms and economies of scale via increased productive capacity can assist in reducing the costs of production thereby enabling firms to be more competitive in the global market as well as in the firm's own domestic market. Furthermore, management should consider being involved in exporting on a regular basis rather than using exporting to increase profitability when the domestic market is weak and there is excess productive capacity. That way the firm will be able to determine its own destiny and maintain and increase profitability on a continuous basis not just when the domestic market is slow or in decline.

Directions for Future Research

The export incentives used here can serve as a foundation for further research into the incentives to export and their impact on export marketing performance. A reliable measure has been provided for a number of different incentives to export. The study has contributed to a more comprehensive understanding of the incentives to export

that impact export marketing performance. A logical extension of the study would be to summarise the 30 incentives to export into a fewer number of factors to see if reliable measures can be provided for those constructs. Then to run another multiple regression analysis to see which of the export incentive constructs were significant predictors of export marketing performance. However, that is beyond the scope of this study and would make for a useful future study.

Conclusions

Whilst significant findings have been produced in this study, the study is not without its limitations. These limitations are particularly related to sampling procedures and to sample size. Convenience sampling was the sampling technique used in this project. Although the abovementioned technique has many advantages, it also has serious limitations. Many sources of selection bias are present, including respondent self-selection. From a methodological perspective, a potential concern may be that the measures are all self-reported. Consequently, the relationships tested may be susceptible to the influence of common method variance. Moreover, convenience samples are not representative of any definable population. Therefore, it would not be theoretically meaningful for us to generalize to any population from a convenience sample, and convenience samples are not suitable for marketing research projects involving population inferences.

Concerning sample size, our sample was relatively small (158 firms). However, the sample size decision was guided by a consideration of resource constraints. Like in any marketing research project, time and money were limited.

Caution should also be exercised in inferring causality from the model tested. The cross-sectional nature of the data makes this inference tenuous.

Although our study helped shed light on the current situation, the data available are those that have been disclosed by the senior managers of Australian export market ventures. Data included some typical errors that are usually encountered in surveys, as well as errors due to the prejudiced declarations of exporters who are, for many reasons, often unwilling to reveal their real numbers, attitudes and perceptions. These limitations need to be considered when examining the findings of this study yet every precaution has been taken to ensure the findings of the study are reliable. As identified in the theory section, utmost care has been taken in identifying and selecting the variables, and systematic procedures have been followed at every step of the study.

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Table I – Multiple Regression Analysis between different Incentives to Export (independent variables) & Export Marketing Performance (dependent variable)

Export Incentives	Mean	Coefficient	T-Statistic	Sig T
Chance to diversify into new markets.	3.71	.409	2.420	.05
Improve product's growth potential.	3.83	-.259	-1.397	ns
Easy product modification.	3.48	-.192	-1.378	ns
Information about sales opportunities.	3.41	-.107	-.709	ns
Possession of current information of advanced technology	3.26	.034	.214	ns
Intensifying competitive rivalry in the home market.	3.31	.101	.660	ns
Entry of foreign competitors in our home market.	3.07	-.199	-1.178	ns
Adverse domestic market conditions.	3.22	.036	.221	ns
Opportunity to lessen the power of domestic customers.	3.01	.019	.109	ns
Providing a hedge against an economic downturn.	3.74	.120	.609	ns
Managerial belief about the value of exporting.	3.64	-.078	-.413	ns
Opportunity to better utilise management talent.	3.46	-.055	-.327	ns
Presence of an export minded manager.	3.57	-.030	-.155	ns
International marketing experience to improve domestic competitiveness.	3.66	.040	.222	ns
Opportunity to extend PLC.	3.36	-.075	-.435	ns
Attractive govt. export incentives.	2.86	-.227	-1.217	ns
Awareness of govt. export programs.	3.23	.208	.975	ns
Unused productive capacity.	3.17	.020	.127	ns
Potential income growth as a result of total trade increase.	4.00	-.200	-1.345	ns
Diminishing domestic market.	3.16	-.125	-.872	ns
Opportunity to reduce inventories.	2.89	.305	1.689	ns
Short term profit opportunities.	3.34	-.037	-.253	ns
National competitors start to export.	3.10	-.120	-.744	ns
Using obsolete equipment elsewhere.	2.35	-.264	-1.711	ns
Making a major contribution to firm's growth.	4.19	.300	1.756	ns
Reduction of tariffs.	3.36	.029	.137	ns
Profitable ways to ship products.	3.41	-.248	-1.233	ns
Decline in the value of currency relative to foreign markets.	3.53	.131	.848	ns
Relaxation of export regulations.	3.28	-.082	-.413	ns
Receipt of unsolicited orders.	3.21	.054	.315	ns
R² = 0.284 n = 158 df = 6				