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IMPACT OF FIRM-LEVEL CHARACTERISTICS AND INTERNATIONAL MARKETING STRATEGIES ON EXPORT PERFORMANCE OF SMEs IN SOUTH AFRICA

by

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A THESIS

submitted in full fulfilment of the requirements for the degree of

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Dr Norman Chiliya

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ABSTRACT

Internationalization has caused numerous businesses across the world to extend their operations to foreign countries. Amongst the various forms of internationalization, such as direct investment, franchising and joint ventures, the primary and most common mode used by Small and Medium Enterprises (SMEs) is exporting. Exporting allows businesses to function in their home country and serve customers in other countries. Exporting relieves businesses from domestic competition, increases production, from which economies of scale, competitive prices and competitive advantages are gained. Despite these advantages, there are reports that limited SMEs in emerging economies like South Africa that are facing increasing competition from international forms entering their markets are exporting. Such reports raise questions as to the factor that becomes barriers for SMEs in South Africa to export. Previous studies have produced mixed findings, with some suggesting that exporting determinants are SMEs characteristics in terms of size and age, others suggesting managerial capabilities and characteristics and some contending that it is environmental factors and competence in dealing with expert market conditions and requirements.

Considering the mixed findings from literature, there was a need for a consolidated study to identify country-specific factors that will propel SMEs in South Africa to not only export to perform optimally and superiorly. Even though the resource-based view (RBV) and dynamic capabilities view (DCV) theorists posit that firm performance is guaranteed when firms possess resources (tangible and intangible) and dynamic capabilities to adapt marketing strategies to changing market conditions, researchers have ignored the mediating role of the resultant marketing strategies in the relationships between performance drivers and export performance. Thus, this research had two main objectives: 1) examine the extent to which firm characteristics (firm size, age of the firm and employee education), managerial characteristics (international experience, education level, foreign language knowledge, risk-taking ability, rigidness, proactive approach), environmental characteristics (psychic distance, cultural specificity), export market competencies (commitment, international expertise, market knowledge, innovation) impact both optimal and superior export performances); 2) test the mediating role of international marketing strategies in the relationships between the sets of drivers and export performance (subjectively) of South African SMEs. An integrated conceptual framework was developed delineating these relationships.

To empirically test the conceptual framework, data was collected from 350 respondents of SMEs involved in export activities, located in the Gauteng and Western Cape of South Africa. Convenience sampling method was used in the research. The findings indicate that optimal export performance was significantly driven by an organization's characteristics (i.e., size and education of employees), environmental characteristics of the firm (only psychic distance) and export market competence (internal market knowledge and experience, innovation and commitment. Superior export performance was significantly impacted by managerial characteristics (i.e., Foreign Language Expertise, International Experience, and Education level), Personality Factors (i.e., Risk Taking Ability, Rigidness, and Proactive Approach). The international marketing strategies and managerial characteristics had the greatest influence on the optimal export performance of the organisation, while the market competencies made the greatest impact on optimal export performance.

The developed integrated model explained 87.6% of superior export performance, 78.5% of optimal export performance and 79.2% of international marketing strategy. With this high explanatory powers, this research theoretical contributes in the field of international marketing and strategic management by providing a holistic model with which to identify various factors and their facets helping and hindering SMEs to perform superiorly and optimally in not only an emerging market context but also in an African context. This study also theoretically contributes by confirming the RBV and DCV theories in an African market context. Practically, and for the SMEs that perform well, they can use insights from this study to identify what they are doing rightly. For the SMEs that perform poorly or are planning to export, this comprehensive findings will be a rich guide into internal factors (managerial and firm characteristics and export market competence) and environmental factors to focus on for effective strategy implementation and resultant superior and optimal export performances. Future research should test this model with a larger sample size and in other emerging and developing countries.

Keywords: *Strategies, SMEs, South Africa, Performance, Growth, Global*

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DECLARATION

I, Ammar Siddiqui declare that this report presents the work I have done myself. The report is compiled in accordance with the standard requirements for the degree of Doctor of Philosophy (PhD) in University of the Witwatersrand Johannesburg. I also declare that this research has not been used prior to the submission for this degree.

Ammar Siddiqui

Feburary, 2021

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CHAPTER ONE (1): INTRODUCTION AND BACKGROUND

1.1 Introduction

The survival and progression of organisations is closely associated with their efforts to obtain and maintain a competitive advantage in their operating environment, and providing the market with products that are superior to competitors (Baruah & Ward, 2015). Organisations develop and use the strategies that fulfil their demands, manage their actions and accomplish their goals in a highly competitive environment. The competitive environment that is introduced into the organisation provides the context for strategic issues. Marketing plays a key role because it is one of the links between the organisation and the market (McDonald, 2016; Cacciolatti & Lee, 2016). This requires a deeper understanding of building strategies i.e.; understanding how a marketing strategy is formed, how it is formulated and implemented. The general consensus is that there is no one best way for the firm to formulate a strategy. In any case, the insertion of strategy is always unique in accordance with the circumstances (Venter & Van Rensburg, 2014; Baker, 2014; Morgan, Whitler, Feng, & Chari, 2019). Moreover, by conducting research and descriptive studies with the leaders of the organisation and combining business practices, a theoretical basis for a marketing strategy is obtained. Marketing strategy contains elements that the organisation must formulate in order to make its competitive position clearer, thus, making a contribution to the marketing theory.

Marketing strategies are an integral aspect of success in each and every organisation. Marketing has been referred to as a framework that constitutes different strategies and implementations with regard to packaging, designing, selling and even promoting the goods and services (Khurshid et al., 2013). It has been known for its efficiency in dealing with the consumers and facilitating the organisations to target their prime market that further results in escalated sales (Perreault, 2018). The success of marketing strategies relies on its implementation, which is based on its principles and practices (Freeman & Styles, 2014). Furthermore, the accomplishment of marketing strategies cannot be based on an automated process, as the capability of developing business is contingent on a certain amount of sustainable practices and principles (Martin & Javalgi, 2016).

It has also been argued that the practices of sustainable marketing are associated with performance indicators of the businesses in the given market. The market determinants of a given business and its performance are based on the underlying characteristics of the firm

(Tergesen, Hessels & Li, 2016). Moreover, the determinants are further impacted by the appropriateness and suitability of offered services and goods, along with the needs and demands of the audience or targeted consumers. It has been highlighted by Freeman and Styles (2014) that the determinants are a reflection of the factors identified through the marketing mix of the product or services offered. Furthermore, it was noted that the greatest attention to the market strategy and its determinants is connected and depends on the traits and characteristics of firms at the individual level and various sectors (Bromiley & Rau, 2014; Reis & Forte, 2016).In addition to this, D'Angelo et al. (2013) suggested that these characteristics of individual firms influence the growth of the economy significantly.

The increase of competitors on international level has led to a number of companies pursuing opportunities in international markets as a way to maximize the profit or to secure their place and market survival (Baruah & Ward, 2015). With the divergent markets from export, there is an opening for the firm to become less dependent on the domestic market. In addition to this benefit, the exporting firm can use its multinational knowledge to become a strong competitor in their home country (Gillespie & Riddle, 2015).The firm's export strategy consists of an instrument that makes it possible to enter foreign markets and is the main responsible factor for its success in that market. Thus, internationalization is increasingly gaining ground in the decisions of the companies. With this, many firms also seek to develop international strategies, generating a competitive advantage that goes beyond the domestic market (Cuervo-Cazurra, Luo, Ramamurti, & Ang, 2018; Morschett, Schramm-Klein, & Zentes, 2015).

In Khurshid et al. (2013), the role of export has been observed more in the growth of the economy because it supports the balance among Gross Domestic Product (GDP), exchange rate and trade. Studies like Magnusson et al. (2013), Felzensztein et al. (2014) and Bouazza, Ardjouman and Abada (2015) have projected the firms' performance in exports to be highly impacted by marketing strategies. Therefore, the four elements that have been made market determinants in exports are distribution, promotion, pricing and product. While recognizing the importance and relevance of these marketing strategies for international activity, little has been written about the strategies specific to smaller businesses. Therefore, the purpose of the research is to focus on the impact of firm-level characteristics and international marketing strategies on the export performance of small and medium enterprises (SMEs) in South Africa.

The market for export is based on the opportunities it provides to the practitioners (Rajaram, Minh Kaiser, Kim, & Frank, 2014). There are reports that have indicated that markets with export orientations contribute substantially to the economic development of a nation (World Bank, 2012). Debates in literature of international marketing strategies rely on the area of interlinks between productivity and exporting. Performance in export can be contributed to enhancing the growth and productivity of the economy at a larger scale as compared to the performance it gives in the local market. Doh and Kim (2014) and Boso et al. (2013) have highlighted the association among market strategies and performance of the firms in export marketing. However, the relationship is often fragmented due to its methodological and conceptual concerns in various contexts (Oura, Zilber and Lopes, 2016).

Firms are required to be careful in estimating the opportunities available in the market they plan to enter, in order to make profits (Boso et al., 2013). The firms are also required to maintain and evaluate the balance between marketing mix and the standardization of international marketing strategies. It is evident through Boso et al. (2013), that international marketing strategies reflect the implementation of marketing mix tool in an organisation, which are most commonly known as 4Ps. These four Ps are Product, Place, Price and Promotion. Place is referred to as the one physical location that creates a product for the company; while price reflects the amount of money charged against the product or services (Akgun, Keskin, &Ayar, 2014). Promotion includes all the events that are required to promote the product in accordance with the consumers deemed as targeted audience. It also refers to the brand awareness of the organisation itself (Doh and Kim, 2014).

The international market has undergone changes in globalization trends, and competition between international and local markets has also shown good results in foreign markets (Khurshid et al., 2013). Hence, it is essential to evaluate the association among performance and market strategies in the context of export market (D'Angelo et al., 2013). In addition to this, it is also essential to understand the performance of exporting on the implemented marketing strategies along with the characteristics of the firms that are related to the export market activities (D'Angelo et al. 2013).

Across the world, the exporting services are regarded as the fundamental element for economic growth and the stability of employment (Akgin, Keskin, & Avar, 2014). Therefore, there have been economists who have focused on increasing the export of their nation rather than prioritising imports. Moreover, the exports of any nation balance three major elements in

economic growth: Gross Domestic Product, Exchange Rate and Trade (Freeman & Styles, 2014). There are certain researchers like D'Angelo et al. (2013) who emphasise on the influence of export on trade balance and rate of exchange. In addition to this, it is also dependent on the implication and outcome of strategic marketing plans of firms that practice exports. The success of export is based on the willingness of foreign buyers to purchase the offered products by local firms through exporting (Glavas & Mathews, 2014). The willingness of consumers in foreign market is one of the most significant elements that is impacted and affected through efficient marketing strategies in export (D'Angelo et al., 2013). The marketing strategy of export companies directly affects the willingness of consumers in foreign markets. This is why the research focuses on the characteristics of a company and its influence on enterprise performance and export performance.

The performance of exporting firms is impacted through the determinants of the market as per the requirement of product or services from foreign consumers. It leads to the patronisation of the said goods and services, thus, securing the position of the firm in continuous export (Boso et al., 2013).In other words, sustainable exporting can be conducted for foreign consumers from local markets for the product and services that are demanded. Exporting is referred to as the international trade that requires a variant as well as a dynamic strategy for international marketing in order to promote the product offered by exporting firms (Gereffi, 2014). The dynamic nature of these marketing strategies formulation is based on the theory of Dynamic Capabilities Approach, as indicated in Rugami and Aosa (2013). It also indicates that the purchase decisions of foreign consumers are based on the dynamic capabilities of export firms. Therefore, international strategies must be formulated in accordance with the dynamic capabilities of exporting firms, in order to increase and sustain the demand for products offered to the targeted audience.

Marketing strategy for exporting and targeting foreign consumers reflects the performance and growth of business while identifying its marketing indicators (Oura, Zilber and Lopes, 2016). On the other hand, Love and Roper (2015) suggested that the export performance indicators of marketing are the components extracted from the concept of marketing mix. It is evident through Glavas and Mathews (2014) that the studies which concentrated on the identification of these factors are based on evaluating the promotional factors, distribution, price, product nature, and targeting the market. In addition to this, market targeting as one of the compounds that are based on three different elements, namely, market segmentation, market spreading and market concentration (Bouazza, Ardjouman & Abada, 2015).

Moreover, it has been noted that product features determine the product's specification or nature. It comprises of various factors such as product adaptation, product mix, innovative approach, warranty, customer service, packaging, branding, quality, and brand design. Moreover, price refers to the notion that determines price adaptation, strategy for currency, policies for credit, terms of sales, pricing strategy, and pricing method. The compound of distribution is further composed of delivery time, support of dealer, direct buying, merchants, and sales representative and agents. In addition to this, promotion means all the activities linked with the awareness of the brand, which includes personal visits, trade fairs, personal selling, sales promotion and advertising (Gilaninia, Taleghani, and Azizi, 2013).

As the world economy becomes more open and technological progress occurs, especially in the field of transport and communications, the competitive environment has changed. In the context of internationalisation of business and further integration in the market, South African local companies will experience more competition from foreign companies than before. Therefore, South African companies must find ways to use their competitive advantages and reduce their competitive disadvantages (LiPuma, Newbert, & Doh, 2013). Research is important to investigate the African market, but the amount of research available is limited, and the data from the African continent about consumers is very scarce. Hence, this study focuses on South Africa.

Numerous researches including Obeng Robson and Haugh (2014), Doh and Kim (2014) and Gereffi (2014) suggested that fundamental elements of exports remain same despite the difference of industries or the product category. However, the terminologies used for these elements differ from one person to another. Market targeting as a market approach or market orientation for some of the studies (Felzensztein et al., 2014). However, the notion, as well as the impact and significance of these, remain the same on the performance of exports. In addition to this, the literature on the subject area results in the identification of exporting performance and influential factors or drivers.

The present thesis is composed of 7 sections; (i) introduction and background; (ii) research context; (iii) review of literature; (iv) conceptual framework and development of hypotheses; (v) research design and method; (vi) data analysis and findings; (vii) discussion and conclusion.

1.2 Problem Statement and Research Gap

Considering growing importance of developing economies, deep marketing research amount that has been conducted in these countries is less. It is necessary to conduct in-depth marketing research in each country because the factors that affect the export performance of the companies might vary accordingly. Given the characteristics of SMEs, the labour of SMEs is appointed at appropriate and useful roles that ensure their employment, growth and stability (Tomilson & Fai, 2013). In contrast, the labour-intensive feature of SMEs is more inclined to be successful in rural as well as urban-centric areas. This is due to the fact that they are able to contribute more economically in a given region. More importantly, the nature of these organisations also facilitates the migration of flow to cities and larger regions. Small and medium-sized firms often contribute more given their dispersion in a particular region along with the intensity of their labour (Boehe, 2013). However, it has been argued that small production units are capable of forming an equitable distribution of generated income as compared to the ones generated and distributed by large enterprises. There are many benefits linked to the notion of SMEs. Small enterprises make the most out of the resources that are scarce by enhancing the domestic market efficiency; thus, contributing more towards the growth of economy in a longer run. However, there is a gap between export performances of these SMEs and the economic growth.

SMEs tend to contribute to the economy through facilitating the national product of the given nation in form of services or manufacturing of the product (Volchek, Jantunen & Saarenketo, 2013). It not only offers these services or products to other enterprises but also benefits the country through low-cost production. Most of these services and products are often offered to clients that are outside the region, hence, increasing the exports for the country. Considering the case of South Africa, it has been noted that SMEs is one of the most significant sectors of businesses that perform in the region. It has been identified that 91% of the total formal business accounts for SMEs in South Africa (Naneh & Vanzul, 2014). This also contributes to the 61% of employment in the region, along with approximately 57% of Gross Domestic Product (Asah, Fatoki, and Rungani, 2015).

However, considering the approach of economy, it can be observed that these organisations or firms do not solely function as suppliers but can also be treated like consumers (Felzensztein et al., 2014). SME play an imperative role when positioned appropriately as they directly impact the purchasing power (Child & Hsieh, 2014). It can further be understood through the

extensive demand for suppliers of their consumer as well as industrial goods. Most of these demands are generated by their respective clients' demands. .In addition to this, SME's can exhibit a dual nature in a way that during their production phase they act as suppliers and buyers both. (LiPuma, Newbert, & Doh, 2013). Moreover, the supply for products can also be demanded in case of the equipment upgrade. Therefore, countries should focus on the potential of SMEs to be used as revenue-generating companies through capital and consumer goods (Fatoki, 2014).

SME of South Africa accumulates approximately 55% of formal labour of the country and accounts for up to 41% of the Gross Domestic Product, as highlighted by Maliszewska and Mensbrugghe (2020). These SMEs have extensive and immense potential to increase the growth of the economy through export. Therefore, it is the dire need of developing economies to facilitate these enterprises in regards to their need for exports. SMEs of South Africa are also required to follow the same assistance pattern in order to contribute more to the economy. The export of South Africa has been most popular because of the current account deficit for the past few years (Purfield et al., 2014). It has also been pointed out that the recession has caused advanced economies to heal from the damage caused by the recession. Under such circumstances, the performance of export in South Africa has also been classified as weak.

Presently, the economy of South Africa does not project an affirmative or widespread potentiality for exports. However, the export market of the region is influenced by small enterprises. On the other hand, it has been noticed that the exporting practices in South Africa are concentrated within similar industries. As stated by the report of the World Bank, one percent of South African exporters account for almost 80% of exports by value, as cited in Cebeci et al. (2012). In addition to this, the average value of exports for most of the developing countries is 54% (Cebeci et al., 2012). The concentration of the export market is reflected through the high share of primary products, which includes minerals. It has been mostly dominated in the export basket of the country; however, it is restricted through the inefficiencies and imposed policies that impact smaller firms in the industry. Exporting industry of South Africa is distinct from the non-exporters. These differences are even highlighted in the SME Growth Index with the context of this region. It has been observed that the exporters enjoy high levels of productivity from labour, which accounts for 63% higher services in business as well as 38% in the context of manufacturing. Furthermore, the level of pay in the industry is high as well, which can be accounted for 29% higher in

business services and 41% for the manufacturing industry. Theindustry has a high level of capital employedwhich projects business services as 44% while the manufacturing accounts for 26% (Cebeci et al., 2012). An overall competitiveness can be measured through the total factor productivity (TFP), which indicates exporters to perform better than the organisations that are non-exporters (Buccirossi, Ciari, Duso, Spagnolo, & Vitale, 2013; Murray, 2016). It has even been more evident in the case of manufacturing. Majority of the exporters in this particular sector have higher TFP levels that account as 20% higher as compared to the TFP levels of non-exporters (Cebeci, 2014).

The policymakers have made their attempts in order to gain incentives through implementing the processes of export promotion programs, as highlighted in Sraha (2015). However, commitment from management can be considered as one of the vital requirements to reap benefits from internationalisation at early stages (Zhou & Wu, 2014). According to Fatoki (2014), the organisations that fall under the category of SME have adopted export activities in a case where their production capacity was in abundance. In addition to this, the sustainability, effectiveness, efficiency and marketing strategies were also referred to as the most significant factors (Ahmedova, 2015; Paul, Parthasarathy, & Gupta, 2017). However, it has been noted that these organisations tend to suffer from the sub-standard and limited product because of the lack of adequate and sufficient resources available in countries that are underdeveloped. Hence, it impacts their overall export performance which is also consequent to the poor strategy of international marketing (Vizzer and Chiloane-Tsoka, 2014). Similar is the case with SMEs in South Africa, as highlighted in Cant and Wild (2013). Moreover, insufficient capacity of production that arises because of low scaled economies and fixed costs associated with the activities of export, restricts the business to reach their optimised performance (Dubihlela, 2013). In addition to this, it has been observed that the empirical investigation, as well as the interest in the marketing of export, is comparatively low. Hence, it results in exports being ignored. In contrast, the literature on this subject signifies the role of marketing strategies as one of the key contributing factors for successful export and high performance. These key determinants of export marketing are inadequately discussed (Asah, Fatoki, & Rungani, 2015).

1.3 Purpose of the Study

The purpose of this research is to investigate the impact of firm-level characteristics and international marketing strategies on the export performance of SMEs in South Africa. In addition to this, the purpose of this research is to evaluate the importance and consequences of implementing international marketing strategy on the export performance of SMEs in South Africa.

1.4 Research Question and Research Objectives

1.4.1 Research Questions

The aim of this research is to investigate the impact of firm-level characteristics and international marketing strategies on superior/optimal export performance of SMEs in South Africa. While doing so, the primary research questions that need to be answered is:

What is the impact of firm-level characteristics and international marketing strategies on export performance of SMEs in South Africa?

Apart from the primary research question, there are some secondary questions that will be answered in this study. The secondary questions are presented below in Table 1.1.

Table 1.1: Secondary Research Questions

- *To what extent does older firm aid in adopting marketing strategies for internationalization?*
- *What is the relationship between new firm and adoption of marketing strategies for internationalization?*
- *To what extent does the firm size assist in adoption of international marketing strategies?*
- *Is there a relationship between size of the firm and optimal export performance?*
- *To what extent do the educated employees in a firm positively influence adoption of international marketing strategies?*
- *Is there a positive relationship between educated employees of firm and optimal export performance?*
- *Is there a relationship between international experience and adoption of international*

marketing strategies?

- *Is there a relationship between international experience and optimal export performance?*
- *To what extent do firms with more market knowledge and research influence adoption of international marketing strategies?*
- *What is the relationship between firms having more market knowledge and research and optimal export performance?*
- *To what extent do firms applying more innovation positively influence adoption of international marketing strategies?*
- *Is there a positive association between firms applying more innovation and optimal export performance?*
- *To what extent do more committed firms positively influence adoption of international marketing strategies?*
- *Is there a positive association between more committed firms and optimal export performance?*
- *To what extent do higher psychic distances negatively impact firm's international marketing strategies?*
- *To what extent do psychic distances negatively impact firm's optimal export performance?*
- *What is the association between culture-specific products and adoption of international marketing strategies?*
- *To what extent do cultural specific products negatively influence superior export performance?*
- *Is there a positive association between top manager education level and superior export performance in SMEs?*
- *To what extent do top manager foreign languages skills influence superior export performance in SMEs?*
- *What is the relationship between top manager international experience and superior export performance in SMEs?*
- *Is there a positive association between top manager education level and adoption of international marketing strategies in SMEs?*
- *To what extent do top manager foreign languages skills influence adoption of international marketing strategies in SMEs?*
- *What is the relationship between top manager international experience and adoption of*

international marketing strategies in SMEs?
- *What is the relationship between top manager international experience and superior export performance in SMEs?*
- *Is there a positive association between top manager education level and adoption of international marketing strategies?*
- *To what extent does the risk-taking ability of top manager influence the superior export performance and adoption of international marketing strategies in SMEs?*
- *What is the relationship between top level manager rigidity and optimal export performance as well as adoption of international marketing strategies in SMEs?*
- *Is there a positive association between top manager proactiveness and optimal export performance as well as adoption of international marketing strategies in SMEs?*
- *To what extent does effective and efficient international marketing strategy influence superior export performance?*
- *Is there a positive relationship between optimal export performance and product adoption?*
- *To what degree does promotion adaptation affect optimal export performance?*
- *Is there a positive relationship between optimal export performance and price competition?*

Source: Compiled by researcher (2020)

1.4.2 Research Objectives

Based on the issues highlighted in problem statement, there are two types of objectives of this research, theoretical and empirical.

1.4.2.1 Theoretical Objectives

In Table 1.2, the theoretical objectives are identified.

Table 1.2: Theoretical objectives

- *To explore pertinent studies on globalisation and its vast definitions*
- *To review literature on globalisation and export;*
- *To explore previous work on international marketing;*
- *To assess relevant literature on international marketing strategies and standardisation;*
- *To review the existing literature related to South Africa and export industry;*

- *To explore the previous articles on SMEs in south Africa, focusing on their economic role, opportunities, and challenges;*
- *To assess the literature on difference between large and small organisations;*
- *To explore the determinants of export performance.*

Source: Compiled by researcher (2020)

1.4.2.2 Empirical objectives

In Table 1.3, the empirical objectives of this research are given:

Table 0.3: Empirical objectives

The empirical objectives of the present study are to examine the relationship between:
- *Firm age and adoption of marketing strategies for internationalization;*
- *Firm size and adoption of marketing strategies for internationalization;*
- *Firm size and optimal export performance with mediation of international marketing;*
- *Level of employees' education and optimal export performance as well as adoption of international marketing strategies;*
- *International experience and optimal export performance as well as adoption of international marketing strategies;*
- *Market knowledge and optimal export performance as well as adoption of international marketing strategies;*
- *Innovation and optimal export performance as well as adoption of international marketing strategies.*
- *Commitment to marketing for exports and optimal export performance as well as adoption of international marketing strategies;*
- *Environmental factors (psychic distances and cultural specificity) and optimal export performance as well as adoption of international marketing strategies;*
- *To determine the influence of managers' characteristic and experience (personality traits and training) on export performance and adoption of international marketing strategies in South African SMEs.*

Source: Compiled by researcher (2020)

1.5 Justification of the Study

Enterprises are progressively presenting their global brands to consumers in emerging markets, where much of the economic development in these times will occur in these markets. In particular, the nascent middle class in emerging markets is possibly an important economic strength in the upcoming times. As a result, emerging markets, such as South Africa, are becoming a gradually more important part of the world, and studies of emerging markets are becoming gradually more necessary (Stoain, Rialp and Dimitratos, 2017).

The firms across the world have expanded their roots and their operations internationally through the means of exporting which is considered as one of the most effective methods of market entry. Exporting is known as the most effective and efficient mode of entry as it requires minimal human resource, financial and other requirements when compared with all the other modes of entries, including foreign direct investment or licensing. In addition to this, it offers certain features that make it an attractive choice for firms aiming to enter a new market. These features include cost-effectiveness and flexibility in penetrating into the international market, as highlighted in Glavas and Mathews (2014). Hence, exporting can be regarded as the ideal situation to expand business or make an entry in foreign market. It is even more effective in the case of SMEs, which are mostly associated with the lack of competent resources.

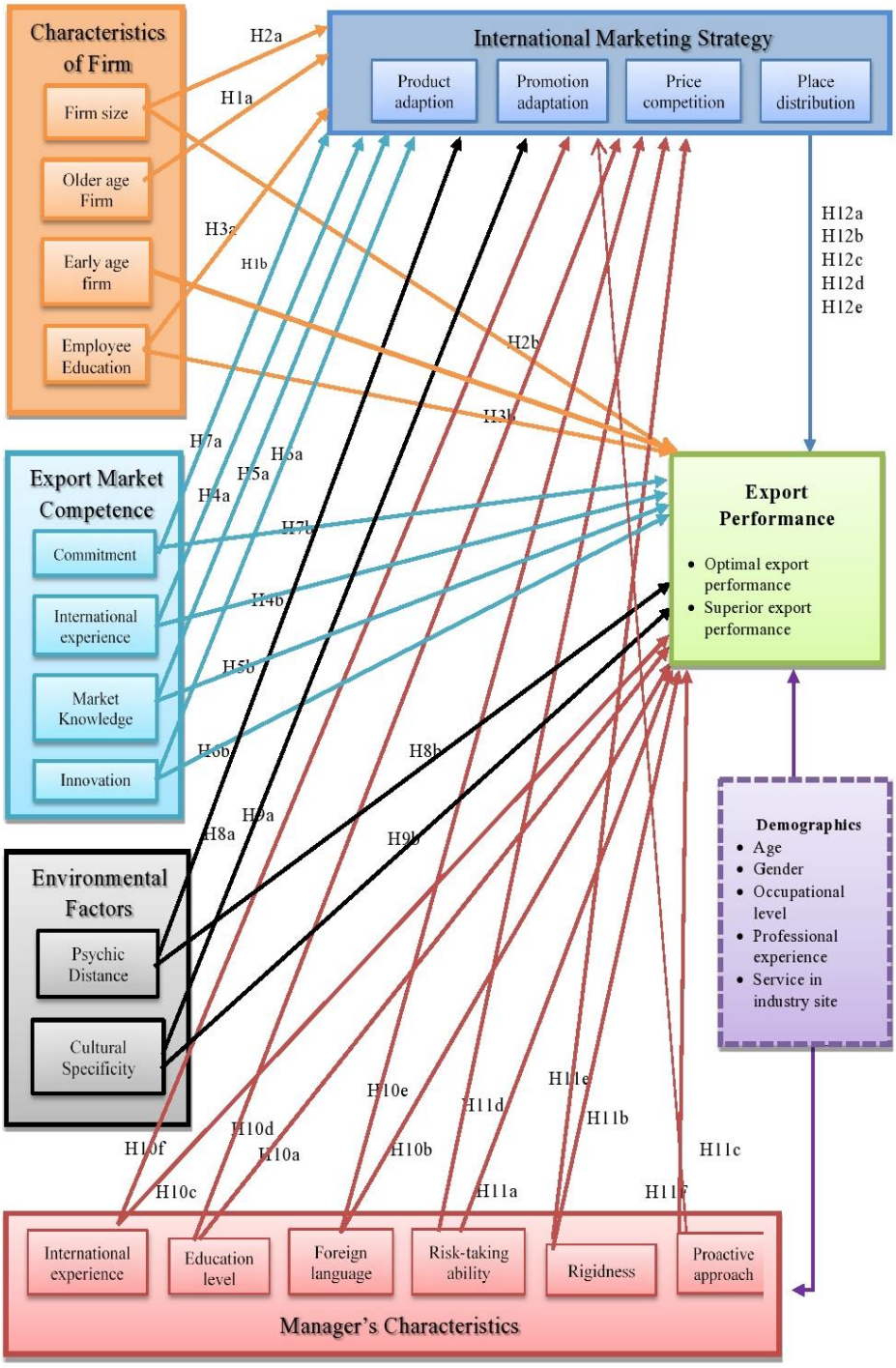
The foreign markets are comparatively dynamic in nature when compared to the local market and highlight the lack of certainty which increases the need to evaluate the factors of firms that further contributes in constituting the export performance (Gashi, Hashi and Pugh, 2014). According to Love, Roper and Zhou (2016), it is not only essential for the accelerated growth of the organisation, but it also impacts the nation’s economy positively. Moreover, understanding the company's export performance, it is critical to increasing production capacity, optimizing sources of financial income and competitive advantages over competitors. This can be translated to formulate international marketing strategies for firms future expansions. As identified earlier, there is a demand for in-depth research in South African or other emerging markets; this research intends to tackle the following research gaps found in the previous work. This section initially identifies the knowledge gaps in literature and presents the conceptual framework developed for this study.

1.5.1 Knowledge Gaps Regarding the Conceptual Framework

With regard to the conceptual framework, some variables are thought-provoking to examine because of their novelty or their implementation in an emerging market context. As illustrated in figure 1.1, the conceptual framework gives a thorough review of all the variables involved in the model. The variables that particularly add to the knowledge are commitment, risk-taking ability, rigidness, proactive approach, and foreign languages ability. In Atalay, Anafarta and Sarvan (2013) focusing on the firms' characteristics in exporting and the implementation of marketing strategies were often based on various frameworks across developed nations. However, Taylor (2013) noted that there is a gap that lies between actual operations of the firm and the concepts associated with regards to the construction of export performance. Therefore, there is a dire need for research that develops systematic discourse and identification of the elements that are attached with the firm and contribute in its export performance, specifically in the area of SMEs in a country like South Africa.

The export organisations refer the process as the most efficient and essential part of sustainability in the given international competition. However, in some cases, even though the quality of products remains high, the notion of innovation and development remains neglected (Drucker, 2014; Oura, Zilber, & Lopes, 2016). The identified purpose of this research is to examine the impact of firm-level characteristics and international marketing strategies on export performance of SMEs in South Africa. In addition to this, the secondary focus of this research is to evaluate the variables and elements that increase the capability of export within the SMEs of South Africa.

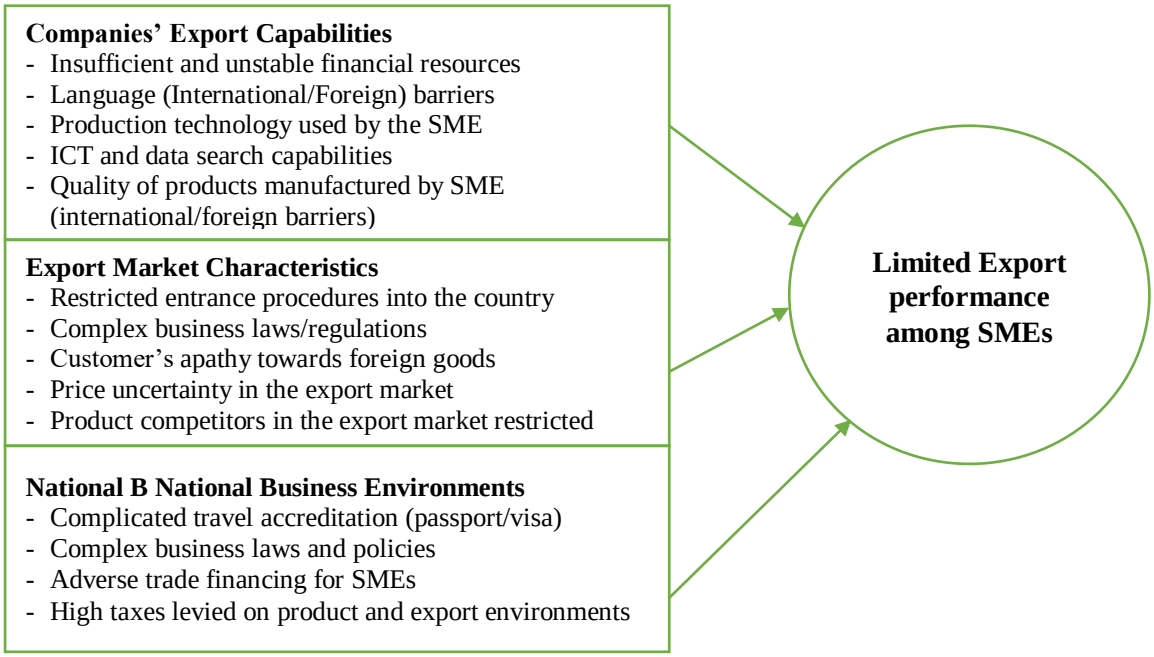
Figure 1.1: Conceptual Framework



Source: Compiled by researcher (2020)

Mpunga (2016) has developed a conceptual model that discussed different export components. However, the model discussed was based on the competencies of the companies that export, characteristics of the market, and domestic or national business environments. All of these components were discussed to determine the limited export performance among the SMEs. The difference found in Mpunga (2016) is that despite of the similarity of internal characteristic of firms and national market, this paper and conceptual model focuses more on the international marketing strategies and the way export impacts formulation of these strategies.

Figure 1.2: Conceptual model



Source: Mpunga (2016)

The basic components used in the context of this research are firm's characteristics, manager's characteristics, environmental factors and firms' export market competencies. All of these elements further encompass certain elements like manager's characteristics include Training and Personality, while environmental factors include Psychological and Cultural specifics. These broad areas of conceptual framework are discussed below:

1.5.1.1 Firms Characteristics

The research gap in the previous work is related to firm's characteristics. According to Boehe (2013), there is a dire need of formulating a distinctive definition for small firms that reflect

appropriate characteristics with respect to the targeted group. Therefore, the emphasis of defining the characteristics of SME remain influenced by the size reflecting through its number of employees and their performance or productivity (Wynarczyk, Watson, Storey, Short, & Keasey, 2016; Hillary, 2017; Laforet, 2013). One of the prime examples is the balance between performance and size of the firm that can be evaluated in accordance with the impact of credit program on a group of targeted individuals. In addition to this, Child and Hsieh (2014) identify the lack of unified or universally applicable definition that is determined from the size of the firm. Considering this research, it has been observed that there are many terms and elements associated with the firm's characteristics; amongst which the size can be referred to as one of the elements that reflect on value of fixed assets, ownership of enterprise, industry or sector of the firm, annual turnover, and the total amount of people employed.

Tomilson and Fai (2013) studied that small and medium enterprise referred to the organisations that accumulate between 1 and 9, and between 10 and 99 employees respectively. On the other hand, Taylor (2013) defined such organisations as firms that employ less than 100 workers and reflect annual turnover to be less than €15m. Moreover, the private and independent companies with fewer than 200 employees can also be considered as small firms. However, Volchek, Jantunen and Saarenketo (2013) concluded that any organisation that functions as independent and does not accumulate any form of partnership, along with having little market share as compared to the market, can be classified as a small enterprise.

It can be said that concept of SMEs can be illustrated through the size of firm but can only be applicable in the industrialised countries. It implies that companies with employees less than 99 are small enterprise, while the ones that have between 100 and 499 employees are referred to as the medium enterprise; and the firms with employees more than 500 are considered as the large enterprises. For the case of developing or underdeveloped countries, firms that have workers between 5 and 19 individuals are small enterprises; while the one with employees between the number of 20-99 is medium-sized enterprises and the 100 or more employees working in a firm classify it as large enterprise. Therefore, it has been noted that there is no unified classification or characteristics when discussing the elements that constitute organisations in SME's sector. In addition to this, the concept varies from country to country and industry to industry. Hence, it becomes essential to discuss the characteristics and classification of SMEs in African region..

1.5.1.2 Manager's Characteristics and Experience

The characteristics and experience of managers are considered as essential factor to affect the export performance of a company, but certain aspects of manager characteristics are often absent in research. In Taylor (2013), it has been discussed that the barriers are most commonly presented through the perspective of firms and are classified under the barriers that are present for sustainable export, development and initiative. The concept of exporting barrier reflects the limitations that are imposed on the ability of firm to sustain or develop the business in an international market, as highlighted by Neneh and Vanzyl (2014). Generally, most of the characteristics are associated with the firm, while other traits are dependent on the international experience of managers that contribute to the optimum and positive performance of export. It is also dependent on the commitment of the owner and managers of SMEs. Gereffi (2014) highlights the importance of international marketing strategy for export practices of SMEs in order to increase the capacity of export and to ensure the flexibility to adapt the demand of international market.

Considering the contribution of performance of exporting at national level; the foreign exchange reserves increases along with the employment rate and productivity of the current employees. All of these factors contributed in improving the growth of economy at national level. There are many studies like Odoo, Akaba and Worwui-Brown (2014) and Chen, Sousa and He (2016) that have explored the impact of firm's traits on the marketing strategy regarding exports. These studies also evaluated the managerial traits, competencies and characteristics of the firms along with the impact of perceptions and attitudes towards the export performance. It has further been concluded in Kossai and Piget (2014) that firms' value is often associated with the capability of the said firm in its export practices that consequently impacts the performance and all the other activities attached with the process. Hence, it has been evident through the research that it is essential for the firm to ensure high level of export performance (Volchek, Jantunen & Saarenketo, 2013).

1.5.1.3 Environmental Factors

Tomilson and Fai (2013) concluded that firms' competencies, experiences, and size determines their export performances. Export marketing strategy, firm's competencies and firms' qualities are the only three elements that contribute to the high level of export performance (Taylor, 2013). It also highlighted that all the contributing traits were internal and are significant in influencing the results of export performance. However, it has been argued by Chen, Sousa and He (2016) that the export performance is subjected to the contributing factors that influence through external environment.

It's observant from literature that theories attempted to formulate principal guidelines in constituting the successful export performances. Intangible and tangible factors are equally influential in high-level performance of exporting firms (Knight, 2015). Therefore, it may be accomplished through effective application of international marketing strategies. The research aims to assess the effect of firm-level characteristics and international marketing strategies on export performance of SMEs in South Africa. In order to conclude the research, the objectives of this research include investigating the relationship between firm characteristics such as firm size, age, aggregate full-time workers' education, foreign ownership and the sector/industry and export performance of SMEs in South Africa; identifying whether or not manager's characteristics, international experience and firm characteristics will be positively correlated with export performance of SMEs in South Africa. The objectives of the research include detailed examining of empirical link between marketing strategy and performance in the framework of export market of SMEs in South Africa and the understanding of firms' export competency and environmental variables affecting the export marketing strategy and performance of SMEs in South Africa.

1.5.1.4 Firms' Export Market Competence

Worldwide, the concept of export services and products is seen as an important contribution to the economic development of each country. It has also significantly strengthened the potential labour market. Exports benefit the balance of GDP, trade, and exchange rate; there are certain researchers Mainela, Puahakka & Servais (2014) who believed that the determinant of such impact is the implementation and practice of marketing strategies in an individual firm. It is also argued upon in Navarro et al. (2010) that the success of export lies in the demand of foreign consumers for the good or service offered by the firm. Hence, it is

apparent that the need for marketing strategy is more than ever to promote the product in a foreign market as well as to secure the position of consumer preference. On the other hand, Jean, Sinkovics and Kim (2010) highlight the performance of export to be dependent on market determinants that project the consumer demand and willingness of foreign buyers. Hence, it implies that the export of goods and services can be made successful from local country to the other, only if the demand for that product exists in the foreign country.

In addition to this, the lifespan and expectancy of the product or service contributes to shaping the experience of the consumer as well (Sousa, Ruzo and Losada, 2010). Therefore, it is evident that understanding marketing strategies and their implementation in regards to the characteristics of individual firm plays a major role in sustainable export. Hence, there is a dire need to focus on the export performance of SMEs in South Africa and the impact of characteristics at firm-level and international marketing strategies on the export of these businesses.

1.5.2 Concept of Small and Medium Enterprises (SMEs)

In addition to contributing to the literature, there is a need to compile various concepts together in the context of exporting performance. For instance, Dubihlela (2013) referred performance of firms in exporting as the efforts that company puts in achieving its objectives that align with the strategies and economy of the nation, while being exported to the international market. On the other hand, it can also be regarded to as a compound that is based on the results obtained by making financial sales (Boehe, 2013).

There are various issues that arise for enterprises that are classified as medium or small, such as researchers Martin and Javalgi (2016) who have contributed to formulating concepts and definitions for progressing in their respective businesses through thorough understanding. Similarly, SMEs have also been one of the significant subjects in these researches because of the variant concept and their elements. These definitions and concepts vary on the basis of the size of the organisation. Mayer, Melitz and Ottaviano (2014) have made an attempt to understand the optimisation of capital assets as well as considering the level of turnover and the usage of labour skills. In addition to this, it has been observed that Mayer, Melitz and Ottaviano (2014) offer concepts of SMEs on the basis of their production method and legal statues. The accumulative risk of making the use of an organisation’s size can determine its status in the sector (Kossai & Piget, 2014). It reflects the position in the industry and whether

it can be categorized as a small or medium sized firm. The comprehensive definitions for statistics and economic concepts within small and medium sized organisations (Gashi, Hashi & Pugh, 2014). The economic definition of small firm refers to an organisation to be classified as small if it has smaller market share (Chen, Sousa & He, 2016). In addition to this, the ownership of these organisations is relatively personalised, and may not be structured under formal management as compared to the medium enterprise. Moreover, the small organisations are rather more independent, as they have not associated themselves with the large enterprise.

1.5.3 Firm's Characteristics and Export Performance

It has been discussed that the performance of SMEs is directly linked with the social as well as economic development of the countries that struggle for development (Karadag, 2015; Vázquez-Carrasco & López-Pérez, 2013). There are numerous benefits that can be availed economically by the country through its SMEs (Martineau & Pastoriza, 2016). The policymakers tend to focus greatly on the performance of SME, in order to boost the growth rate and economic conditions of the country's underdevelopment (Galati et al., 2014). Moreover, enterprises that fall under these categories are referred to as the engines that drive growth towards the country's objectives. It not only offers employment solutions for the individuals of the country but can also provide the source of income of the country.

In addition to this, the industry that falls under the classification of SME tends to avail many benefits, given their ability to perform well in competition and to adapt the changes of marketplace. One of the contributing factors for such adaptability is the incorporation of skilled technologies. These organisations have better adaptation of their market conditions, which makes them strong enough to bear the change (Sraha, 2015). On the other hand, the nature of SMEs is classified as labour intensive, which is relatively higher as compared to the large enterprises. However, the capital cost is relatively lower when it comes to the recruitment of employees as compared to the process and costs associated with large enterprises.

The statistical concept of small firms is based on the firm's size as well as its ability to contribute to the improvement of exports, employment, and Gross Domestic Product (GDP). The economic contributions made by the firms, regardless of their respective sizes, have increased and evolved with the passage of time (LiPuma, Newbert & Doh, 2013). Hence, it

can be said that the application of statistics towards economic contribution can further be improved through understanding the concepts of SMEs. These concepts and definitions may be considered with regard to different industries and sectors. It has been noted that different scholars Galati et al. & Taylor (2013) discussed different definitions of mining, construction and manufacturing in accordance with the employees working in these firms. Moreover, small firms are referred to be the ones that have less than 200 employees working for them, including the hired individuals across different departments such as wholesale and retail services (Knight, 2015). It has been observed that some of the research refers to organisations as smaller firms that possess equal to or less than five vehicles for their operational activities. On contrary, the concept of SME holds different traits that rely on managerial approach and number of employees (Atalay, Anafarta & Sarvan, 2013).

According to the European Commission, there are multiple forms of SMEs that may be centred on the total number of people working in any given firm. Covin and Miller (2014) aligned with the notes of European Commission suggested that a company have nine or less than nine employees can be termed as a micro enterprise, while the one with employees that are numbered in between 100 and 499 can be referred to as medium enterprises. Hence, it can be said that the sector of SMEs can be based on any form of industry such as fishing, forestry, hunting or agriculture, as long as it has less than 500 workers employed. In other words, the classification of organisations or firms is solely based on the number of employees instead of any other trait or characteristics. However, it has been identified that the employment of 100 individuals can be stated as the maximum capability of a small firm, which has been noticed with the evolution of productivity in the past few decades (Kossai & Piget, 2014). It has been observed that the definition of size did not consider the industry's nature to be homogenous, and therefore, there is a difference between different organisations such as medium sized, small sized and micro sized enterprises. The distinction provided in the researches of Covin and Miller (2014) mentioned above give a comprehensive overview of the difference that lies within the sector of SMEs.

1.5.4 Exporting and International Market Strategy

It has been noted that exporting is considered as one of the prime subjects in literature of international marketing. It is often related to the performance and practices of export that is conducted in overseas countries (Odoo, Akaba & Worwui-Brown, 2014). The international marketing strategies are excluded from the research as the benefits of exporting in the context

of SME overview the benefits of all the other strategies. For instance, franchising and foreign direct investment require an intense amount to be invested without knowing the market reaction towards the brand and product. Exporting is considered as the most useful international marketing strategy as it enables the firm to explore the market and analyse their need through introducing products that comply with their demand. However, it has been noted that the studies of Gashi, Hashi & Pugh (2014) concerning the export practices and implementation of South African firms are limited.

There are several researches of Gashi, Hashi & Pugh (2014) that were performed to identify the influential elements for performance of firms in exports. For instance, the characteristics of management which includes motivation to export, personal and perception traits; the size of organisation, marketing mix strategies and competencies; relationship strategies; planning and policies of marketing; macro and microenvironment; and whether or not the country is developed. On the other hand, it has been indicated that the subject of exporting in international marketing is a great concern that has only been brought into conclusion which can further enhance the experience of export endeavours for organisations or firms (Gashi, Hashi & Pugh, 2014).

Considering that the information is minimal with regard to the factors that indicate export performance in the firms of South Africa; the study was designed to explore the determining factors of South African firms in performing better at exports as compared to the other firms. The research of Child & Hsieh (2014) attempts to establish the extent at which the organisations differentiate with each other on the basis of their export performance, along with the factors of influence. These factors may include marketing strategies, characteristics of managers, and the characteristics of the firm. In addition to this, the study aims to explore the relative importance of each element that is associated with the firms in accordance with the high-level export performance as differentiated from the ones that perform at lower level in exports.

A firm's accomplishment of financial objectives depends on the successful integration of international marketing strategies. Hence, it has been made evident through these researches that the notion of export performance is associated with the objective goals of an organisation (Galati et al., 2014). However, the reason to perform well in exporting practices may include attracting new consumers in international market, capturing the market share, expansion, or maximise the profits (Child & Hsieh, 2014). Understanding the concept of export

performances among SMEs in South Africa can further increase the knowledge based on the factors and elements that contribute in the success of export performance. Moreover, the evaluation of international marketing strategies and exporting, as a choice for SMEs in South Africa, can justify the decision-making process and involved considerations to reduce the potential risk and raise the profits for business.

1.5.4 SMEs in South Africa

The National Business Act 102, introduced in the year 1996, is one of the most acceptable frameworks in South Africa that addresses multiple categories in the African region. It indicates that there are five different categories of businesses that exist in South Africa, which determine the size of the company through the count of its employees (Ramoroka, 2013; Van Scheers, 2016). It is one of the most widely accepted characteristics to define the category of business, along with other business categories, such as the one based on annual turnover and number of employees. The other business categories can be based on the gross assets that exclude the notion of fixed property in the equation.

Survivalist enterprise refers to the organisations that reflect their income that is minimal or even below the poverty line (Mpofu, Milne & Watkins-Mathys, 2013). It has been termed as pre-entrepreneurial stage which comprises of subsistence farmers, vendors and hawkers. In other words, these firms can also be considered as one of the significant elements of micro enterprises. Alternatively, the micro enterprise implies the firms that project turnover to be less than the registration limit of VAT (Value Added Tax) (Peters & Naicker, 2013). However, it has been noted that these organisations do not follow sufficient registration formalities. Prime examples of such enterprises in South Africa are household industry, minibus taxis, and spas' shops. These companies mostly recruit over 5 individuals as their employees.

Alternatively, the very small enterprises in South Africa are the ones that have less than 10 employees that are paid and do not fall under the category of construction, manufacturing, electricity or mining sector, as these sectors recruit more than 20 workers. It has been noted that such organisations or firms follow formalities of the market with the aim of making the best use of technological advancement (Fatoki, 2014). Moreover, the small enterprises in South Africa are the ones that have maximum of 50 workers (Asah, Fatoki, & Rungani, 2015). The business practices of these organisations are complicated as compared to the

operations and functionality of very small enterprise. In contrast to this, the medium sized firms are those that have maximum number of employees as 100. However, it has been noted that 200 can be the upper limit for the sectors of construction, manufacturing, electricity and mining (Asah, Fatoki, & Rungani, 2015). On the other hand, these enterprises are classified in accordance with the power decentralisation, by incorporating additional layers of management.

1.6 Contributions

This study contributes to three aspects including practical, contextual and theoretical. This means that this research includes information to the existing knowledge related to South Africa in the field of export performance and could offer valuable information for international marketing strategies and firm level characteristics, due to lack of research related to the effect of international marketing strategies and firm level characteristics on the export performance of SMEs in the context of South Africa. Hence, this study is conducted to understand the factors that enhance the export performance of SMEs.

1.6.1 Contextual Contribution

This contribution is associated with the context of the conceptual framework. As acknowledged earlier, South Africa can be considered as an emerging economy which has not been studied in the literature. In addition to this, it has been noted that the understanding of elements identified in the research can be used to evaluate the factors that exist in the market of South Africa, specifically among SMEs. Despite that there are researches of Love, Roper & Zhou (2016) available on identification and evaluation of firms and their performance levels in export, the studies based on SMEs of South Africa are limited. It has been observed that the export performance of SMEs in South Africa has not been highlighted, as compared to the developed nations. (Love, Roper & Zhou, 2016). Therefore, the research will add value to the material available on the marketing strategies of SMEs and their export performance in South Africa. In addition to this, the inclusion of researches, based upon the factors that impact the performance of developed country, are likely to benefit the SMEs of South Africa as a foundation to formulate their strategies.

1.6.2 Theoretical Contribution

The focus of this research explores the characteristics of organisations or firms along with its business orientation, competencies and strategies of export marketing as the contributing factors for SMEs in South Africa. This will add value to the existing theoretical literature related to these variables. The research is significant in providing information about potential factors of performance in export. It also includes the relative influence of these elements on the performance of overall business. The significance of research can be further evaluated through its incorporation in developing strategies, policies and other methods to increase the performance of export. In addition to this, the research adds more understanding to different theories such as the network theory, resource-based view of the firm, contingency theory, international entrepreneurship theory, and stage theories of internationalisation. On the other hand, the results of this research can be used in order to optimise the allocation of resources in exports, which can either be managerial or financial. Hence, it can be said that the emphasis of this research and its findings are associated with the significance attached to exporting activities and the impact it has on the business of South Africa.

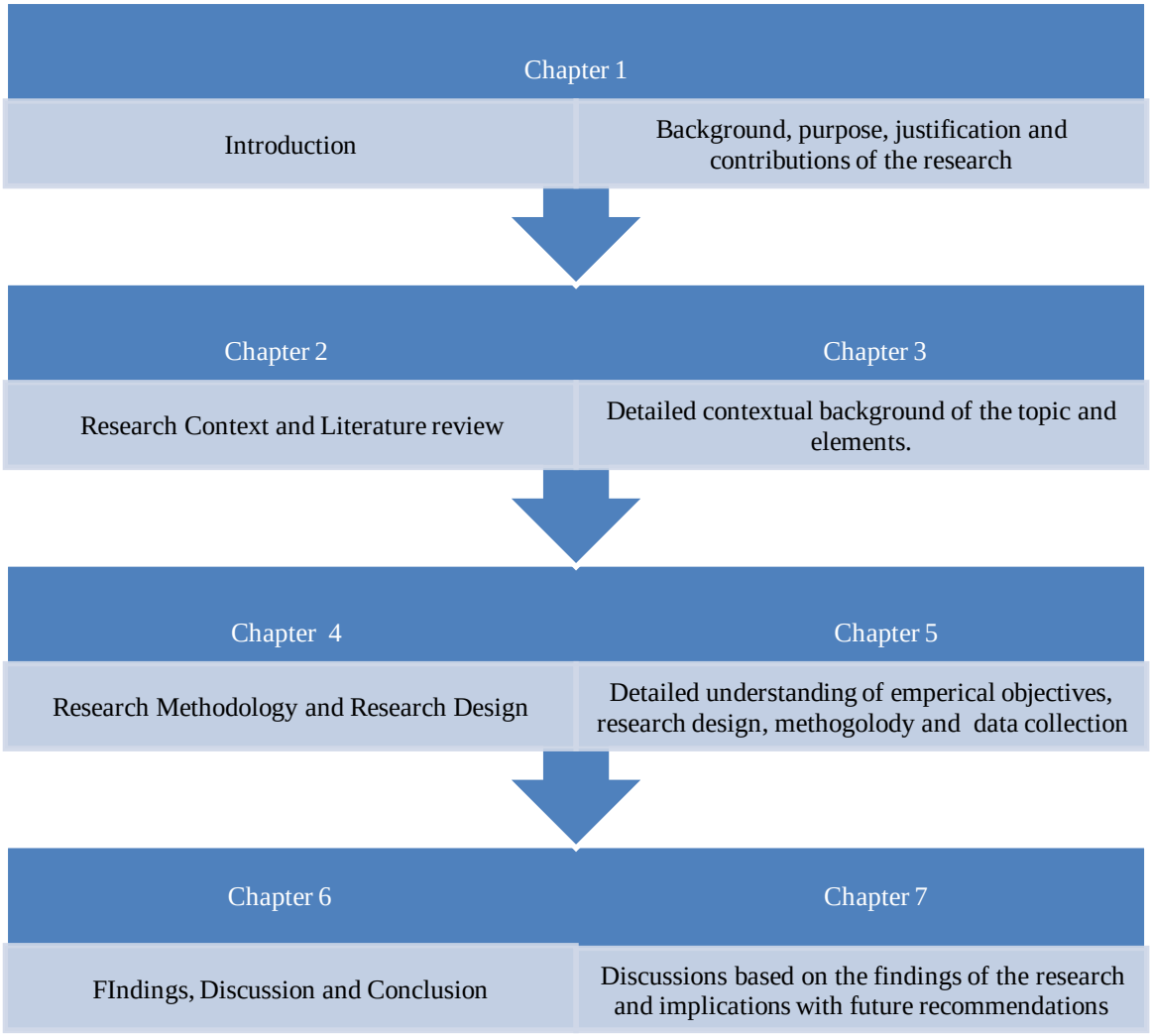
1.6.3 Practical Contribution

The research not only contributes to the literature on the given subject but can also prove to be insightful for businesses and organisations to strategize their capabilities and allocate resources accordingly. These firms can optimise their resources on the basis of theories and evaluation of elements to succeed in their ventures across the world in different countries. Hence, the research could be found beneficial in recognising the factors of organisation and the benefits of implementing the strategies that were previously used by successful business giants in South Africa. Furthermore, the findings of this research will also benefit the firms that aim to export their products in South Africa. The information is also valuable for future researchers who can make the best use of its findings to understand the factors and characteristics of SMEs in South Africa with regard to its export performance.

1.7 Outline

The entire thesis is divided into seven chapters that proceed from introduction to conclusion. The first chapter of this research is dedicated to its introduction. It is based on the background research of the topic along with the problem statement, aim of the research, theoretical and empirical objectives of the research, research questions, justification, research gaps, purpose of the research, and the contribution of the research. Chapter two, however, focuses entirely on the discussion of context that relates to the research. It elaborates the conditions, characteristics and significance of SMEs in South Africa. In addition to this, Chapter three offers literature on the subject including theories and concepts related to SME, concept of small and medium enterprise, difference between SMEs on the basis of their size, characteristics of firms in SME sector, SMEs in South Africa, SMEs and their influence on the economic development, significance of international marketing strategy, relationship between SMEs, export and international relationship. Chapter four illustrates the development of the research question by associating it with the methodological design and conceptual framework mentioned above. Chapter 5 is based on research design, philosophy, model and considerations of the research. Chapter 6 offers discussion on the results and findings of the research, while chapter 7 concludes the answers to the research question while offering an insight into future researches and implications. Following is the illustrated structure of the thesis:

Figure 1.3: Thesis Structure



Source: Compiled by researcher (2020)

1.8 Summary

This chapter gives an overview of background to the present study, which discusses that characteristics of organisations or firms are inclined towards the management capabilities of a firm, which can be modified in accordance with the need to attain its financial objectives. Consequently, the research problem, study purpose, and objectives are described, followed by justification for conduction of study. The conceptual framework is presented which assists in identifying the knowledge gaps in terms of studied variables. Furthermore, the significance of study demonstrates the contribution of this study to contextual, theoretical, and practical areas. Afterwards, the outline of the thesis ends the chapter elaborating the thesis structure. The next chapter examines the research context of this research such as globalisation, international marketing, and South African economy.

CHAPTER TWO (2): RESEARCH CONTEXT

2.1 Introduction

The research identifies five different contexts that contribute to the development of SMEs, specifically focusing on South Africa. These contexts are globalisation, international marketing strategies, opportunities for exporting for businessmen, and the current situation of South African export industry. Globalisation reflects the potential market for businesses that may benefit them in attaining more consumers. In order to succeed in the global atmosphere and in a new marketplace, it is essential for South African SME's to develop international marketing strategies which is actually study context of this research. These international marketing strategies are based on the need of business and the compliance of market's position and demand.

Certain market environment favour business in growth and prosperity if entered through the appropriate international marketing strategy. Moreover, the scope of international consumers creates additional opportunities for export that business can enjoy along with the national consumer base. Lastly, the current market conditions of South Africa and the production of goods and supplies have added to the context of increased exporting needs. This chapter discusses all these elements and contexts in detail to review their contribution to the heightened exports of goods from SMEs in South Africa.

2.2 Globalisation

Globalization is a concept that accumulates variety of definitions that differ on the basis of their context and explanation. The international economist indicates the concept of globalisation as a process that makes different nations and countries to get interconnected or integrated in order to perform economic transactions (Murray & Overton, 2014). It has been noted by Shenkar, Luo and Chi (2014) that the economic transaction can be placed in many forms including foreign investments in local production, financial instruments, services, or even real merchandise that benefit companies which are across national borders. The process of economic transaction may also include sharing and transfer of technological information along with the migration of permanent or temporary labour. The concept of globalisation also involves two parties that are unrelated to the industry as well and could also involve different governments and international enterprises (Steger, 2017).

Globalization, in the most direct economic sense - of intensification of trade, foreign investment and financial flows - has expanded rapidly since the mid-twentieth century (Eriksen, 2018). From there, it often leads to the conclusion that globalization has implied "the end of geography" and an effective limitation for wrong national policies. It is reiterated that now with globalization, international markets can effectively replace them in many dimensions, especially with regard to the macroeconomic policies. It is often said that the market knows how to do it better than the national authorities (Murray & Overton, 2014). There are proposals for deregulated opening of financial capital accounts, exchange rate liberalization and tax exemptions for capital gains, at the expense of productivity gains of the real economy producers. The application of these policies has often implied instability of national economies, accentuation of inequality and disintegrating biases of society.

Globalization is multifaceted, evolving, intense, but partial, heterogeneous and unbalanced; excessive in some respects and insufficient in others (Eriksen, 2018; Beck, 2018). Consequently, globalization is not a fact, but is built with human action, and part of it is public policies - national, regional and international. Some dimensions of the current globalization strongly support national development, such as opportunities for greater exports and with greater added value and imports at lower real costs than national production (Hirst, Thompson, & Bromley, 2015). But also, deregulated globalization has led to the contagious import of fashions economic policy approaches and of deep and repeated financial crises and instability of export prices (Kaynak & Hassan, 2014), with cyclical imbalances of the real macroeconomics.

There are studies like Croucher (2018) and Giddens (2018) indicating the advantages globalisation has for the economy of nation and the integration that exists between two nations through transaction of goods or services. It has also been found in Burbules and Torres (2013) that the channels or sources of globalisation contribute to providing a medium for transactions that further impact on the economy of nations. It has been noted in Steger (2017) that economists all over the world emphasise on elements that have contributed in the global market through past few decades, which has lowered the restrictions and barriers that previously existed in the international trading.

2.2.1 Definitions of Globalization

There are several definitions for globalisation, which is mostly based on the context and situation that it has been implied. It has been observed by Wellman (2018) that the world has transformed to form a global village, which has reduced the distances and barriers. In addition to this, the formation of global village has lowered the barriers that used to exist in seeking the goods and services from other sources apart from national labour. These services may include buying and selling of products, establishing, designing and production of material for other nations that are interconnected with each other on an international platform (Steger, 2017; Eriksen, 2018; Beck, 2018).

According to the definition provided by Giddens (2018), globalisation can be referred to as the increasing reliance of economies between different nations. It further formulates a transitive and traverse bond between the countries in order to ensure flow of services, products and goods. On the other hand, Czaika and De Haas (2014) and Martens, Caselli, De Lombaerde, Figge, and Scholte (2015) reflect globalisation as the process that is based on two broad dimensions that are also interlinked to each other . These two dimensions are intensity and scope, where intensity refers to the deepening of bond while scope indicates the stretching of favours.

In addition to this, globalisation has been referred to as a process that accumulates variety of connections and linkage joining different states, nations, societies that formulates world economy (Steger, 2017). On the other hand, IMF or International Monetary Fund has considered the definition of globalisation as incorporation of different countries' economy that has spread across the world through transaction of services, goods, and capital between different nations (Sweeney, 2014; Perraton, 2019). It has been highlighted in Sassen (2016) that globalisation contributed greatly to the increase of opportunity for businesses by increasing the competition on a global level. Not only has it impacted the local or domestic markets, but it has also affected the international market and labour. Moreover, the concept can also be incorporated in order to strengthen the relationship between different nations who aim to improve their economic conditions and stability. Expansion by means of international trade is a part of globalisation, as globalisation reduces the geographical limits with the help of export.

2.2.2 Globalisation and Export

The nations are found to be less interactive and effective in the international trade expansion, which comes as the part of globalisation (Crystal, 2013; Hirst & Thompson, 2019). One of the prime reasons for such an implication is the integration of reforms in economic policies, which concerns trade liberalisation (Bende-Nabende, 2017; Bozyk, 2019). However, it has been highlighted that globalisation has increased the rate of exports between the nations, as it has heightened the opportunities and increased the export of goods and services. In addition to this, Leigh and Blakely (2016) indicates that it is essential for the businesses to enhance the efficiency of their labour in order to comply with the need of world. The significance of global buyers and consumers along with different channels of distribution has also contributed to the formation of management structures and a sense of ownership within the businesses.

Indeed, since mid-fifties, there has been a significant expansion of trade. There was globalisation of export markets, which obviously comprise of an expansion of imports. That has many positive attributes because they allow taking advantage of the potential of a small country (Dippel, Gold, & Heblich, 2016). If a country has a small market, limited to the national market, it is not possible to take advantage of all the potential productive capacity in certain products, especially natural resources and economies of scale in manufacturing (Collins, 2015). The expansion of the markets, via export, gives the opportunity to take advantage of economies of scale, specialization, training, and use the natural resources available.

The membership of World Trade Organisation or WTO accumulates almost all the nations across the world in order to centralise the trade, tariffs and to inculcate the notion of negotiations which contribute in lowering the barriers and restrictions for the same (Wolf, 2014). In addition to this, the member countries of WTO have been found to ease the process of international supplies through opening and their markets to obtain services from different nations (Cling, 2014). These may include services from banking industries, insurance, retailing, and even transportation. Moreover, it has been observed in Czinkota and Ronkainen (2013) that nations, regardless of their developmental levels, have made investments in their markets to facilitate the exports of international businesses. Hence, it can be said that the process of affiliating business with companies at different location may also include involvement of natural resources, public infrastructure, and labour skills, along with the

different variables and elements that contribute in increasing the Foreign Direct Investment (FDI) (Almfraji & Almsafir, 2014; Blonigen, & Piger, 2014). FDI are productive resources from abroad, which are installed in a given country, to produce goods or services with venture capital, associated credits, technology, access to international marketing channels and management capacity (Zekarias, 2016; Almfraji & Almsafir, 2014).

Previously, it has been observed that the developing nations opposed the involvement or increase of FDI and imposed barriers on the same to prevent FDI in order to enter the markets (Barbopoulos et al., 2014). In the last few decades, developing nations have been found to facilitate multinational firms to invite the flow of FDIs. One of the basic reasons to attract FDI is to advance in the field of technology and create more job opportunities.

2.3 International Marketing

International marketing is one of the most significant aspects of export that expands the opportunities for business in a foreign market (Skarmeas, Zeriti, & Baltas, 2016). Hence, a plan is required to be formulated, modified, and executed in accordance with the demand of the host country. According to Czinkota and Ronkaunen (2013), the international marketing is a concept of collaborating the elements of target market and its environment, while analysing the difference among home and host country. In addition to this, De Mooji (2018) indicates that promotion, price, product, place, legalities, economic, social, and cultural elements play a significant role in performing effectively in a foreign market. However, entering into the new market can be regarded as a risky activity as there are many obstacles and hindrances along the way of export and international marketing (Sarasvathy et al., 2014; Tan & Sousa, 2015). The transaction of goods and services between the two markets can often lead to unexpected situations, with negligible time period to manage the damage caused (Deresky, 2017). Hence, understanding the dynamics of each market and its conditions becomes essential for the companies who aim to export.

2.3.1 Market Factors, Competitions and Export

The difference that exists between domestic and foreign market for exports is inversely proportional to the standardisation of strategies formulated for international marketing (De Loecker & Goldberg, 2014; Skarmeas, Zeriti, & Baltas, 2016; Kotabe & Helsen, 2020). As mentioned earlier, the international marketing strategy is required to comply with certain

factors, such as legal and political factors, in order to seek success and reap benefits. It also benefits the company in extending their consumer base through direct communication (Cavusgil, Knight, Riesenberger, Rammal, & Rose, 2014; Mathews, Bianchi, Perks, Healy, & Wickramasekera, 2016). Moreover, the organisation can also achieve success through negotiating with the government in regards to the regulations to optimise the returns on investment in that region.

Similar measures can also be observed for the intention of attaining competitive edge, as highlighted in Mainela, Puahakka and Servais (2014). On the other hand, it has been identified that the difference of international marketing and feasibility, in the context of export, is more complex than it appears to be. (Kahiya, 2013; Skarmeas, Zeriti, & Baltas, 2016), suggested that organisations which opt for foreign markets with similar market environment of home country, experience better performance in exports. Even though studies like Uner et al. (2013) and Pieterse (2015) opposed the perception, suggesting otherwise, the findings remained insignificant.

Import-export marketing refers to the exchange of different commodities that extends from one country to the foreign market (Casson, 2013). Better communication and stronger relation with the importers of the foreign company is expected to benefit in the export performance of the product (Bloemer, Pluymaekers, & Odekerken, 2013).

Moreover, product quality along with innovation and communication significantly contributes to the enhancement of export performance for the host country (Boso et al., 2013). However, a debate exists in regards to the SMEs indicating their position in the international market that is directly in competition with the large organisations. On the other hand, the outcomes of Berchicci (2013) imply that SMEs which have higher level of output tend to perform more efficiently and prove to have better export performance. It is due to this reason that the SMEs are still functioning and sustaining in the global market which is filled with intense competition.

2.3.2 International Marketing Strategies and Standardisation

With regard to the difference of interpretations, there are many scholars like Okazaki and Taylor (2013) and Majaro (2013) who have discussed the concept of standardisation of international marketing strategies. These may include a unified strategy that could be

implemented. However, the implication of such strategy is highly debated. It has been identified that the driving force to expand at global level is the result of technological advantage, which the organisations and marketers are required to utilise at its best (Artopouslos, Friel & Hallak, 2013). On the other hand, markets like Europe, Japan, and USA can be contemplated as homogenous in nature concerning their world economic share (Castles, De Haas & Miller, 2013). Hence, the implementation of a standardised international marketing strategy might be considered appropriate for these markets.

According to the findings of Lechner and Gudmundsson (2014), the resultant performance is highly dependent on the consistency between firm's developed strategy and the context of implementation. In contrast, the concept of formulating the international marketing strategy is to construct a working strategy that complies with the demand of market, in order to maximise the output (Felzensztein, Stringer, Benson-Rea, & Freeman, 2014). Hence, it can be said that the strategies play an important part in the organisation's performance as well as its management (Croucher, 2018). Globalisation has a significant impact on developing the national economies (Giddens, 2018). It reflects the organisation's collaboration that performs well in similar strategic sourcing, which further identifies the need on the lines of KIBS (Knowledge Intensive Business Services). Organisations that match with respect to their attributes and traits are likely to perform better as compared to those otherwise (Croucher, 2018). Therefore, it is essential for the managers to understand key performance factors and to develop strategies that reflect their attributes that are not bounded within one location.

Since globalisation has become an integral part of business world, it has become significantly easier for the organisations to deal with other businesses. The interactions have been easier and entering into a new market has become relatively convenient (Wach, 2014). Technological changes introduced an intense acceleration of international trade. The new technologies allow producing many new products, in a better way, with greater economies of scale and lower costs. It has helped to cross borders due to revolutions in costs and forms of transport, thus, reducing the natural barrier to international trade (Akgün, Keskin, & Ayar, 2014; Menon, 2014). But it has also boosted the imitation of customs of the more developed world, the dissemination of information and advertising, the adoption of technologies designed for other relative costs of labour and also electronic commerce.

Globalisation has further been heightened because of the advanced technological collaboration that reflects the intensive use of e-commerce, video conferences, and emails. All

of these mediums and benefits liberate organisations from being limited to one destination and being more in accordance with their strategy (Surugiu & Surugiu, 2015). However, it has been noted in Majaro (2013) that labour rates, tax rates, and trading are amongst the few elements that contribute in forming a strategic alliance with different markets; hence, creating more opportunities for the business.

2.4 Benefits of Export

Many of the advanced economies are reflected by the nations who have significantly large economic activity. Organisations that produce greater output, try to offer their products and services to other markets in different countries as well (Bakari & Mabrouki, 2017). According to the findings of Uner et al. (2013), the offerings may even include services or labour from one country to the other. There are many opportunities that can be availed by the nation through means of export. Amongst many others, export opportunities include escalated economies and lower manufacturing cost of items per unit (Pearson, 2014). Moreover, the opportunities associated with exports equate to the increased consumer base for the organisation that further eliminates the risk attached to the fluctuations of domestic market (Goedhuys & Sleuwaegen, 2016). It is due to the fact that the risk involved in a functional business and its macro-economic factors gets divided into different market, therefore, the threat experienced is manageable. In addition to this, Knight (2015) highlights that exporting in different marketplace helps the organisation to formulate the inventory schedules as per their requirement, as some products that might not be doing well in one market may significantly perform better in other markets.

An organisation can benefit from many opportunities through exporting channel in the shape of improved volume of sales, increased profit, and increased market share (Mayer, Melitz & Ottaviano, 2014). Not only had these, but the flexibility to undertake business challenges increased as well as in cases where the threat is high. It implies that if an organisation is exporting goods sufficiently in multiple markets, then it has a chance to withdraw its exports from the market it is experiencing loss in. Besides, the cost of entrance in an international market through export mediums is significantly lower as the investment in assets and physical presence within the market is inapplicable (Mainela, Puahakka & Servais, 2014; Goedhuys & Sleuwaegen, 2016). Hence, exporting can be regarded as a method to analyse the functionality and performance of any product the company offers in the market before investing greater assets in the form of FDI (Foreign Direct Investment) (Hühne, Meyer, &

Nunnenkamp, 2014). On the other hand, Hoskisson et al. (2013) indicates that exporting goods and services increase an organisations skills and capabilities to deal with partners from across the world and makes it more confident while making the decisions for FDIs.

Many organisations focus on attaining competitive advantage over their rival companies prior to entering in the new marketplace (Artopouslos, Friel & Hallak, 2013; Bakari & Mabrouki, 2017). The reason for such measures is that they formulate their strategies through consistent analysis and experienced competition and apply them accordingly in the context of international market. It also includes dealing with the changing global trends, consumer preferences, and the technological advancement that changes over certain period of time (Feng, Li, & Swenson, 2016). It may also be changed in accordance with the season experienced in foreign market. In contrast, the organisations that opt for exports tend to have opportunities to expand their businesses in the marketplace where they have exported earlier (Ngek, 2014). In addition to this, it has also been observed that companies export those products, goods and services into the foreign market that has been produced in excess (Mainela, Puahakka & Servais, 2014), therefore, eliminates the pressure to lower pricing within that market.

2.5 South African Economy

The South African economy is broadly divided into two categories, among which one has a basic and fundamental infrastructure while the other is developed and flourishing (Marais, 2013). There are many different elements associated with the economic conditions of South Africa, which classify it as the developing nation. These elements may include irregular distribution of income and wealth and the differentiation between labours of various sectors (Pearson, 2014). These sectors could be formal or informal. The government of South Africa has made substantial decisions and efforts to facilitate investments, privatisation and open markets in order to enhance employment and economic growth rate (Makhaya & Roberts, 2013). Moreover, these efforts have resulted in successwhich bestows stability in macroeconomic environment along with the disciplinary mode of finance. On the other hand, the failure of economy concerning several other areas, majorly results in higher rate of unemployment (Tchamyou, 2017). In addition to this, it has been found that the wealth of South Africa remains distributed amongst races unequally (van Rensburg, 2014; Orthofer, 2016). Therefore, it is essential for the nation to promote modification in monetary policies,

accountability, auditing, and reporting. These elements can be taken under consideration that is based on targeting rate of inflation, predictability and transparency in operations.

2.6 Export Industry of South Africa

As stated in the report of OEC (2016) South Africa is ranked on the 34th position as largest economy for growth among all the other countries across world. In the year 2016, $77 billion worth of import and $103 billion worth of export were reported in South Africa, which indicated $26.9 billion of positive trade balance (OEC, 2016). The export industry of South Africa has been performing well in countries like Zimbabwe, Swaziland, Mozambique, Lesotho, Botswana as its domestic borders; while its international borders extend to United Kingdom, India, United States, Germany, and China (Das Nair & Dube, 2016;Beintema & Stads, 2014). The top products of South Africa in accordance with its exporting performances are Cars, Gold, Coal, Diamonds, Briquettes, and Platinum.

2.6.1 SMEs in South Africa

SMEs are considered as one of the most crucial elements or driving forces that have accelerated the growth of economy and development in the region of South Africa. It has given a boost to its position in the field of exports as well as in providing various employment opportunities to the nation (Neneh & Vanzyl, 2014; Mukumba, 2014). Based on the reports, out of the total formalized business in South Africa, 91% of it has been accounted for Small and Medium sized businesses (Mukumba, 2014). Furthermore, SMEs in South Africa contribute to providing 60% of the total workforce and employment that generates 34% of GDP output in its economy (Mukumba, 2014). Diversification is one of the key features in SMEs of South Africa that has given a vast range of sectors to the nations' economy (Ngek, 2014).

Based on the report of Huria and Brenton (2015) there are over 20,000 exporters in the region of South Africa that offer approximately 5000 products, accounting up to the 90% of the total goods that can undergo the process of trade. In addition to this, the growth of export in South Africa has undergone a rise between the years 2007 and 2012 the most (Huria & Brenton, 2015). On one hand, the products concerning metals, minerals and fuels accumulate the smaller share in contrast with the other products; however, the value of exports from these products is more than 90% that has contributed in its economy (Huria & Brenton, 2015). On

the other hand, Bosiu et al. (2017) suggests that it might be the consequence of increased pricing across the world on commodities. The non-mineral sector of South African exports has lower performance as compared to the other sectors. It has been noted that the performance of non-mineral exports has experienced a rise in the former decade with an increase in the annual performance of 8 percent (Mukumba, 2014). The increase in performance has contributed significantly in recovering from the crisis as well. However, despite the improvement in the performance of non-mineral exports, it has been found that the volume performance of these is negligible as compared to the performance of mineral goods export.

On the other hand, it turns out that the quality of the products is better with the difference in prices. Thus, it may be seen that the performance indicators of South African organisations are significantly higher than all other peers. According to the report of Bosiu et al. (2017), the export of services from the region was indicated as 66% of the total GDP in 2011, which was a result of the growth of 75%. The export services also accounted as a significant source of employment in the region. Exports of South Africa are yet below the developmental level, specifically in the areas of education, call centres, remote access services, finance and business, and communications (Bildirici & Bakirtas, 2014).

2.6.2 Challenges for South African SMEs

Along with the benefits and multiple opportunities being provided by the SMEs of South Africa; these organisations face numerous challenges that impact their performance and outcome as a result. Among these challenges, one of the key barriers that exist for SMEs in South Africa is lack of innovation of products, which can be regarded as the consequence of lack of skilled and highly qualified workers (Lewandowska, Szymura-Tyc, & Gołębiowski, 2016). On the other hand, competence lacks in terms of efficient and effective management that hinders the company's process of innovation. It implies that the lack of marketing individuals who are qualified results in the scarcity of innovative ideas and their implementation (Oura, Zilber, & Lopes, 2016; Cant, Erdis, & Sephapo, 2014).

According to Berchicci (2013), lack of skilled labour is the consequence of dynamics experienced in the South African education system that follows theoretical patterns more than practical application. Hence, the knowledge gap exists between the practical application and the education received at the institute, which is essential to manage SMEs. The graduated

students lack technical skills that are often required by the employment opportunities ahead (Choto, Tengeh, & Iwu, 2014; Taylor, 2016). The infrastructure and lack of qualified teachers and mentors has been evidently same for the South African students in the field of technology and science, (Khumalo & Mji, 2014; Asah, Fatoki, & Rungani, 2015). In addition, the region also experiences lack of appropriate channels for internship and trainings. The SMEs contribute in a considerable amount to the external trade, which is subjective and sensitive to the depreciation of rand and is directly associated with the trades that take place with peers regionally, as well as with the manufacturing of goods (Lechner & Gudmundsson, 2014). In addition to this, the organisations dealing with exporters of large mining material and energy-intensive projects tend to experience disruptions in the process of prolonged production due to any reason (Bildirici & Bakirtas, 2014). These disruptions result in the decreased growth of export performance along with the lower strength of rand.

Financial challenges are one of the most significant forms of barrier to innovation in South Africa (Choto, Tengeh, & Iwu, 2014). It is even difficult for SMEs in the region to invest in different ventures as the cost of innovation is considerably high (Fatoki, 2014). Additionally, it has been observed that the low finance generation and lack of external sourcing towards innovation are the main reasons for the shortage of innovative projects in South Africa's SMEs industry (Eniola & Entebang, 2015; Lekhanya, 2015). On the other hand, systems of South Africa's financing are yet underdeveloped, which becomes one of the biggest barriers for export industry to flourish the way it should (Fatoki, 2104), considering the potential it has. Hence, it is essential for South Africa to establish reforms and policies through financial system and banking in order to promote different ventures, especially the ones that involve advancement of technology and research development. Innovation is a great contributor for improved economy, growth and profitability (Igwe et al., 2013; Vicente, Abrantes, & Teixeira, 2015).

2.6.3 Differences between Large and Small Organisations

There are many differences that can be found between SMEs and large enterprises. According to LiPuma, Newbert and Doh (2013), the first difference between the two is that a large enterprise is organised and formal, while on the other hand, SMEs are generally untidy and informal. Moreover, the decisions taken by large organisations are generally based on information and data collected, while the small organisations tend to rely mostly on personal observation, which is the reason of large organisations having clear demarcation and small

organisations experiencing overlapping tasks (Goffee & Scase, 2015). In addition to this, large organisations tend to plan their corporate strategies, while small organisations rely on their intuitions and are tactical in making strategies (Dubihlela & Dhurup, 2013). On the other hand, large organisations have hierarchy and control measures, while small organisations tend to take decisions when needed. There are formal standards defined in large organisations that lead to transparency (Schnackenberg, & Tomlinson, 2016); however, the evaluation in small organisations is done through personal monitoring with a slight chance of ambiguity (Berisha & Pula, 2015).

Apart from this, Laufs and Schwens (2014) have highlighted a number of variations that exist between multinationals and SMEs. It implied that there are four distinctive dimensions in behaviour that differentiate both forms of organisations, more specifically in the context of social responsibility. These four dimensions are elements of context, organisation, personal and the issue. Furthermore, the notion of standardized reporting shapes behaviour of the organisation, which compels large organisations to take active part in CSR activities (Urbancova, 2013). Since majority of the SMEs do not engage in such activities, it is not evident that any small organisation takes part in SME.

In addition to this, the theoretical perspective on the subject indicates that SMEs sector and its informal nature is beneficial in motivating and promoting employment opportunities, industrial growth and the economic growth (Laufs and Schwens, 2014). There have been many researches including Zahra, Newey, and Li (2014) that focused on smaller organisations and working better on global platforms, indicating that their contributions to various sectors in Africa are undoubtedly huge. SMEs have contributed to the development of many countries like Hong Kong, Taiwan, Japan, South Korea, and Malaysia (Brunswicker & Vanhaverbeke, 2015). However, the importance of growth and patterns of SMEs are to be incorporated globally across various sectors (Urbancova, 2013).

2.7 Summary

The chapter is based on discussion of research context that contributes to the development of research questions. It includes factors and different context that has led to the problem and requires research on the subject area. For the purpose of this research, there are five different contexts that are significant for discussion namely globalisation, international marketing, benefits of exports, South African economy, and the export industry of South Africa. The

context was discussed initially from a broader global perspective and then specifically focused on South Africa. Since South Africa is an emerging market, there is a potential for international trade or export business. It has been described that international marketing strategies contribute to the expansion of business, which should be considered by SMEs. The consequent chapter debates over the previous work, which offers the basis for the conceptual framework.

CHAPTER THREE (3): LITERATURE REVIEW

3.1 Introduction

There are two distinctive parts included in this chapter that are associated with the literature of characteristics and marketing strategies on export performance of South African SMEs. These two parts are empirical literature and theoretical groundings. It implies that the theoretical groundings section of this research presents vast descriptions and theories, which further indicate factors associated with the research. Furthermore, it incorporates dependent and independent variables and the theoretical assumptions laid down in literature, in regards to the subject area. On the other hand, empirical literature reflects on the variable and concepts attached to the topic. It includes a detailed understanding of firm's characteristics which may include export performance, foreign ownership, education of workers, and age of the firm and size of the firm. Moreover, it adds value to the theoretical concepts on international experience, characteristics, marketing strategies and its impact on the performance of exports within the context of these SMEs.

3.2 The Role of SMEs in South Africa

The importance of SMEs in South Africa is undeniable. It has even been highlighted by the government of the region due to its contribution to the economic development of the country. Minister of Trade and Industry of South Africa, Trevor Manual, highlighted that the rate of unemployment, as well as the underemployment, has been high. He suggested that the government should take measures to create more jobs in order to curb unemployment and to focus more attentively in providing equitable and sustainable growth. Furthermore, the SMEs tend to address the challenges that have been imposed in line with equity, economic growth and job creation. Hence, it can be believed that the private sector of South Africa, and more specifically the small sized firms, is the main contributor to economic growth (Lekhanya, 2015). However, it is the responsibility of the government to provide an environment that facilitates businesses in the region to grow and prosper.

The approximate percentage of formal business entities that fall under the category of SMEs in South Africa is 91, which contributes in providing 60% of the total employment in the region alongside contributing up to 57% in the country's Gross Domestic Product (Ezeah, Fazakerley & Roberts, 2013). In addition to this, South Africa had approximately 99.3% of

businesses under the category of SMEs, all of them contributing roughly to 54% of the total employment (Masarira & Msweli, 2013). The contributions made in economy and GDP were accounted with an estimation of 34.8% (NCR, 2011). Activities associated with the SMEs tend to lower the rate of poverty in any region (Brouthers, Nakos & Dimitratos, 2015). Moreover, these SMEs are most commonly found to be based on areas that are geographically distant from urban centres at large. In other words, any activity concerning the economic growth of the country, geographically away from the metropolitan areas of the same, tends to boost the employment rate and job creation (Klewitz & Hansen, 2014). However, it does not imply that each of the SME is outside the metropolitan region.

Regardless of its area and geographical location, the role of SMEs in the reduction of poverty and unemployment rate is undeniable (Zeriti et al. 2014; Kowo, Adenuga, & Sabitu, 2019). It also accumulates social benefits and training of individuals working in the company. In addition to this, the role of small and medium sized organisations has further been appreciated globally because of its contribution to innovation and entrepreneurship (Klewitz & Hansen, 2014). The benefits of SMEs extend to attracting foreign investment in the region (Tengeh, 2013). Alternatively, the social and economic development perspective indicates that the SMEs possess the ability to mould in accordance with the changing trends and consumer behaviour (Wu, 2017). It is an essential characteristic, as it helps the businesses to withstand the impact of recession and other economic crises (Storey, 2016).

3.3 Opportunities for SMEs

The market of SMEs is more labour intensive as compared to its larger counterparts (Marandu, 2015). The element of job creation positively influences the firms, benefiting those withcosts of capital. In addition to this, the economic growth, employment and stability are the three main outcomes of successful creation of a business venture (Bravo-Biosca, Criscuolo, & Menon, 2016). SMEs play a substantial part in maintaining competition and efficiency within the market they are functioning (Cowling et al., 2015). It has been emphasized that the industry that creates more than 50% of the total employment within the region, must be progressed and taken care of appropriately (Sousa & Tan, 2015). This is the reason why SMEs are highly significant in South Africa. As noted in Dubihlela and Dhurup (2013) SMEs can gain benefit from sectors that are deregulating as compared to the companies which are larger in size. It can be favourable for the people in terms of environment. Moreover, companies can benefit from the competitive advantage, while

significantly contributing to the economy of society (Baruah & Ward, 2015). However, Dixon, Guariglia and Vijaykuymaran (2017) stated that the sector of small and medium sized industry tends to face difficulties and challenges imposed by corporate giants and policymakers in the region of South Africa.

The development of industry through SMEs promotes three opportunities within a society; mass migration, inequalities, and unemployment (Atkin, Khandelwal & Osman, 2017). Furthermore, it has been observed that South Africa experiences all these challenges. Wynarczyk et al. (2016) agreed with the conditions of South African economy and the contribution of SMEs and concluded that deregulation and economic liberalization are the two most important ways to deal with inequalities and poverty existing in the country. On the other hand, Zahra, Newey, and Li (2014) referred SMEs as the backbone of any country, as it accumulates approximately 90% of the businesses while being the source of up to 60% of country's employment. There are certain aspects of SMEs that have been agreed upon in the literature. It indicates that, in comparison with the large companies, SMEs tend to have employed production process that is more labour intensive (Faisal, 2016).Dixon et al. (2017) noted that SMEs in countries are the source of their success in dealing with inequality of income distribution. Moreover, SMEs are known for their supportive structure in establishing the productive capacities of system (Sulistyo, 2016). It implies that these businesses use the resources on optimum level which not only benefit the company and economic conditions of the society but also contribute to creating economic systems that are strong and binding.

SMEs are essential in transforming economies from agricultural to industrial systems by offering value added activities and opportunities that provide employment and livelihood (Naude, 2014). It also benefits sectors through development of entrepreneurship, risk management, and innovation; all of these elements contribute in the long-term development of these firms into larger enterprises with long term growth (Sahut & Peris-Ortiz, 2014; Burns, 2016). Furthermore, the capital cost of SMEs is far lesser than the ones required for large businesses (Martin-de Castro et al., 2013). It provides opportunities to those who are retrenched, underemployed, or unemployed. The workers tend to polish their skills while working in these SMEs (Nolan & Garavan, 2016; Garavan, Watson, Carbery, & O'Brien, 2016). Additionally, SMEs that function under sub-contracting of large enterprises tends to experience flexibility in the process of production for the firms.Zahra, Newey, and Li (2014) concludes that it is essential and crucial for South Africa to promote and facilitate their SMEs sector even more, to consistently grow and to curb the difficulties associated with heightened

crime and unemployment. With regard to the matter of South Africa, in particular, it has been observed in Martin-de Castro et al. (2013) that SME has empowered the black people economically. Hence, it can be said that the government should facilitate such organisations on local, provincial and national level to contribute to its development, which then contributes to the economy.

3.4 Challenges of SMEs

There are various pieces of evidence in literature, including Brouthers, Nakos and Dimitratos (2015), Hajela and Akbar (2013) and Storey (2016) that have highlighted the challenges faced by small and medium businesses and manifested the key indicators of their failure. Most of the small businesses tend to fail in their early stages, while there are some small businesses that last for a couple of years before failing to sustain (Tengeh, 2013). However, the reason for these failures can differ, depending on their region and nature of market conditions. However, in the perspective of South Africa, there are general factors that contribute in the failure of small and medium organisations, such as lack of managerial skills, lack of financial accessibility, and poor networking (Lekhanya & Mason, 2014; Mukumba, 2014; Asah, Fatoki, & Rungani, 2015). According to Piercy (2014), managerial abilities are essential for any business's growth and survival in a competitive region. Furthermore, the lack of appropriate management leads to the failure of the firm. On the other hand, LiPuma, Newbert and Doh (2013) suggest that it is difficult for the firms, operating within the sector of SMEs, to secure capital or loan. It has been further highlighted by Dubihlela and Dhurup (2013) that accessibility of credit and finance are considered as one of the biggest drawbacks and challenges that exist in the SMEs.

According to Zeriti et al. (2014), poor location and networking can also cause failure to the small organisations, especially regarding the matter of foreign market. Geographical proximity plays an essential part in facilitating the organisation with improved scanning of environment, which further enables it to connect with new suppliers and buyers (Hajela & Akbar, 2013). Ghauri, Tasavori, and Zaefarian (2014) and He, Brouthers and Filatotchev (2013) discussed that networking is imperative for SMEs that help sector in opting appropriate process of production through reduced asymmetry of information. Moreover, it empowers the firms to make connections that would assist the business to secure more sources and accessibility to credit and finance (Arinaitwe & Mwesigwa, 2015; Narooz, & Child, 2017).

Apart from these challenges, poorly designed regulatory or legal framework is regarded as one of the most crucial aspects of the small businesses (Narooz, & Child, 2017). Poor legal framework has an impact on all the companies, both internationally and nationally (Storey, 2016). It has been assumed that the regulations are formulated to provide smooth and stable conditions for trading; it helps in organisations to build trust on each other in a conducive environment within the sector (Vandenberg, Yoshino, Goto, Intarakumnerd, & Miyamoto, 2016). Besides lack of regulation, over regulation and deregulation across the globe are potential threats to the employees of small organisations. (Dubihlela & Dhurup, 2013). Even though it is specific to each sector, organisations are required to impose regulations that are specific to the economic conditions and are aligned with the goals of a business.

On the contrary, it has been noted in numerous studies like Sputhoven Vanhaverbeke and Roijakkers (2013) and Wynarczyk et al. (2016) that technological integration is one the most significant elements in the prosperity of a business. It ensures that small and medium businesses are capable enough to sustain in a global competitive environment, both nationally and internationally. Moreover, activities concerning technology should be extended beyond the business as well (Naude, 2014; Wonglimpiyarat, 2015). In the context of SMEs and the small businesses sector, it is crucial for the firms to innovate and introduce products and collaborate with foreign as well as domestic players to accelerate the growth of economy and wellness of society (Prange & Pinho, 2017; Love & Roper, 2015). In addition to this, the concept applies on both informal and formal business (Tengeh, 2013). However, the capabilities revolving technology are required to prosper. It may include licensing agreements, international exhibitions and links of vertical integration. The SMEs in South Africa have reported low efforts in forming links and technological advances, which negatively impacted their competitive advantage and performance in global platform as well (Neneh, 2018; Desta, 2015).

One of the greatest challenge or the key indicator of success for SMEs is the policies imposed by government (Mefika Sithole et al., 2013). In some cases, these policies benefit the companies to success, while in some cases the policies tend to impose hindrances in unleashing the potential of these organisations. It has been evident through the research that there are many governments in this world that have promoted their SME sector, while there are some that have excessively regulated the industry (Doh & Kim, 2014; Du & Banwo, 2015). However, there are many established agencies throughout the world that aim to

facilitate SMEs as much as possible to establish these organizations and enable their development (Wiese, 2014). On the other hand, it has been argued upon by Chong (2014) the failed, undeveloped and underdeveloped organisations in SME sectors can be considered as the result of governments' lack of support in their development and growth.

3.5 Determinants of Export Performance

Irrespective of the theories concerning internationalisation, it has been found that the exporting process is considered as one of the most strategic options for the SMEs to enter into new market (Love & Roper, 2015). Moreover, exporting is one of the most widely accepted modes of entry in any given market (Cowling et al., 2015). There are certain researchers such as Martin-de Castro et al. (2013) who advocate that entering a new market through the mode of exporting leads to success and there is a considerable difference between performances of firms that export and the ones who do not. Additionally, the export performance of the firm and its position plays key role to its success (Cowling et al., 2015). Moreover, there are various modes of determination and motivation that directly impact on the performance of export and lead to its success (Cagno & Trianni, 2013).

LiPuma, Newbert and Doh (2013) state that the market orientation and the way it appears can be considered as one of the greatest determinants to evaluate the success and performance of a firm's export. It can be evaluated in the early developmental stages. Market oriented firms seek for higher value buyers to ensure that their export performance is high as well (Cowling et al., 2015). Furthermore, the market orientation concerning with the export activities is associated with the performance of export in a positive manner due to the ability of firm to identify, understand, respond and to satisfy the consumer (Navarro-García, Arenas-Gaitán, & Rondán-Cataluña, 2014; Gruber-Muecke, & Hofer, 2015). The same procedure can be applied to achieve competitive edge over rival companies through successful export activities.

Besides, the FDI of a firm can significantly have a constructive influence on the performance of a firm' export activities through acquiring resources such as supply relationships, partnerships, and proprietary investments (Storey, 2016). Moreover, Zahra, Newey, and Li (2014) suggests that the large enterprises such as multinational companies can take benefits from product presence and product fragmentation in order to overcome their fixed cost in various markets. The same strategy can be used to increase the awareness for local firms. In addition, these firms can use export activities to promote themselves through competition,

imitation, demonstration and externalities information (Gashi, Hashi, & Pugh, 2014; Roper, Love, & Bonner, 2017).

3.6 Theoretical grounding

In past few decades, the importance of SMEs has gained acknowledgement and popularity in regards to the economic development and growth of developing countries (Osei-Bonsu, 2014). Countries like South Africa can experience huge potential in development by the contribution made through its SMEs sectors (Dubihlela, 2013). The SMEs are most commonly considered as efficient when these are compared with large business organisations and enterprises. It can also be considered as a source of employment and job creation (Eniola & Ektebang, 2014; Page & Söderbom, 2015). On the other hand, Love and Roper (2015) identified that SMEs in the region of South Africa are its source of economic growth. Additionally, the contribution made by SMEs in any given nation is considerably more in employment as compared to the multinational companies (Maunganidze, 2013). Moreover, the notion remains the same regardless of the nations' developing status.

It has been highlighted that quite a lot of countries are considering the role of SMEs to be of utmost preference when it comes to policymaking (Dubihlela & Dhurup, 2013). Considering its importance, governments have started to formulate strategies, policies, and initiatives to guarantee sustainable growth and development of the SME industry. However, the approximate contributions of these SMEs differ from one source to the other in a significant manner, considering economy of South Africa. Moreover, the industry has a huge impact on the country's GDP (Gross Domestic Product). Almost 91% of the South African businesses contribute to GDP that accounts for up to 57% of the total (SARB, 2015). Therefore, in order to understand the impact of firms' characteristics on internationalisation or marketing strategies, it is essential to evaluate the different theories of internationalisation. These may include the stage theory, contingency theory, international entrepreneurship theory, resource-based view theory, and network theory. Researchers have formulated models for comprehending the impact of firm characteristics and international marketing strategies on export performance of a firm, as stated by Zeriti, Robson, Spyropoulou, and Leonidou, (2014), Kumlu (2014), Salali (2015), Julian, Mohamad, Ahmed, and Sefnedi (2014), Navarro-García, Arenas-Gaitán, Rondán-Cataluña and Rey-Moreno (2016), Griffith, Lee, Seob Yeo, and Calantone (2014).

3.6.1 The Network Theory

According to the Network Theory, internationalisation can be referred to as a collaborative activity, which offers convenience to the business that aims to enter in a market internationally rather than performing on a solo basis (Hohenthal, Johanson, & Johanson, 2015). The conveniences are accredited to the pace of business, its resources, and time and cost investment. According to Johansaon and Mattsson (2015), the theory indicates a strong relationship between partners that perform within the same business, internationally and domestically, in internationalisation. Often referred as the network members, these partners can be in the form of business entities, associates, or just individuals in either of the two markets i.e; domestic or international (Johanson & Mattsson, 2015). The partnership between these two network members facilitates small and medium sized businesses to enter into the market that is not only new but has abundant and different resources, as compared to the host country (Hajela and Akbar, 2013). Moreover, it also provides new information associated with the exports within and outside the country.

Interactions through networking ease the process of internationalisation in between various firms. Winch (2014) indicates that networking mitigates the risks associated with the firms' entrances to different markets. Moreover, it has been observed through Cheng and Johansen (2014) that it helps the firms in reducing the investment cost as well as the time required for the process of making entrance in the market. In addition to this, the benefits of networking extend to the betterment of its performance and decision-making process in internationalisation. Networking can be classified as one of the most efficient and effective drivers for firms' process of internationalisation (Kazlauskaite et al., 2015). However, the consistency of this theory is rather more aligned with the models of business that ensures global marketing and acceptance to the higher technological advances (Ghauri. Tasavori & Zaefarian, 2014).

In addition to the network theory and its consistency, it has been noted that there is a shortage of comprehensive framework that may illustrate on the impact of relationships and networking under the hood of internationalisation (Johanson & Johanson, 2015). Hence, the role of networking has a knowledge gap in the context of internationalisation (Johansaon & Mattsson, 2015). However, external actors and focal actors create interactive environment, which makes the process of internationalisation easier (Kazlauskaite et al., 2015). Furthermore, these actors and their interaction within the network enables firms to reach out

for more information, resources, and activities that are deemed most appropriate and essential for the process of internationalisation (Winch, 2014). On the contrary, the studies concerning internationalisation and networking suggest that there are two main distinctions found to classify various theories of networking, which are context of origin and area of origin.

The concept of area of origin is based on the location at which the university making these theories exists. Furthermore, Forsgren and Johanson (2014) indicate that certain European universities favour and investigate more on industrial networking theories, while the networking theories based on individual relations are often discussed in American universities. On the other hand, the concept of context of origin is based on the understanding of specific context in which the theory has been developed. One of the most prime examples for context of origin is that the theories concerning internationalisation are used to understand its process and to be implemented in order to justify the process through network perspective (Kazlauskaite et al. 2015). Furthermore, Johansaon and Mattsson (2015) emphasised that network theories can be implemented on internationalisation, as it reflects on the extension.

The network theory counters the argument presented by stage theory, which depicts that each businesses entity must possess and accommodate the resources it requires in-house before it proceeds for internationalisation (Minto-Coy, 2016). Moreover, the internationalisation through the network theory enhances the notion of resource capacity which can be achieved through collaboration with social and business associates (Ghauri, Tasavori and Zaefarian, 2014). In contrast, the network theory eliminates the necessity of learning to export knowledge when entering into an international market, which is opposite in the case of the stage theory (Kampouri, Plakoyiannaki, & Leppäaho, 2017). Moreover, there were numerous variables of stage theory such as psychic distance, which are not a part of network theory. (Yener, Doğruoğlu, & Ergun, 2014). Hence, Galloway and Thacker (2013) conclude that penetration, extension, and integration in an international market are considered as the vital elements in the network theory.

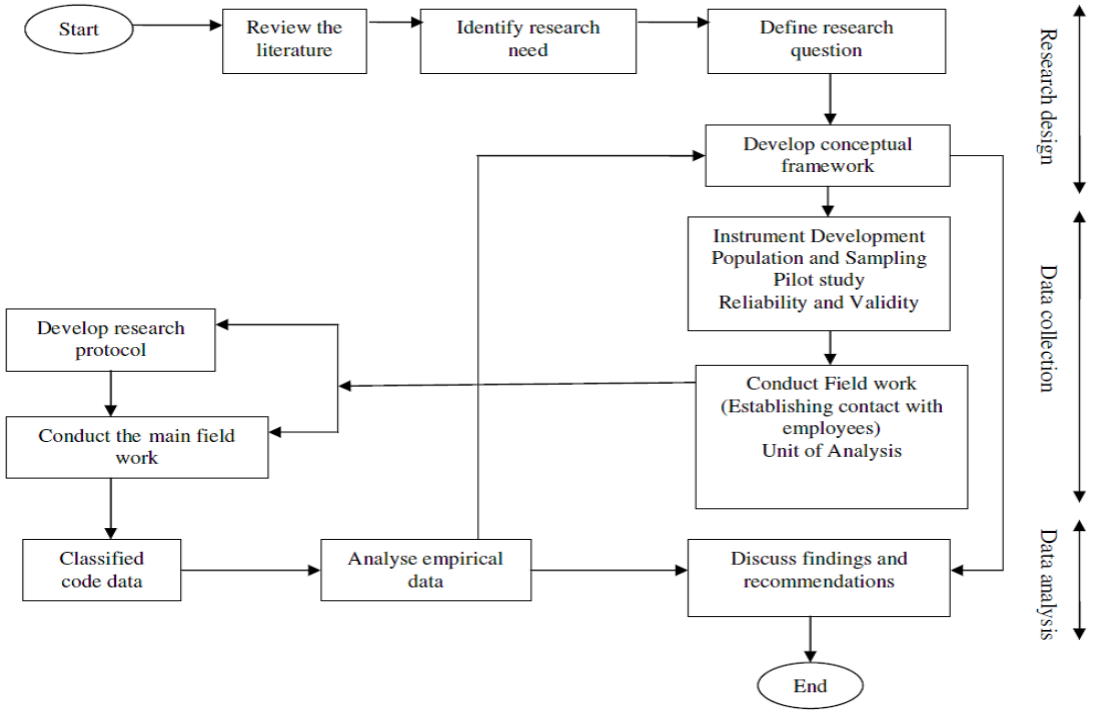
It has been noted in several studies such as Winch (2014) and Galloway and Thacker (2013) that there are many perks and application modes in network relationship, associated with internationalisation. These implications are even more signified in the context of SMEs. Resource commitments, mode of entries, and selection of markets in foreign countries are a few aspects of internationalisation (Forsgren & Johanson, 2014). However, the performance of these elements is based on the interaction that has been carried out between the actors of

firms. Additionally, the speed of internationalisation is significantly determined by the level of interactions in networking approach (Ghauri, Tasavori & Zaefarani, 2014). Even though the aforementioned applications are a few of many different contexts; however, the association between internationalisation and networking theory is undeniable.

There are many other researchers, such as Johanson and Mattsson (2015) and Cavusgil and Knight (2015) that have developed frameworks concerning internationalisation of SMEs on the basis of various structures. External and internal network structures are the two amongst many structured. The internal structure of networking refers to the association between a company's own staff (Forsgren & Johanson, 2014). On the other hand, the external structure of network refers to the association between two entities of business, or two different stakeholders that are outside the business; these can be the suppliers or consumers (Hohenthal, Johanson, & Johanson, 2015). Besides, there is another set of network structure which reflects inter-organisational and personal network structure (Minto-Coy, 2016). The association between owner or manager and his or her respective social circle is referred to as the personal network structure (Galloway & Thacker, 2013). On the other hand, the inter-organisational network is based on the relationship that exists between an external stakeholder and the SME (Johanson & Mattsson, 2015). An example of inter-organisational network could be the relationship between the SME and its associates, suppliers or customers.

In addition to that aforementioned sets of network structure, the third one reflects informal and formal structures. It implies that the formal structure of networking is based in between the customers or suppliers with the business. Alternatively, the association of owner with his family or friends can be deemed as informal (Ghauri, Tasavori & Zaefarani, 2014) Hence, considering the export performance of SMEs it can be said that the benefits associated with network theory have the potential to enhance the export results from internationalisation (Kampouri, Plakoyiannaki, & Leppäaho, 2017). It does not only facilitate the exporter's ability to promote and market its product in a new place, but also aids to gain a competitive advantage over rivals.

Figure 3.1: Network Theory



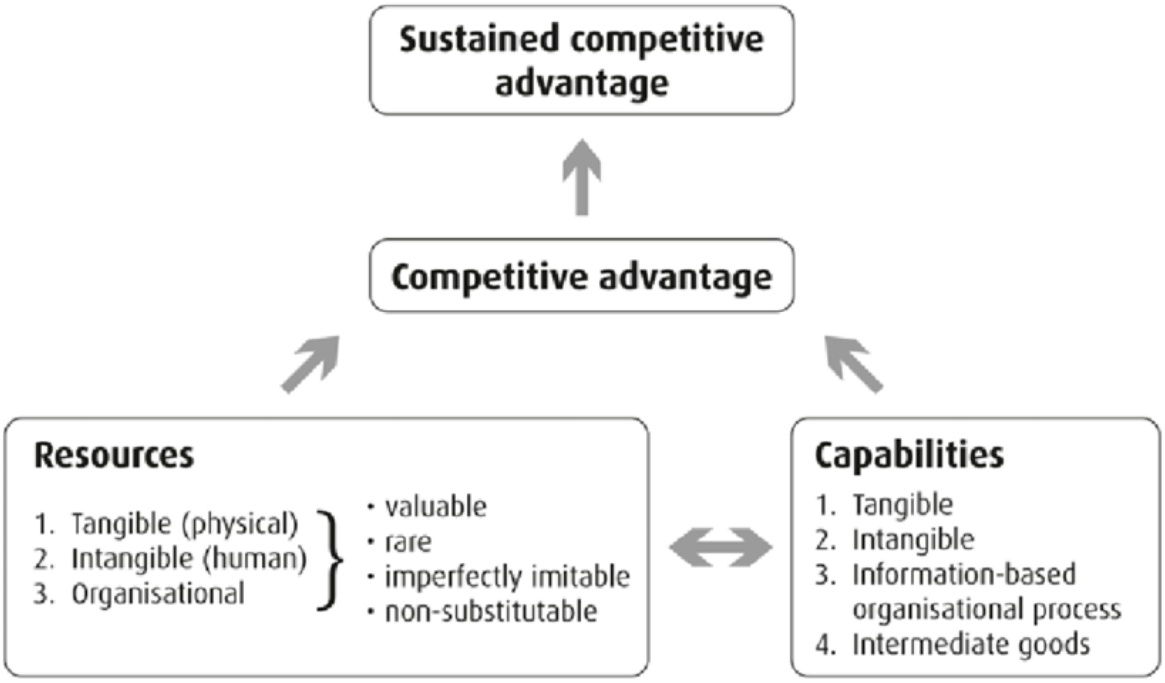
Source: Ratajczak-Mrozek (2017)

3.6.2 Resource-based View of the Firm (RBV)

The RBV or Resource Based View is largely based on the Economic theory that was also a result of various research works from Lin and Wu (2014) and Wernerfelt (2014). It has been assumed that the firm's RBV accumulates different stocks of resources, which are not only non-imitable but are also non-substitutable, rare, and immobile (Kull, Mena, & Korschun, 2016). It has been observed that the covariates and the firm's performance play a huge role in providing benefit to the firm (Jang, 2013). The word covariates refer to resources of the firm that are non-imitable, non-substitutable and rare. The RBV hold significance in the context of this paper as it has been used widely in regards to the internationalisation and international marketing strategies of SMEs.

The theory implies that internationalisation in the context of SME tends to rely on the internal capacity of the firm's resources that further determines its success in export (Hinterhuber, 2013; Kim, Song & Triche, 2015; Somsuk & Laosirihongthong, 2014). Moreover, it has been argued in Wernerfelt (2014) that the personality influence of manager of the firm alongside the entity itself is crucial in evaluating the behaviour and outcome of internationalisation. Hence, the assumptions or the predictions can be made in accordance with the RBV of the firm, as presented in the flow chart given below:

Figure 3.2: Resource Based View



Source: Prause, Hack and Theme (2015)

In accordance with the figure 3.2, it can be predicted that the resource stock of SME can be established as a result of its internal environmental efforts. It has been noted in Acklin (2013) that the said resources can either be tangible or intangible but has to be accumulated within the business entity. The advantages of these resources benefit the SME in deciding the levels and outlook on initiating the export into new market. Moreover, it determines the way the firm proceed with its export orders and the way it carries out long-term and short-term orders, in contrast with their respective competitors (Acklin, 2013). There are various researchers such as Jhang (2013), Almarri and Gardiner (2014) and Kull, Mena and Korschun (2016) that have focused on the levels of RBV of the firm and concluded similar results.

The concept of RBV is based on the affiliation between economic rent, competitive advantage, capabilities and resources of the firm (Kazlauskaite et al., 2015). Furthermore, the framework of RBV can be evaluated and implied for seeking advantage through performing a VRIO (Value, Rarity, Imitability, and Organisation) (Mohr & Batsakis, 2014). Furthermore, different methods of analysis emphasise on differentiation and cost effectiveness, as measures to achieve competitive advantage sustainably (Huo, Han & Prajogo, 2016; Porter, 2010). Additionally, RBV evaluates the capability of the firm under VRIO table with the intention to estimate the value of deliverables and to gain competitive edge (Gaur, Kumar & Singh, 2014).

The study conducted by Galati et al. (2014) focuses on an organisation's internal capabilities as an essential tool to formulate strategies that comply with industry as well as the marketplace. Firms can successfully ensure returns on the investments if the resources are protected within the industry through isolating mechanism (Lin & Wu, 2014). It has been noted in Cahen, Lahiri and Borini (2016) that the concept of resource-based view involves two distinctive assumptions; resource immobility and resource diversity. Resource immobility is the notion that identifies firm's resource as an object that is difficult for the competitors to obtain because of either its cost or supply (Schu, Morschett & Swoboda, 2016). Besides, the diversity of resource is indicated as firm's ability to accumulatively possess different sets of capabilities and resources (Chi, 2015). Moreover, the sustainable competitive advantage can be gained by the firm through establishing a framework or by analysing benefits of technology in the marketplace (Gaur, Kumar & Singh, 2014). Hence, the firm can evaluate its characteristics through the RBV that ensures an optimised usage of these resources in compliance with the market requirement.

It has been made evident through Mohr and Batsakis (2014) that RBV can be deemed most appropriate in evaluating the current portfolio of firm's resources. It helps the firm in optimising the resource stocks and to utilise it in markets that are appropriate and relevant. In such cases, capabilities and resources of the company are most essential in formulating a strategy as it directs the firm towards success and profit. Under the perceived value, RBV reflects on administrative process, information capabilities, and management skills which can be used to seek economic rents (Kim, Song, & Triche, 2015). On the other hand, the existence of dynamic capability is used by the firm to seek competitive advantage over rivals in given time, irrespective of the change in market conditions (Galati et al., 2014). In addition, Schu, Morschett and Swoboda (2016) conclude that the emphasis of Resource Based View is based on the enhancement and development of resources that can also be perceived as firm's distinctive capabilities.

Firm's capabilities can be defined as the accumulative resource it has to perform its business with intensive interactions (Huo, Han & Prajogo, 2016). It implies that the capabilities of any given firm can be regarded as its resources that are used to seek competitive advantage over rival firms. These capabilities are instilled in the process and routine of the business and accommodate the knowledge and techniques that are difficult for the rivals to imitate and observe (Wernerfelt, 2014). Moreover, dynamic capabilities can be referred to as the process that shifts in accordance with the competitive or strategic challenges; hence, allowing the

firm's resources to possess operational and dynamic capabilities (Chi, 2015). Galati et al. (2014) emphasised that dynamic capability can be referred to as the most essential indicator which determines the way certain firms are able to outperform their rivals in a considerable time period. The process involving dynamic capabilities include forming alliances, strategic process of decision making, product development, and conceptualisation (Lin & Wu, 2014).

In contrast, a firm's ability to deploy, assemble and compile the assets through its employees' skills set, process, routines, and pre-determined activities are classified under operational capabilities (Chi, 2015). Each firm emphasises on certain capabilities that align consistently with the fundamental strategy it follows (Mohr & Batsakis, 2014). For instance, if a company follows differentiation strategy, then it is likely to emphasise on different areas concerning product development. Alternatively, firms with the strategic influence of low costing might emphasise on the efficiency of manufacturing process improvement (Cahen, Lahiri & Borini, 2016). In addition, Chi (2015) emphasized on the fact that the companies cannot increase their capacities in a short time; these capabilities are usually linked with the characteristics of the company, the knowledge at its disposal and the level of compliance with the requirements of the consumer and the market.

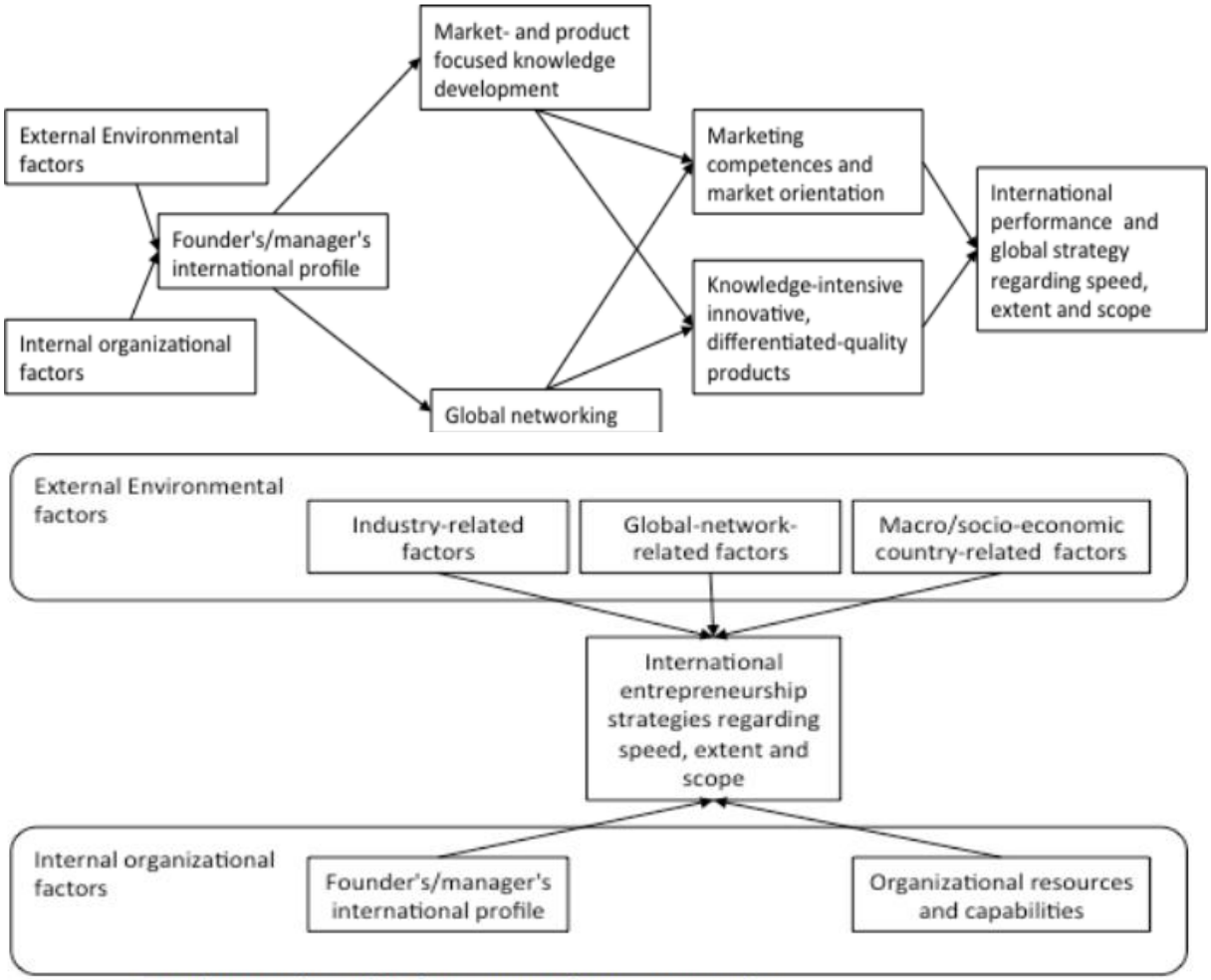
3.6.3 International Entrepreneurship Theory

The theory of International Entrepreneurship, or in other words IE, is rooted in the conventional methods of entrepreneurship. It implies that the theory is based on the collaboration of the fields of internationalisation and entrepreneurship. However, Zahra, Newey, and Li (2014) indicate that the theory of international entrepreneurship can be considered as a reaction or response to the assumption of gradualism, which is mentioned in stage theory. Kuratko (2016) highlighted the development of SMEs theoretically. The prime examples of this theory can be observed as doctoral seminars, book chapters, doctoral thesis, handbook publications, university sponsored workshops, and annual doctoral consortia (Al-Aali and Treece, 2014).

The studies concerning international business often focus on SMEs and their ability to enter the mode of internationalisation (Wach & Wehrmann, 2014). In addition, studies concerning entrepreneurship focus on cross border activities of SMEs (Kuratko, 2016). Therefore, the research work that has been carried out under international entrepreneurship reflects on different aspects of strategic management, finance, business, sociology, psychology, and

economics. It has been noted in Wach (2015) that such field of study carries entrepreneur value and economic significance as main areas of focus and enables justification concerning individual's venture in other marketplaces. However, international economic studies fundamentally focus on the macro-level characteristics of the firm, such as capital, services, and goods offered (Liesch, Welch & Buckley, 2014). Also, it emphasised on the process of internationalisation by evaluating its micro-level characteristics.

Figure 3.3: A Stimulus Response Model of International Entrepreneurship



Source: Rask and Servais (2015)

Figure 3.4: The International Entrepreneurship Theory



Source: Rask and Servais (2015)

3.6.4 Contingency Theory

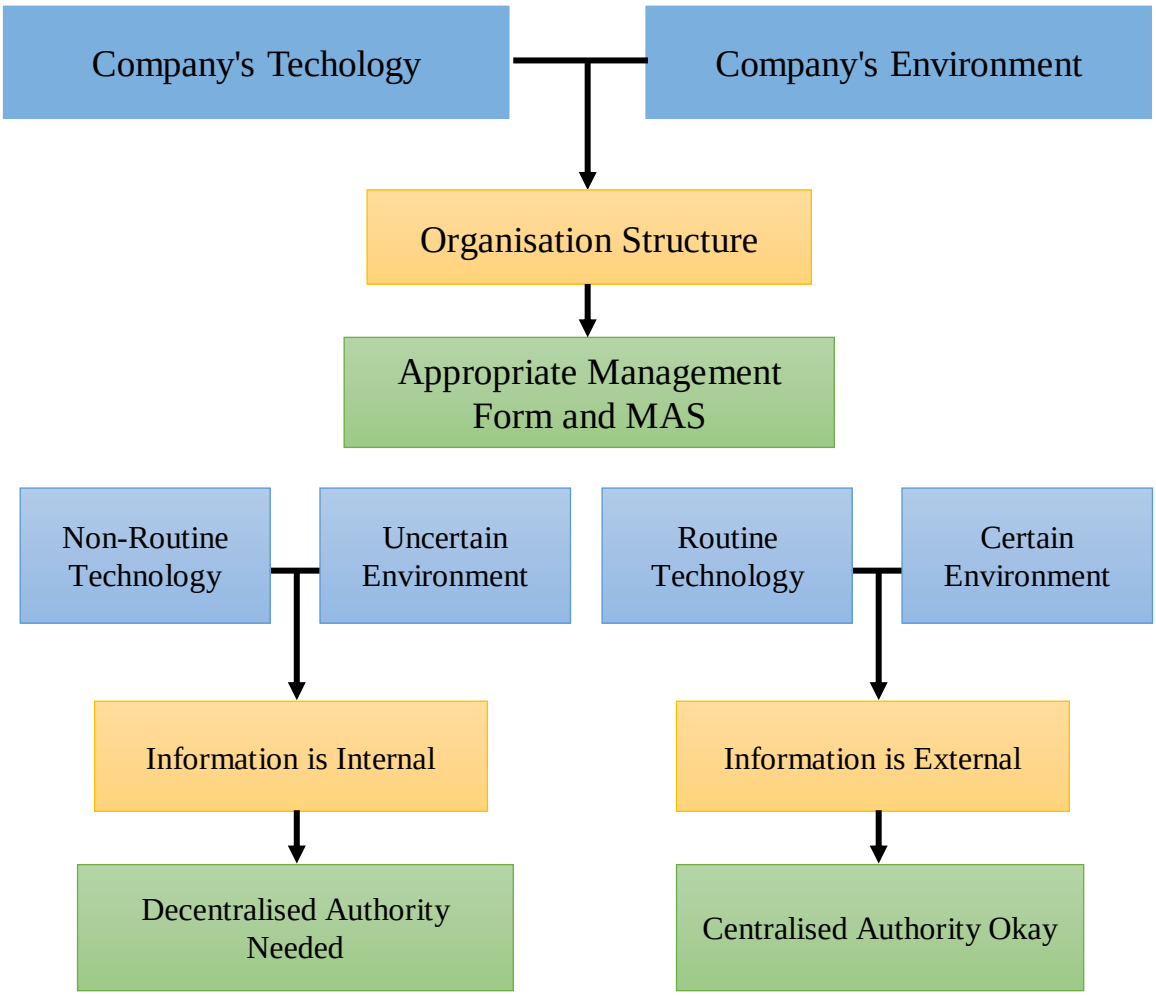
The theory of contingency extends from the discipline of organisational management (Mikes & Kaplan, 2014). It has been identified that no strategic approach, taken by the exporting firm, can be emerged independently (Otley, 2016). The environmental structures, as well as the conditions of the market have a significant impact on firms' choices and strategies. Consequently, the firms are required to make informed decisions that involve adaptation of the elements from the market environment in a direct fashion or indirectly (Pratono, 2016). However, the change is inevitable, and the firms are required to mould their strategies in accordance with the changing environmental trends under the hood of organisational adaptation (Alexander, 2017).

Considering the internationalisation behaviour of SME under the light of contingency theory, it can be assumed that the said behaviour is multifarious and dynamic in nature. This is due to the fact that the internationalisation of these SMEs also depends on environmental conditions and the capabilities of companies (Taylor & Taylor, 2014). It includes different factors such as government programmes, technological development, structure of the industry, industry type, and the demand condition of the market (Van de Ven, Ganco, & Hinings, 2013). In the context of this research, it can be found that the theory of contingency and the assumptions that are associated with these, determine the ability of a firm belonging to SME, which further helps to adapt to the requirements and influences imposed on the internal environment by the external environment. However, not all firms can have similar abilities despite functioning in a similar market having similar business (Grotsch, Blome & Schleper, 2013). The difference of activities and abilities determine the success ratio of firms' exporting performances.

It has been noted in Zhang et al. (2014) that firms that are successful in their given industry have certain inclination towards differentiation. Furthermore, firms that are functionally operating under environments, which change rapidly with complex and uncertain nature, tend to have highly differentiated internal structures. The implications of which can be observed through formation of various departments such as research and development, production and sales. Moreover, Alexander (2017) indicates that firms that are inclined with the operations through contingency theories often require appropriate mechanism to resolve conflicts in different areas. Firms that are successful tend to have a stable environment with hierarchical and formalised structure (Liesch, Welch & Buckley, 2014). In addition, Taylor and Taylor

(2014) conclude that these firms are required to establish their internal structures in accordance with the complexity of environment of their functionality.

Figure 3.5: The Contingency Theory of Organizations



Source: Bradford, Guzman and Trujillo (2017)

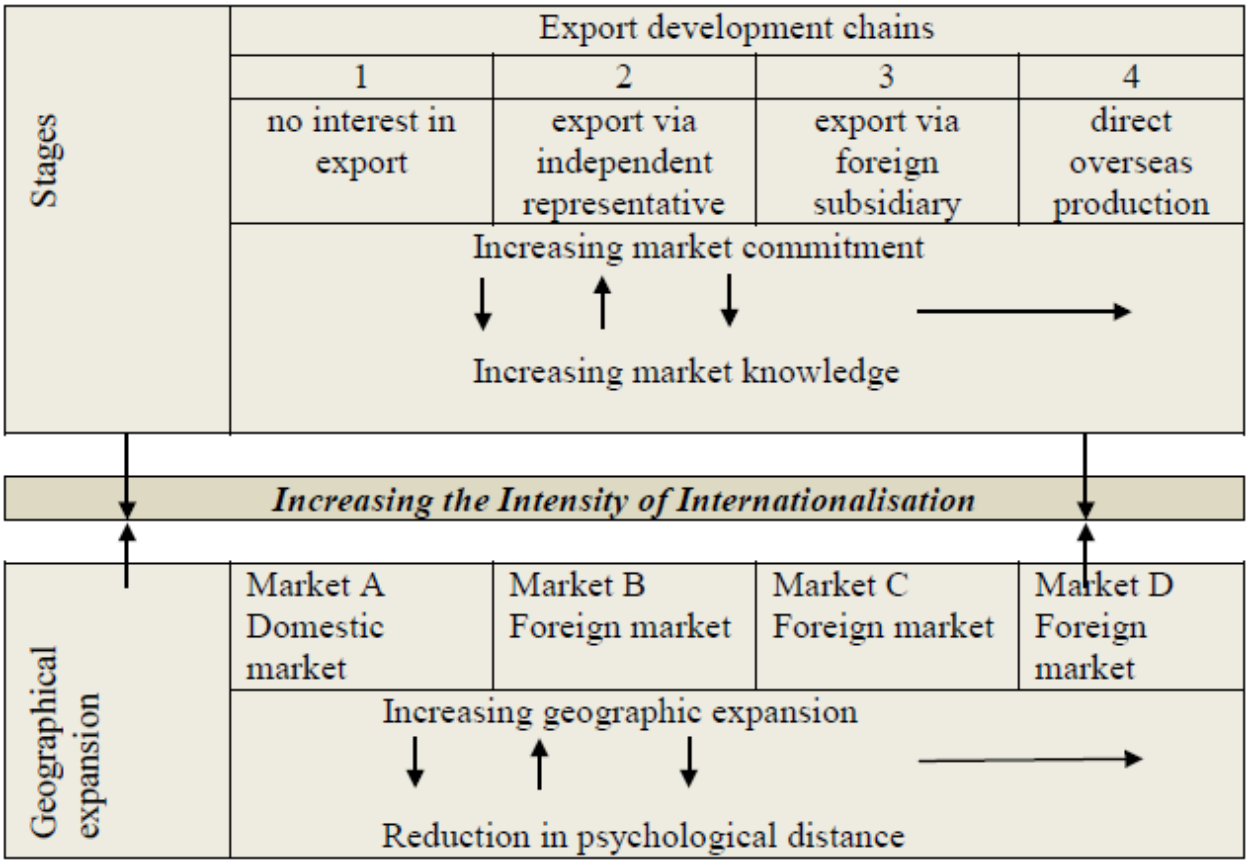
3.6.5 Stage Theories of Internationalisation

There are certain researchers that argue upon the existence of multiple stage theories, such as Kaur and Sandhu (2014) and Zumber Ahmad (2014). However, models related to innovation and process-stage theories can be regarded as the most commonly known stage theories. As discussed earlier, internationalisation in consideration with the innovation models, tend to assume linear procedure that reflects firm's trajectory as progressive and contend. Moreover, they said trajectory is a vivid reflection of the firms' innovation. However, considering the nature of this research, the process stage theory is deemed most appropriate and applicable as

it holds great similarities with the models of innovation (Zumber Ahmad, 2014). It implies that both modes of stage theories advocate the behaviour of internationalisation to be proceeding in a linear manner with a gradual pace towards success. On the other hand, both the modes of stage theory differ from each other in the case of SMEs (Reuwer, Jansen & Brinkkemper, 2013). It has been noted in Daszkiewics (2015) that the assumptions in regards to the internationalisation behaviour of SMEs in South Africa can be determined through evaluating it under process stage theory.

Following is the model of stage theory, which implies that the cycle of each firm begins at the domestic level with little to no intention of exporting or entering into a new market (Daszkiewicz, 2015). However, the firm then requires experience and human resourceover the period of time before planning to formulate marketing strategies for internationalisation. In addition, independent agents that belong to the foreign market can reach out to the firm for export orders, which may also lead towards foreign direct investment or sales subsidiaries that are owned (Ribau, Moreira and Raposo, 2015). Considering the figure below, the lack of requisite resources and experiential knowledge can gradually precede the entry of the firm into foreign market (B). In contrast, the entry of foreign market C is relatively faster because of the prior experience and knowledge in hand from Market B. Not only does it share the psychological and geographical characteristics, but it can also be observed that the penetration of the firm into market D is highly probable, as it has already gained enough experience from the past two markets. The chances of success in market D are regardless of the difference found in its characteristics, both geographically and psychologically.

Figure 3.6: Model of Stage Theory



Source: Hollensen (2004); cited in Rexhepi et al. (2017)

There are many researchers such as Kaynak (2014) and Khojastehpoor and Johns (2014) that have advocated the use and application of Stage theories as to the framework for internationalisation of SMEs. The purpose of these preferences is dependent on the variety of comparisons that exist in literature in accordance with its application on SMEs. Amongst many others, Welch and Paavilainen-Mantymaki (2014) and Curci, Yagi and Mackoy (2013) are the noteworthy researches.

3.6.6 Dynamic Capabilities View Theory

The theory of Dynamic capabilities view or DCV can be deemed as an extension to the Resource Based View theory, and it also serves as a reaction that preceeded RBV theory as an attempt to develop the interpretation of resources and capabilities in accordance with the changes in environment and trends (Chi, 2015). The major inclination of Dynamic Capabilities is to attain and secure competitive advantage. As the research of Galati et al., (2014) suggests, the existence of dynamic capability is used by the firm to seek competitive advantage over rivals in given time, irrespective of the change in market conditions. In

addition, Schu, Morschett and Swoboda (2016) conclude that the emphasis of Resource Based View is based on the enhancement and development of resources that can also be perceived as firm's distinctive capabilities.

Firm's capabilities can be defined as the accumulative resource it has to perform its business with intensive interactions (Huo, Han & Prajogo, 2016). It implies that the capabilities of any given firm can be regarded as its resources that are used to seek competitive advantage over rival firms. These capabilities are instilled in the process and routine of the business and accommodate the knowledge and techniques that are difficult for the rivals to imitate and observe (Wernerfelt, 2014). Moreover, dynamic capabilities can be referred to as the process that shifts in accordance with the competitive or strategic challenges; hence, allowing the firm's resources to possess operational and dynamic capabilities (Chi, 2015). Galati et al. (2014) emphasised that dynamic capability can be referred to as the most essential indicator which determines the way certain firms are able to outperform their rivals in a considerable time period. The process involving dynamic capabilities include forming alliances, strategic process of decision making, product development, and conceptualisation (Lin & Wu, 2014).

In contrast, a firm's ability to deploy, assemble and compile the assets through its employees' skills set, process, routines, and pre-determined activities are classified under operational capabilities (Chi, 2015). Each firm emphasises on certain capabilities that align consistently with the fundamental strategy it follows (Mohr & Batsakis, 2014). For instance, if a company follows differentiation strategy, then it is likely to emphasise on different areas concerning product development. Alternatively, firms with the strategic influence of low costing might emphasise on the efficiency of manufacturing process improvement (Cahen, Lahiri & Borini, 2016). In addition, Chi (2015) emphasized on the fact that the companies cannot increase their capacities in a short time; these capabilities are usually linked with the characteristics of the company, the knowledge at its disposal and the level of compliance with the requirements of the consumer and the market.

3.6.7 National Small Business Amendment Act 26 of 2003

The National Small Business Amendment Act (26 of 2003) has been developed to illustrate different sectors and specify them in accordance with their type. It has five different classifications, which are based on the turnover and asset value, paid employees, class size, subsector classification and standard industrial sector (Khosa & Kalitanyi, 2014; Fatoki,

2014). It has been developed in association with the update of the original act; The National Small Business Act (1996). The fundamental aim of this act is to establish a regulatory body or authority that outlines a guide for different small businesses and to promote them for the betterment of society. The act has further classified small businesses into various categories in accordance with their characteristics, such as small, very small, medium and micro companies (Flowerday, 2015).

3.6.8 Theoretical Models Linked to Africa

A few major theories that contributed heavily to the development of South African SMEs and their development are labour supply theory; the legalist theory and the recession push theory. Similar has been the case with Nigeria, Malawi and Kenya, where the growth of SMEs had taken place because of the global recession (Mutalemwa, 2015). Dubihlela and Dhurup (2013) highlighted that the sector of SMEs is not only ruled and dominated by survivalist, urban class, and semi-skilled workers; but it is also occupied with skilled and educated people who are struggling to improve their financial standings. Moreover, these are the individuals who aim to enhance their income in economic conditions that are recessive. South Africa is one of those developing countries where the rate of unemployment is considerably high (Storey, 2016). In between the years 1998 and 2008, the economic meltdown and global recession have caused many developing countries to promote small and medium business (Mutalemwa, 2015). The sector has absorbed many individuals who were in dire need of support and financial provision.

Apart from these, there are various other theories that have brought the need for SMEs in the region of South Africa in limelight (Wiese, 2014). For instance, labour supply theory and legalist theory can be used in association with the recession theory as well. According to Atkin, Khandelwal and Osman (2017), it is essential to observe that the primary focus of legalist theory is based on the importance of rules, regulations and laws governed by the state. These rules and policies are inclined towards the prosperity of small and informal businesses, suggesting that high corruption levels, poor governance quality and high taxation are the few elements that have led to the success of operations under SME sector. Alternatively, the theory of labour supply indicates that the development of informal small organisations has curbed the issue of unemployment in many developed countries (Erosa, Fuster, & Kambourov, 2016). It indicates that the developing countries that have incorporated

adjustment programs in their structures have experienced the growth in their small and medium sized businesses as well.

3.7 Empirical literature

This section revolves around the variables present in the conceptual framework (Figure 1.1).There have been numerous researches such as Magnusson et al. (2013), Zhang, Sarker and Sarker (2013), Boso et al. (2013) and Zeriti et al. (2014) in the literature of international marketing that focused on the export performances of different firms. However, there is still a gap between different variables and elements of association that exists in the subject area, regardless of the extensive work. There is still a need to evaluate variables such as successful performance traits, export marketing strategy, firm and its industry, and the general associations between all these elements that boost its significance and strength. Hence, it is essential to evaluate the relationships and associations of factors that contribute to the failure or success of export performances quantitatively. The said assessment can be done to add value to empirical literature through provision of findings that generalizes the impact of variability.

It has been highlighted in Atkin, Khandelwal and Osman (2017) that there are elements identified in the literature concerning the performance of exports, which are classified under the hood of firms' characteristics. Moreover, Arstie, Castellani and Franco (2013) conclude that these variables tend to impact on the three distinctive dimensions associated with the performance of exports; Export Profitability, Export Growth, and Export Level. However, it has been noted in Li, Veliyath and Tan (2013) that the volume of exports, which is also known as exports level, is considered as one of the most significant indicators of export performance success. On the other hand, it has been observed in Naude (2014) that profitability is a crucial indicator, while sales growth of exports is referred to as the most dynamic indicator of the performance.

3.7.1 Firm's characteristics

According to Mas-Verdu, Ribeiro-Soriano and Roig-Tierno (2015), the characteristics of firms are mostly associated with the objectives of that organisation and its resources. Moreover, research of Lavastre, Gunasekaran and Spalanzani (2014) suggests that these objectives and resources can be evaluated on the basis of firm's capital, market, and its structure to determine the characteristics of it. Furthermore, it has been noted through

Vandekerkhof et al. (2015) that characteristics of the firm which fall under the criteria of structure include its age, ownership, and size. On the other hand, the traits or elements that fall into market criteria reflect on its market environment, environmental uncertainty, and industry type. Lastly, the characteristics of firm that fall under capital are its capital intensity and the liquidity.

Additionally, Mas-Verdu, Ribeiro-Soriano and Roig-Tierno (2015) indicate that the impact of capital and market factors on business performance is equally important. The choice of these measurements depends entirely on the difference between the goals and objectives of the study. Since the research is based on structural elements to be focused as characteristics of the firms, therefore, the size and age are discussed within the context of literature. According to Atkin, Khandelwal and Osman (2017), the size of firm reflects on whether or not it is large in terms of employment as well as its infrastructure. On the other hand, LiPuma, Newbert and Doh (2013) suggest that the firm's size is dependent on the number of employees working in it along with the investment made for its capital.

In accordance with Atkin, Khandelwal and Osman (2017) the age of firm is based on the number of years it has sustained since it is listed in the database of registration authority. Alternatively, the study conducted by Tan and Sousa (2015) suggests that firm's age is the number of years for which it has been present and operational in the market. It has been further endorsed that there are certain forms of SMEs that, despite not being registered, are acknowledged by government (Tengeh, 2013).

3.7.1.1 Firms age

One of the most essential elements or the characteristics of the firms is their age. According to Love, Roper and Zhuo (2016), there is a constructive affiliation between performance of the company and its size and age. In addition to this, Gaur, Kumar and Singh (2014) conclude that the proportional growth of firm and its size tend to decrease as it progresses in age. On the other hand, firms that are old in age tend to have greater chances of surviving as compared to their younger counterparts. Kim and Hemmert (2016) suggest that these patterns are relevant and consistent in regards to the selection of market and to understand its efficiency. It has been observed that the earlier stages in firm's life cycle can endure operations and the process of selection is rather more intense. Similarly, it has been highlighted that the newly incepted firms project greater volatility as compared to the older firms in growth patterns

(Hilmersson & Johanson, 2016). Additionally, Hilmerson (2014) indicates that the efficiency of younger firms in early selections is based on surviving through maturity and achieving stability in employment.

On the other hand, it has been noted that there are various researches such as Kim and Hemmert (2016) and Gaur, Kumar and Singh (2014) that emphasised on the international expansion of firms at different ages. Furthermore, it has been observed that the dimension of time is significantly focused on studies concerning international business. Dogan (2013) argued that time specificity is one of the most essential elements contributing to the success of internationalisation. However, the context in which it is used can differ from one perspective to the other.

Adu-Gyamfi and Korneliussen (2013) noted that these dimensions of time can be spread across as the pace in which the process of internationalisation takes place, speed of international growth, the speed at which international activities occur. In addition to this, an experienced delay after the establishment of firm in regards to the foreign sales can be referred to as an international behaviour indicator. Moreover, Denicolai, Zucchella and Strange (2014) conclude that the firm's age has significance in impacting its growth through international entrepreneurship perspective. Hilmerson (2014) suggested that not delaying the process of internationalisation has a positive influence on the capacity of firm in regards to its growth in sales. However, it does not have any significant relation with profitability or innovation of the company (Dogan, 2013).

In accordance with the theories of knowledge and learning, it has been suggested that internationalisation of the firms, after they are established domestically, are inclined to proceed through decision making process considering inertia of the market, political ties, and local orientation. Kim and Hemmert (2016) claimed that earlier internationalisation can arguably lower the barriers of domestic inertia. Therefore, the earlier firm processes through internationalisation, the higher its chances are to succeed and grow in local as well as international market.

3.7.1.2 Firms size

It has been observed in Narayan ad Thenmozhi (2014) that the administrative structure of the firm as well its size are the reflection of its owner's leadership qualities, organisational

capabilities, personal characteristics, and vision. Moreover, it also reflects the industry's volatility pattern. Such as Uwuigbe et al. (2015) that have emphasised on the firm's size as one of the core characteristics. It has been argued upon that there is no substantial relationship or the difference between firms that are larger or smaller in size (Johnson, 2016). Furthermore, Hagsten and Kotnik (2017) emphasised that the size of firm does not have an impact on the success ratio of internationalisation. On the other hand, it has been debated by Siedschlag and Zhang (2015) that there is a considerable difference between the export performance of SMEs and the large corporation, as the firms behave differently in new markets. It has been noted that the size of firm is often analysed in literature concerning export behaviour and internationalisation as there are significantly large numbers of SMEs that have been perceived insufficient in exporting solely because of their size (Ren, Eisingerich & Tsai, 2015).

Berthou and Vicard (2015) indicate that the size of firm is considered as a variable which is mostly used to refer the total number of people employed in a company. In some cases, the variable is used in regards to the sales volume of firm. Small and medium sized enterprises should not be considered as the small version of large corporation because of the difference in behaviour and nature (Hagsten & Kotnik, 2017).

Furthermore, literature on exporting indicates that the probability concerning export activities increases with the size. However, it tends to project a weak relationship between exporting and firm size (Johnson, 2016). Despite the evidences, there are studies such as of Ren, Eisingerich and Tsai (2015) that found no relationship between the export performance of firm and its age or size. On the contrary, the significance of firm size in literature of export performance and internationalisation has been highlighted in current research, including Uwuigbe et al. (2015). In consideration with SMEs, Hagsten and Kotnik (2017) suggested that size of firm positively impacts the process of internationalisation. The reason discussed behind this impact is that firms with different size tend to apply disparate methodologies, concepts and criteria, which are aligned by their competencies and capabilities.

3.7.2 Firms Export Market Competence

In accordance with Tan and Sousa (2015), competencies of firms are regarded as most significant element in determining its export performance. It is caused by the fact that market competence of the firm tends to establish, collaborate, and reflect on the best use of its

resources. As per Khalid and Bhatti (2015), these resources can be in any form such as managerial, financial or physical. The accumulated resources cannot be deemed as the indicator for firm's overall capability in export, even though it enables the company to take the first step forward and perform sufficiently in export activities. On the other hand, Ismail, Domil and Isa (2014) suggest that globalisation and enhanced competition have compelled firms to minimise the life cycle of products, and be compliant to the needs of consumers. In order to do so, firms are required to establish, identify and produce consumer value that are better than what is being offered by their rival companies.

Moreover, Seringhaus (2015) suggests that firms which are smaller in size tend to experience resource poverty, culminating in the poor performance in exporting activities. Furthermore, these failures compel firms to formulate strategies that align their competencies in accordance with the requirement of sustainable exporting activities. Even though there is a lack of framework when it comes to identifying the unified concept for competencies, it has been found that the firm competencies are often associated with its export performance (Vendrell-Herrero et al., 2017). Furthermore, there have been many researches such as Gillespie and Riddle (2015) and Khalid and Bhatti (2015) that have signified the importance of competencies in organisational resource transformation into products that can be held valuable for export activities. According to Tan and Sousa (2015), the notion is similar to the one presented in the theory of RBV, where the value of firm is identified on the basis of its capabilities and resources. Therefore, stronger value can create the abilities to perform well in export market, which can be achieved through high level of competencies (Seringhaus, 2015).

3.7.2.1 International Experience

Based on the outcomes of Cowling et al. (2015), the drivers of internationalisation can be evaluated in accordance with the experience of the entrepreneur. It is an accumulation of his past experiences that are gained either in firms through exporting or those that are partnered with the firm. In addition, Piercy (2014) concludes that entrepreneurial alertness is one of the keys in influencing international activities at the early stages. Moreover, it has been identified that strategic decisions are associated with the personal orientation that reflect on its positioning in niche market (Rosli & Sidek, 2013).

It has also been observed that there is a significant relationship between international experience level and the selection of mode of entry as well as decision of the firm (Naude,

2014). Cagno and Trianni (2013) suggested that organisation with lower levels of international experience tend to experience hardships and difficulty in complying with the export activities and its requirements. Furthermore, Liedholm and Mead (2013) imply that firms with lower international experience have limited resources and exposure to the foreign market as well. They are assumed to have concentrated efforts and selective strategy for achieving optimum results and maximized profits. The reason for their optimized performance is their ability to market their products in international platforms that are relevant. Hence, Mefika Sithole et al. (2013) indicate that such firms tend to make use of strategies which do not involve high level of resource commitment in the selected foreign market.

On the other hand, it has been observed that the higher international experience in firms is likely to increase the expectations from the firm to opt for certain mode of countries, which also involves greater resource commitment. According to Stoian, Rialp and Dimitratos (2017) firms that possess higher level of international experience tend to operate in foreign market with complete control as they have to be aligned with the processes conducted in parent company. Furthermore, the investments in the said context are to be controlled in order to sufficiently generate maximized profits. As per Rosson and Ford (2016), the firms under such circumstances tend to select foreign markets that are near and are culturally alike. In addition to this, it has been noted that confidence of the firm along with competence and understanding can be enriched through international experience (Liedholm & Mead, 2013). Furthermore, it is known for its ability to establish accurate perception in regards with the returns and risks associated with foreign market.

3.7.2.2 Market Knowledge

In accordance with LiPuma, Newbert and Doh (2013) market knowledge is one of the most essential tools that enables a firm to successfully operate in the foreign market. It reflects on the understanding of the firm in regards to the market conditions, target audience, competition, and its socio-economic environment. Khalid and Bhatti (2015) indicates that the capabilities and resources of the firm are often aligned with the understanding of cultural distance when it comes to internationalisation. As suggested by Denicolai, Zucchella and Strange (2014), it is advised for the firms to expand into markets that are close and are relatively less culturally distant. Moreover, Laufs and Schwens (2014) indicate that the firms must expand into the culturally distant market once it has acquired the basic knowledge of

market and gained sufficient international experience. Hence, the notion of market knowledge bestows a learning process for the firm (Mefika Sithole et al., 2013), which can be achieved through the transition from domestic market to the international market.

It has been found that the process of internationalisation extends the ability of firm of learning the conditions and processes of foreign market, thus, increasing its management capabilities (Tan & Sousa, 2015). The said knowledge further enables firm to extend its services in other markets through acquiring knowledge for that particular foreign market. Moreover, Atkin, Khandelwal and Osman (2017) concluded that the selection of mode of entry is significantly dependent on the foreign market knowledge, as well as the diversification experienced. Atkin, Khandelwal and Osman (2017) stated that market knowledge enables firm to formulate appropriate strategic goals in the context of internationalisation.

3.7.2.3 Innovation

Wynarczyk et al. (2016) that have signified the notion of SMEs as the one contributing factors in the economy and emergence of developing countries. It has been noted that the firms that aim to compete with their rivals in foreign market are required to sustain through development and must be equipped with responses that are in accordance with the changing environments (Sputhoven Vanhaverbeke & Roijakkers, 2013). According to Piercy (2014, innovation can be considered as one of the major elements that contributes in the growth of economy through SMEs. It has been noted that innovation leads to the advancement of technology, which can be advantaged of the SMEs as they accumulate greater flexibility, spontaneous decision making, better focus, open communication, and simple structure of organisation (Mefika Sithole et al., 2013). Furthermore, Fernandez-Mesa and Alegre (2015) concluded that innovation may lead the firm to gain competitive advantage over its rival companies.

Small enterprises are likely to enter internationalisation at an early stage in an attempt to seize opportunities through making the best of innovative tools they possess. In accordance with Atkin, Khandelwal and Osman (2017) SMEs have often been associated with the optimized opportunities including mergers and acquisition, and research and development. Moreover, there are elements of innovation that are found to be intangible, such as licenses and patents. Since the notion of innovation is extensively discussed in the context of globalisation, it has been noted that competitive advantage is one the key drivers in enhancing the economic

growth. Rosson and Ford (2016) suggest that innovation enables the firms to offer such products and services which are better, unique and use efficient processes.

According to Laufs and Schwens (2014), the process of innovation involves development of new methods, concepts, and designs that help the business in exploiting the commercial benefits of its application. Moreover, the advancement of technologies, specifically in the field of communication or information, has to offer numerous challenges and opportunities for the firms (Martin-de Castro et al., 2013). Furthermore, broadband networking, mobile telephones, and internet have been associated with firm's performance and found to have a positive impact (Naicker & Peters, 2013). It implies that the convenient, fast, and cheap methods of communication have enabled the firms to seek market knowledge, which can then be converted into meaningful information and strategies facilitating them to sustain in foreign market. It has been highlighted by Marandu (2015) that the rate of success of any given firm is dependent on its ability to pursue opportunities through innovation. Additionally, Piercy (2014) suggests that a firm must be able to implement the latest technology and concepts to ensure that they have a competitive edge over its rival. Therefore, it can be said that the differentiated products or services have a positive impact in gaining a competitive advantage over rivals.

3.7.2.4 Commitment

In accordance with Johanson and Mattson (2015), internal determinants that are associated with the firm's export behaviour can be classified into four distinct categories. It includes organisational commitment of the firm in marketing for export; objectives and goals of exporting through the management's expectation; managerial aspirations through goals of the business; and differential advantages of the firm. It has been noted that the advantages of firms with differentiated products include dependency on the product line, firm's resources, its technological orientation, and the selected market (Boehe & Jimenez, 2016). Khalid and Bhatti (2015) emphasise that these are the elements that significantly contribute in enhancing the managerial motivation of the firm; however, these may not be sufficient enough to sustain the export activities. Moreover, it has been elaborated that market development and profit growths are the two aspirations that lead to successful venture (Villar, Alegre & PlaBarber, 2014). Moreover, Ling, Huang and Peng (2014) indicate that organisational commitment in the context of export marketing is referred to the risk a firm takes in investing its resources on the export activities. It is considered as one of the most crucial elements because of its ability to face challenges and obstacle and to be effective in strategic internationalisation.

3.7.3 Environmental factors

As emphasized by Navarro-Garcia et al. (2016), environmental factors are essential for firms to consider in order to implement a successful strategy in internationalisation. There are two most significant aspects when it comes to environmental factors and export performance: psychic Distance and cultural Specificity.

3.7.3.1 Psychic Distance

In accordance with Korsakiene (2014), it has been noted that psychic distance of the firm from foreign market has a significant impact on the process of internationalisation. It has been highlighted in a study such as Ojala (2015) that market entry modes and their selections are often dependent on the psychic distance, in order to be successful. On the other hand, it was debated that there is no operational or conceptual definition of this concept which has been generally accepted (Puthusserry, Child & Rodrigues, 2014). However, the use of terms like cultural distance and psychic distance were witnessed while discussing internationalisation (Dubihlela & Dhurup, 2013). The use of these terms interchangeably offers variety of complexity; hence, there is a need to differentiate between these concepts as two separate ones. According to Brunswicker and Vanhaverbeke (2015), the concept of psychic distance is associated with the subjective perception of individual in regards to the difference he finds in between his and foreign country.

3.7.3.2 Cultural specificity

Considering the international expansion, strategies that firms require to comply with the changing business environment include cultural compliance and competence. It has been highlighted that the approach and structures required to face these challenges are associated with the market conditions and the culture it follows (Urbancova, 2013). Furthermore, Camison and Villar Lopez (2014) indicates that various elements found in the culture of foreign market along with the psychic distance of the same lead to successful internationalisation, if dealt appropriately. In an era of globalisation, it is essential for the decision makers to acknowledge and understand the differences between cultures in order to perform on a global platform. It has been observed that cultural mistakes made by the firm may have a lasting impact on its reputation ad image, regardless of the fact that the mistakes were unintentional (Hennart, 2014). In addition to this, Brunswicker and Vanhaverbeke

(2015) concluded that most of the businesses fail internationally as a result of their inadequate understanding of the culture of targeted market. It implies that these businesses do not understand the sentiments of people attached with the notion.

Hence, Wynarczyk et al. (2016) highlighted three measures that firms can take in order to minimise cultural mistakes likely to happen due to their actions. The first measure reflects on the deep understanding of target market culture, while the second measure is to make effective use of the knowledge. Lastly, the third measure involves implementation of the acquired knowledge about the culture and the norm that empowers business to perform successfully in the region. According to Urbancova (2013), it is crucial for the firms to implement certain mode of behaviour that aligned with the collaboration of different cultures, in order to successfully expand in foreign market.

3.7.4 Managers Characteristics and Experience

Liesch, Welch and Buckley (2014) suggested that small and medium firms tend to differ in regards to the style of management that has been applied in their operations. However, it has been found that the management in SMEs is usually based on their human resource department (Fernandez-Mesa & Alegre, 2015). However, Brush (2013) concludes that one of the major factors in failure of small businesses is the lack of adequate human resource management. Moreover, the routine of informal operations accumulates the larger portion of the firm's day to day operations. Hence, it can be articulated that the approach of managers and decision makers towards the emphasis of firm's strategies plays a vital role in success or failure of the company.

3.7.4.1 Training

It has been signified by Ramazani and Jergeas (2015) that the associations and relationships formed in the context of SMEs are informal in nature. Firms that are smaller in size tend to lack in formulating control system with little to no formal communication across the employee circle (Ramazani and Jergeas, 2015). It is further inclined to build high trust among employees, with the mind-set of managers or owners of providing them family atmosphere. Furthermore, O'Neil, Sohal and Teng (2016) indicated that these policies can be minimalist and reflected through the hiring process that involves recruitment of family members and close friends. Paul, Parthasarathy and Gupta (2017) indicated that the focus of SMEs is to hire

candidates that are perfect for the job description, which leads to the lack of training and development programs.

On the other hand, it has been noted that most employees resist taking training sessions as it does not impact the amount they earn at job (Kroll & Moynihan, 2015). Different firms have opted for different methods to provide training to their employees. Some of the firms have asked their junior employees to observe the senior counterpart to learn skills that might prove beneficial similar situations. In addition to this, one of the most feared concepts that instil resistance in managers is that their employees might perform better than them after receiving training sessions. It has been identified in Jones and Casulli (2014) that success of business has a positive association with investment activities in management training and development.

3.7.4.2 Personality Factors

The literature which is based on the subject area of exporting activities indicates that there are various managerial elements which contribute to the performance of exporting activities. As highlighted by Ramazani and Jergeas (2015), these elements can be classified under the characteristics of manager that reflect on his decisions in regards to the export activities. In accordance with Kroll and Moynihan (2015), the managers of most export companies often have certain qualities, including assignments for obtaining education from abroad and knowledge of different languages. Jones and Casulli (2014) stated that the role of decision maker is essential to determine the efforts of firm towards export activities. Factors such as rigidness, assertiveness and proactivity of a manager can lead the firm to greater success in export (Demeulemeester et al., 2015). It includes taking decisions related to export activities, products that need to be exported, collecting information from international market, and creating and applying strategies for the benefit of the firm. According to Wynarczyk et al. (2016), export performance is largely based on the attitude of manager towards export activities. It includes his outlook, commitment and orientation that is necessary for making complex decisions.

3.8 Summary

This chapter is based on the literature review of small and medium sized enterprises of South Africa, their characteristics and the international marketing strategies that are required for their success. The chapter is based on theoretical groundings and the empirical literature on the subject. Theoretical grounding includes variety of theories in the context of internationalisation and SMEs, such as The Network Theory, Resource-Based View of the Firm (RBV), Dynamic Capabilities View Theory (DCV), International Entrepreneurship Theory, Contingency Theory, and the Stage Theories of Internationalisation. Moreover, the empirical literature in this section discusses different characteristics of the firm, including education of the employee, firm size and firm age. In addition to this, it has discussed the competencies of the firm with regard to the export performance. It includes literature on international experience, market knowledge and research, innovation and technology, and commitment. In contrast, environmental factors such as psychic distance and personality factors have also been included along with the critical argument on international marketing strategies and export performance. In order to ensure clarity, determinants of export performance have also been discussed. Lastly, literature on role of SMEs in South Africa has been discussed in detail with the literature on difference between large and small organisations, theoretical model in South Africa, and challenges that SMEs face in the market.

CHAPTER FOUR (4): CONCEPTUAL FRAMEWORK

4.1 Introduction

This section is concerned with the empirical objectives of the present study. It discusses the relationship between various variables as identified in the conceptual framework and discussed in the previous section categorised under firm's characteristics, firm's competencies, environmental factors and manager's characteristics. This section also thoroughly discusses the conceptual framework, based on which all the variables have been linked and discussed in accordance with their relation. The purpose of this section is to review the formation of these variables, the implications, the outcomes and theoretical backing of the proposed hypotheses.

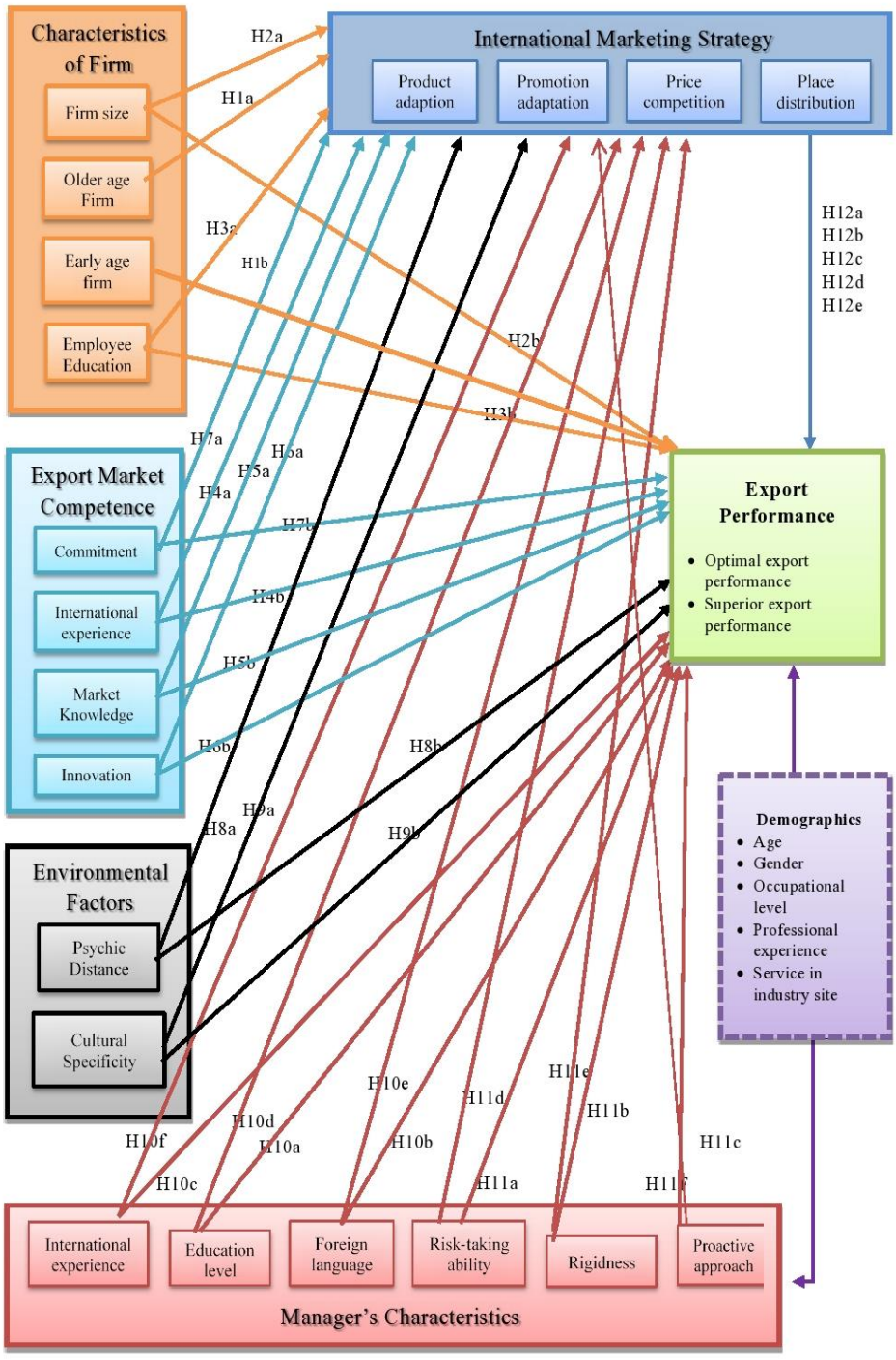
4.2 Conceptual Framework

As mentioned earlier in this research, the research question developed for the purpose of this study is:

What is the impact of firm-level characteristics and international marketing strategies on export performance of SMEs in South Africa?

To answer this question, following is the conceptual framework developed to formulate hypotheses that are 12 in totality, identified on the basis of literature review. All of these variables have been previously discussed under the section of literature review in chapter three. For this research, the independent variables are firms' age, firms' size, international experience, market knowledge, innovation, commitment, psychic distance, cultural specificity, foreign language, rigidness, risk taking ability, training and proactive approach. On the other hand, the dependent variables for this research are international marketing strategies and export performance. In Figure 4.1, the conceptual framework framework developed for this research is presented which is followed by hypotheses.

Figure 4.1: Conceptual Framework



Source: Compiled by researcher (2020)

In accordance with the empirical literature included in this research,

Following hypotheses are proposed:

H1a: Firm of older age are better at adopting marketing strategies for internationalisation.

H1b: Firm at early age are more likely to have optimal export performance.

H2a: International marketing strategies are easily adopted by the large firms.

H2b: Optimal export performance can be achieved easily by the large firms.

H3a: Firms with more educated employees are more likely to adopt international marketing strategies.

H3b: Firms with more educated employees are more likely to have optimal export performance.

H4a: Firms with more international experience are more likely to adopt international marketing strategies.

H4b: Firms with more international experience are more likely to have optimal export performance.

H5a: Firms with more market knowledge and research are more likely to adopt international marketing strategies.

H5b: Firms with more market knowledge and research are more likely to have optimal export performance.

H6a: Firms applying more innovation are more likely to adopt international marketing strategies.

H6b: Firms applying more innovation are more have optimal export performance.

H7a: More committed firms are more likely to adopt international marketing strategies.

H7b: More committed firms are more likely to have optimal export performance.

H8a: Higher psychic distances negatively impact on firm's international marketing strategies.

H8b: Higher psychic distances negatively impact on firm's optimal export performance.

H9a: Firms with highly culture-specific products are more likely to adopt international marketing strategies than firms with products that are not culture-specific.

H9b: Highly culture-specific products tend to have less difficulty in selling to a culturally different international market than products that are not culture-specific resulting in superior export performance.

H10a: In SMEs, the higher the educational level of the top manager, the more favourable his export attitude and the firm will experience superior export performance.

H10b: In SMEs, the more foreign languages spoken by the top manager the more favourable will be his export attitude and the firm will experience superior export performance.

H10c: In SMEs, the greater the international experience of the top manager the more favourable his attitude towards exporting and the firm will experience superior export performance.

H10d: In SMEs, the higher the educational level of the top manager, the more favourable his export attitude to adopt international marketing strategies.

H10e: In SMEs, the more foreign languages spoken by the top manager the more favourable will be his export attitude to adopt international marketing strategies.

H10f: In SMEs, the greater the international experience of the top manager the more favourable his attitude to adopt international marketing strategies.

H11a: In SMEs, the greater the risk-taking of the top manager, the more favourable his export attitude and the firm will experience superior export performance.

H11b: In SMEs, the more rigid the top level managers, the less favourable his export attitude and the firm will experience optimal export performance.

H11c: In SMEs, the more proactive the top line manager, the more favourable his export attitude will experience optimal export performance.

H11d: In SMEs, the greater the risk-taking of the top manager, the more favourable his export attitude to adopt international marketing strategies.

H11e: In SMEs, the more rigid the top level managers, the less favourable his export attitude to adopt international marketing strategies.

H11f: In SMEs, the more proactive the top line manager, the more favourable his export attitude to adopt international marketing strategies.

H12a: Effective and efficient international marketing strategy leads to superior export performance.

H12b: Optimal Export performance in an export organisation is enhanced by the degree of product adaption.

H12c: Optimal Export performance in an export organisation is enhanced by the degree of promotion adaptation.

H12d: Optimal Export performance in an export organisation is enhanced by increase in the level of price competition.

4.3 Hypotheses Development

In this section, each of the hypotheses proposed above is discussed in the light of literature to understand its impact on the export performance. It has been evident through Tan and Sousa (2015) that there are definitions of SMEs, its characteristics and traits which are widely

discussed in other researches as well. Not only the academic scholars and researchers, but the government authorities have studied its characteristics to seek benefit in developing the economy. Considering that the fundamental difference of characteristics between a large business and SMEs is the size of the business. However, Dogan (2013) indicates that SMEs are not the smaller version of bigger industries. There are many other variables and elements discussed by Brouthers, Nakos and Dimitratos (2015) and Naude (2014) that highlighted the key characteristics of SMEs. It suggests that SMEs tend to face more uncertainties, constraints, and lack of resources as compared to large companies.

Different researchers such as He, Brouthers and Filatotchev (2013) and Li et al. (2013) have proposed different perspective to identify the characteristics of firms, specifically SMEs. It is because the risk associated with SMEs is far greater than the one associated with large enterprises (Atkin, Khandelwal, & Osman, 2017).High risk is one of the most common causes of the failures of SMEs (Wiese, 2014). The comparison between SMEs concluded that the small industries or enterprises have a lack of staff that possesses skilled training (LiPuma, Newbert & Doh, 2013). Moreover, these organisations focus on the short-termed perspective over management of the firm. According to Piercy (2014), these enterprises are known to have resource poverty as one of their key traits. In addition to this, it has been noted that lack of technological enhancement is one of the key drivers of such perceptions along with organisational planning (Tengeh, 2013).

The difference between SMEs and large organisations is the variation and diversity between the product ranges that are offered to their respective consumers. The lack of extensive resources restricts the potential ability to achieve goals and accomplishment that are strategic and aligned with public relations perspective or international marketing (He, Brouthers & Filatotchev, 2013). In addition to the imposed limitations and restrictions, one of the most considerable differences concerning small and large enterprises is the style of management and structure of organisation. Wynarczyk et al. (2016) have discussed the characteristics of SMEs; and deduced that these organisations have management teams that are smaller than larger enterprises with only a couple of individuals working in the team. Moreover, these individuals working in management team tend to reflect a strong preference for independence and do not have control over the organisational environment. In addition, Cagno and Trianni (2013) highlighted that the managers or owners of small and medium sized enterprises tend to handle more than one task at a time and focus less on the activities that are not the part of daily business.

On the contrary, Wiese (2014) discussed characteristics of SMEs and referred it to as the organisations with management structures that are highly centralised, flexible, and simple. These features are more prominent in the SMEs because of their limited levels of hierarchy. Consequently, Tengeh (2013) concluded that the process of decision making is associated with intuitions and personal values of the owner instead of rationality or long-term planning, which can be most favourable for the organisation. Hence, it is observed that most of the decisions have immediate response. Additionally, it has been noted that the owners or managers working in SMEs tend to lack vision for long-term success and are considered as strategically myopic (Schlosser, 2015). Furthermore, the process involving decision making is based on the interest of the family and to counter the effects of past experiences (Kampouri, Plakoyiannaki, & Leppäaho, 2017). These notions contribute in influencing the operations and process of SMEs.

It has been discussed that the SMEs are considered as most responsive, flexible and quicker because of their organisational structure, which is comparatively simpler than the larger counterparts (Cagno & Trianni, 2013). The simple organisational structure contributes greatly in the responsiveness of environmental dynamics. Moreover, the element of innovation is higher in SMEs as compared to the large enterprises despite the lack of resources that potentially slow down process of its implementation (Hervas-Oliver, Ripoll-Sempere, & Moll, 2016; Antonioli & Della Torre, 2016). The characteristics of SMEs that differ with the ones from larger counterpart include power and lack of negotiation (Camacho-Miñano, Segovia-Vargas, & Pascual-Ezama, 2015). The lack of resources and power of SMEs heightens the influence of external factors on the decision-making power of the organisation. It also includes lowered negotiation in the context of politics, suppliers and market conditions. The consequence of such elements on the SMEs directly influences the bargaining power of supplier and consumers and tends to have a significant influence on the way the business behaves. On the other hand, the significant influence of politics and high negotiation power favours large enterprises with reduced risks (Falkner, 2017).

Visibility is one of the key factors that have influenced the business behaviour of SMEs (Wiese, 2014). It is because the dependence of SMEs on consumer demand is significantly high, considering the low or limited market share it has. Hence, it faces the risk of public scrutiny because of its increased visibility. According to Lavia Lopez and Hieble (2014), the personal characteristics of manager or owner of small and medium sized enterprises are essential to understand the business behaviour and nature. There have been many researches

in literature like Liedholm and Mead (2013) and Rosli and Sidek (2013) that have discussed the failures and success of the business through understanding the personality traits of its owner or managers. The factors such as the motives of business owner along with their goals and backgrounds can be extremely crucial in determining the strategy of the business (Wynarczyk, Piperopoulos & McAdam, 2013). Moreover, these are the characteristics that add to the dynamic environment of the sector. On the other hand, the standardised image of entrepreneurs belonging to SMEs of having rational economic profit maximising strategies can be considered as false (Piercy, 2014).

In addition to the motives and perception of owners and managers, innovation capacity, communication, information, age of firm, and employee quantity are the few characteristics of firms (Isaga, Masurel, & Van Montfort, 2015; Coad, Segarra, & Teruel, 2016; Atkinson & Storey, 2016). Moreover, it has been pointed out that each firm must possess key resources and sufficient yet accurate resource combinations to make the international marketing strategies and its development more effective (MefikaSithole et al., 2013). Even though, the firms that exports require greater resources in the form of information, finance, marketing and labour (Lopez and Hieble, 2014).It is essential for the business to make the best of their resources along with the complex skills and capabilities needed by the firm. Doing so can be favourable for the firm in achieving the desired goals and optimised outcome.

4.3.1 Firm Age and Internationalisation (Hypothesis 1)

The firm's age is one of the key characteristics that identify the scale of learning it has acquired over the course of time. According to Dogan (2013), the activities that revolve around exporting are time-consuming; therefore, considering the firms' age can be considered as one of the most important elements to evaluate. Researchers like Singla and George (2013) and Denicolai, Zucchella and Strange (2014) indicate a positive relationship between the firm's age and its export performances. Bloemer, Pluymaekers and Odekerken (2013) also highlight that the firms' performance can be improved if it is in its early stages and has wide room to adapt changes and trends.

Even Leonidou et al. (1998) regarding the organisational determinants of export companies has acknowledged that there are two entirely different views about the effect of experience in business on export behaviour. There are organisations which tend to go international and start trading with ports of different countries very quickly after their inception. However, there are

also the type of organisations which tend to start small, with operations only limited to their own country and eventually growing and exploring new markets once they have had ample experience in business logistics and overall operations to run the business successfully in different environments (Costa, Soares, & de Sousa, 2016; García-Cabrera, García-Soto, & Durán-Herrera, 2016). A significant factor, which at times determines how quickly the organisation goes for international markets, is the inter-firm networks of the organisation as well as the stakeholders involved (Kazlauskaitė, Autio, Gelbūda, & Šarapovas, 2015).

Manolva et al. (2010) discovered that the age of the organisation and the time it took to establish an inter-firm network was directly related to how quickly the organisation went international. The sooner an organisation establishes an inter-firm network and makes alliances and relationships with similar domestic organisations, the sooner it will enter the international markets (Manolva et al., 2010). This observation also validates Adu-Gyamfi and Korneliussen (2013) research finding that going to international markets is correlated to a strong inter-firm network of which the organisation itself is a key component in the global value chain. There are organisations that do not go to international markets as soon as they are initiated and tend to settle into domestic environment and make connections locally. Such organisations are likely to collaborate with a local inter-firm network and believe that developing operations in their own country is much more rewarding as compared to taking the riskier and more costly option of going international (Rosson and Ford, 2016). However, it was noticed that the age of the firm is a major factor when compared internationally, and organisations that operated only domestically found inconsistency in their findings.

An example of this can be seen in Liedholm and Mead (2013), which concluded that the organization operating in local market was not significantly related to the organisation being in international markets, thus, it confirmed that the relationship between the two factors was negative. Also, as per Fernández-Mesa and Alegre (2015) research, the firms which were not too old were comparatively more active in establishing inter-firm networks and going international rather than the organisations which had been established for a longer time. The results of these findings explain the reason of boom in the number of organisations which from inception are ‘born global’ and start off with an international scope in their business plan, thus, increasing globalisation of environments and organisations. Therefore, expectations are that organisations that tend to go international at an earlier stage would have fewer procedures to overcome which would, in turn, show that they have the ability and operations to expand a lot quicker and will reach foreign markets sooner.

As per the literature discussed above, it can be identified that firm age has a relationship with adoption of marketing strategies for internationalisation. Hence, this study proposed that firm age has an impression on adoption of international marketing strategies. There are two hypotheses that can be generated on the basis of firm's age.

H1a: Firm of older age are better at adopting marketing strategies for internationalisation.
H1b: Firm at early age are better at adopting marketing strategies for internationalisation.

4.3.2 Firm Size (Hypothesis 2)

4.3.2.1 Firm Size and International Marketing Strategies

Based on Tan and Sousa (2015), the size of the firm should be sufficiently large to sustain in a competitive world. Considering the advancement of technology, competitiveness and networks of communication, it has been noted that firms with larger size tend to have the relationship or association between two variables; performance and size, and cannot be evaluated because each firm differs from the other on the basis of its strategies of export (Gkypali, Rafailidis, & Tsekouras, 2015). Furthermore, it has been noted that larger firms tend to have different strategies of exporting as compared to the ones formulated by smaller firms as the large enterprises do not face limited resources (Dogan, 2013). In contrast, the significance of firm size in the previous work of export performance and internationalisation has been highlighted in many current researches like Uwuigbe et al. (2015).

Considering the above literature, it can be said that there is an association between firm size and international marketing strategies. Hence, this study proposed that international marketing strategies are easily adopted by larger firms in South Africa. The developed hypotheses in the context are presented below:

H2a: International marketing strategies are easily adopted by the large firms

4.3.2.2 Firm Size and Optimal Export Performance

Vandekerhof et al. (2015) the identified strengths of SMEs in comparison with the other counterparts involve personalised communication, flexibility, adaptation to environment, flexible cost structure, individualised offerings of services and products, and standards of high quality. It has been observed that issues concerning large organisations enable small firms to effectively take charge and operate in foreign markets for their benefits (Johnson, 2016). Furthermore, it has been noted by Hagsten and Kotnik (2017) that some markets might also create hurdles for small enterprises, which compel them to initiate change, withstand the shortcomings, and welcome risks. Johnson (2016) concluded that there is a significant bond between the firm size and the likelihood of its internationalisation, considering the size of the firm is based upon the number of employees. On the other hand, Siedschlag and Zhang (2015) concluded that firms larger in size are found to be more likely in initiating export as compared to the small firms. On the contrary, there are various studies such as Ren, Eisingerich and Tsai (2015) that found no relationship between the export performance of firm and its size.

Based on the literature discussed earlier, it is evident that larger firm size has a positive impact on optimal export performance. Therefore, the following hypothesis is created to analyse the relationship between large firms and optimal export performance.

H2b: Optimal export performance can be achieved easily by the large firms.

4.3.3 Firm Employees Education (Hypothesis 3)

4.3.3.1 Firm Employees Education and International Marketing Strategies

Fernandez-Ortiz et al. (2015) indicate that formal education is one of the core elements that reflect employees' ability to understand tasks at various levels. There are various studies, such as Cieslik et al. (2015) that have acknowledged the importance of education level of employees by accrediting their cognitive abilities for finer performance in the business world. In addition to this, it has been found by Hwang, Hwang and Dong (2015) that formally educated employees are able to process information in larger capacity, tend to reflect high amount of tolerance, and are able to perform complex tasks as a part of their employable characteristics. These are the abilities that are required intensively in optimising the export performance of any firm in international platform (Cagno & Trianni, 2013). Moreover, it has

been signified that higher level of education of top manager offers better results and better outcome when it comes to the export performance of the firm (Agnihotri & Bhattacharya, 2015). It can also be assumed that the high-level education and training of top managers tend to have greater impact on their subordinates, which can eventually be seen implemented on the export activities. Thus, the implications of high-level education of managers can indirectly impact the overall performance of export activities as well as on the educational requisite of employees. Furthermore, Vertinsky and Zhang (2013) suggest that high level of education empowers individual to think beyond the box and be flexible in understanding the complex situations. It is even more significant in the context of export performance and internationalisation as individuals with high education are likely to be open for complex methodologies that might favour the firm (Vertinsky & Zhang, 2013). According toFernandez-Ortiz et al. (2015), the attitudes of managers with high qualification possess better and adaptive attitudes which enables them to make better decisions.

From the above literature, it can be stated that firms with more qualified and educated workers positively affect the decision-making process of international marketing strategies. Hence, this study proposed that it is highly likely that firms having more educated employees adopt international marketing strategies.

H3a: Firms with more educated employees are more likely to adopt international marketing strategies.

4.3.3.2 Firm Employees Education and Optimal Export Performance

The education level of employees in the firm has been discussed in various researches such as Zahra, Newey, and Li (2014) and Brush (2013) to identify whether or not it contributes in the successful international marketing strategy for SMEs. According to Mefika Sithole et al. (2013), most of the individuals employed at SMEs possessed lower skill set and less than average education. However, the impact of these elements on the export performance of the firm is insignificant. Baumgarth et al. (2013) concluded that the better education and higher skill set may improve the information; however, the export performance largely depends on the use of information about the firm and market conditions.

It is evident from the above literature discussed that optimal export performance is associated with the number of educated employees in the firm. Hence, to evaluate the education of

employees as one of the firms' characteristics in association with the performance of export, following hypotheses is developed:

H3b: Firms with more educated employees are more likely to have optimal export performance.

4.3.4 International Experience (Hypothesis 4)

4.3.4.1International Experience and International Marketing Strategies

According to Laufs and Schwens (2014), competitive advantage can be gained through international experience, which facilitates the company with appropriate strategies for market entry. It has been noted by Mitter et al. (2014) that firms that have prior experience of internationalisation tend to have better outcome with their results, as they do not generally use standardised method of market entry. On the other hand, the environmental differences can further be evaluated and understood on the basis of international experience, which facilitates the firms to establish strategies that are more adaptable to market conditions in the host country (Laufs & Schwens, 2014). According to Chong (2014), international experience along with the appropriate training tends to favour the company in forming significant and positive association with adaptation of price, which later influences the performance of international marketing strategies

In Cavusgil et al. (1993), it was concluded that there is a significantly positive connection between the degree to which the country adapted to the product and the organisation's experience in conducting operations internationally. Their research clearly indicates that the international experience of the organisation does have a positive and significant effect on the adaptation of the local markets as well (Cavusgil et al., 1993).

Alternatively, in the research conducted on organisations based in Sweden by Hultman et al. (2009), it was concluded that numerous different factors regarding the organisation's experience had a varied impact on the degree to which the products were adopted by the local population. The research also found that the target market which embraces specific foreign market experience has a significantly positive outcome to the degree to which product was adapted (Hultman et al., 2009). The presumption is that organisations with complete worldwide market experience learn through operating in business sectors and build up a

bigger stock of information about the particularities of remote markets. It is accepted that they are progressively effective (that is, bound to prevail when compared to organisations with less remote and international experience) in modifying the marketing strategy to explicit necessities of the clients in the objective market (Cavusgil et al., 1993).

In our research, the impact of the different parts of the company's global experience (term of universal experience and nation explicit experience) on the level of adjustment of the promoting blend components will, in this manner, be analysed independently. In order to evaluate the relationship in the context of South Africa, following are the hypotheses developed.

H4a: Firms with more international experience are more likely to adopt international marketing strategies.

4.3.4.2 International Experience and Optimal Export Performance

International experience of the firm assisted in export performance, as the firms have the experience to collaborate with organisations that can help in running smooth operations with them. In this regard, Cagno and Trianni (2013) stated that firms having low international experience are highly likely to encounter more difficulties and problems in terms of export activities. Similar to that, Liedholm and Mead (2013) claimed that organisations having lower international experience limit their ability to operate in the foreign market. Such organisations presumed to possess selective strategy and concentrated efforts that they utilise to attain maximised profits and optimum results.

From the above highlighted literature, it is signified that international experience aids in attaining optimal export performance, as through exposure to foreign market they have gained more knowledge about the market. However, lack of studies in the context of South Africa has motivated the researcher to investigate the relationship in South Africa with the help of following hypothesis;

H4b: Firms with more international experience are more likely to have optimal export performance.

4.3.5 Market Knowledge (Hypothesis 5)

4.3.5.1 Market Knowledge and International Marketing Strategies

One of the most significant elements that are required for an informed decision is the knowledge of market, as emphasised by Laufs and Schwens (2014). It implies that knowledge and research of the market tends to facilitate the firm in gaining competitive advantage and allows it to be more persuasive in development of international and external opportunities. Considering the demands of market through extensive research, the manager has the ability to transform that information into segments of its target audience (Laufs & Schwens, 2014). Once the firm has information about the conditions, preferences, and demands of the market, then it is easier and more effective for the firm to establish strategies that are appropriate to enter the foreign market. On the other hand, Denicolai, Zucchella and Strange (2014) indicated that if left unexplored and unlearnt, the firm is likely to lose significant opportunities because of the lack of knowledge about market conditions. Literature that exists on the subject of export performance indicates that most failure occurs because of the lack of market research (LiPuma, Newbert & Doh, 2013). It has been found that firms that enter the desired market without prior research tend to face numerous issues and conflicts in interpreting the situations arising at the foreign market.

It has been highlighted from the work cited LiPuma, Newbert & Doh (2013) that market knowledge is an imperative aspect when entering a new market or competing in the existing market. It has been identified that market knowledge has a constructive relationship with development of marketing strategies. However, lack of research concerning the SMEs of South Africa has encouraged the researcher to investigate in this context. To analyse the relationship between export performance and market knowledge following hypothesis are formed:

H5a: Firms with more market knowledge and research are more likely to adopt international marketing strategies.

4.3.5.2 Market Knowledge and Optimal Export Performance

The internationalisation process improves the ability of an organisation to learn the processes and conditions of a foreign market. This helps in increasing the market knowledge of the firm (Tan & Sousa, 2015). This market knowledge subsequently, helps in extending the services to

other foreign markets. In this regard, Toften and Ottar Olsen (2003) conducted a study, which states that market knowledge might offer deeper insight into the association between market information use and export performance. Similarly, Denicolai, Zucchella, and Strange (2014) stated that intensity of foreign sales increases with the increase in market knowledge. Furthermore, Seringhaus (2015) identified a relationship between market knowledge and improved export performance because market knowledge helps in identification of the particulars about the new market that ease the process of entering the market. With regard to SMEs, Ahimbisibwe, Nkundabanyanga, Nkurunziza, and Nyamuyonjo (2016) conducted a study focused on the SMEs of Uganda. Their findings suggest that there is a relationship between market knowledge and export performance of a firm.

Given the above cited work Denicolai, Zucchella, and Strange (2014), it can be stated that there is an association between market knowledge and export, as the knowledge of a market helps in entering that particular market. To investigate the relationship between market knowledge and export performance in South Africa, the below mentioned hypothesis is proposed.

H5b: Firms with more market knowledge and research are more likely to have optimal export performance.

4.3.6 Innovation and Technology (Hypothesis 6)

4.3.6.1 Innovation and Technology and International Marketing Strategies

Export activities can be used to develop new products by lowering the cost and increasing the manufacturing of the products to be exported into the foreign or international market (Naicker & Peters, 2013). According to Martin-de Castro et al. (2013), innovation is divided into three kinds; product, process and organisational innovation. Product innovation refers to the development of a new product range, new packaging or anew design of the existing product into market. In contrast, process innovation refers to the activities concerning adding layers of information technology as well as quality control over the process of creation and distribution (Martin-de Castro et al., 2013). Lastly, the organisational innovation or management innovation refers to the introduction of new methods and planning, as concluded in Laufs and Schwens (2014). Based on Love and Roper (2015), innovation is most commonly considered as one of the key elements that directly impact on the performance of the firm. Moreover, it

facilitates the firms to generate new ideas to perform better. It has been highlighted in Marandu (2015) that the firms who accumulate innovation as a form of resource in their activities tend to reflect these practices through the adaptation of the product. Additionally, the research conducted by Azar and Ciabuschi (2017) on Swedish firms identified that organisational innovation puts a constructive influence on international marketing strategies.

Given the evidence discussed above, it can be stated that an organisation which encourages its employees to implement their innovative ideas and supports them, gives better performance output. Hence, in order to calculate the impact of innovation on export performance and international marketing strategies in the context of South African SMEs, following hypotheses has been developed.

H6a: Firms applying more innovation are more likely to adopt international marketing strategies.

4.3.6.2 Innovation and Technology and Optimal Export Performance

Considering export to be as mode of entry, marketing strategies can be regarded as one of the most flexible and adaptable marketing methods befitting in the foreign market. Villar, Alegre and PlaBarber (2014) indicate that exporting activities also rely significantly on the firm's external factors, which include technological inclination of the market and its competition within the industry. On the other hand, Khalid and Bhatti (2015) suggested that one of the major drivers for implementing innovation and technology into the structure of exported goods or services is competition. In addition, it has been endorsed by Azar and Ciabuschi (2017) that industries in foreign market with technological integration tend to influence promotion and adaptation of the product.

Boehe and Jimenez (2016) found a positive relationship between marketing mix standardisation and the industry's technological inclination. There are many other researchers like Kim and Kim (2015) that have signified the importance of intense competition that exists in international markets as most contributing in adapting appropriate marketing strategies. It is so because the firms tend to exploit the innovative and technological advances they have over their rival in a fiercely competitive market. Furthermore, foreign markets that accumulate intensive, innovative and technological features are likely to compel firms in

making strategies of export marketing on standardized formalisation (Azar & Ciabuschi, 2017).

As highlighted by Zucchella and Siano (2014), the reason for standardizing export activities is to counter the slow and expensive measures in adapting the methods and features of technologically advanced market. Hence, it can be assumed that technology driven markets require firms to formulate strategies that enhance their innovative capabilities and match the conditions of the targeted market to perform productive export.
As identified from the literature, there exists a constructive association between innovation and export performance. Hence, in order to investigate the impact of adopting innovation and technology on the export performance focusing on the firms of South Africa, following hypothesis has been developed.

H6b: Firms applying more innovation are more have optimal export performance.

4.3.7 International Marketing Strategies (Hypothesis 7)

4.3.7.1 Commitment and International Marketing Strategies

Commitment is characterised as one of the most crucial elements in the literature of export management, as highlighted in Cagno and Trianni (2013). There are various researchers such as Marandu (2015) and Zahra, Newey, and Li (2014) suggesting that managers who are less committed to the firm or their employment tend to opt for strategies that are standardized because of their ease of implementation. According to Tengeh (2013), firms that are committed to their goals tend to invest more resources into their activities concerning exports to formulate appropriate strategies for entering into the new market and meet their demands. Based on Piercy (2014) commitment has the ability to diminish the uncertainty, and to implement the international marketing strategy in a manner that it reflects optimum results.

There are various different researchers such as Alteren and Tudoran (2016) that have signified the importance of commitment in the internationalisation of firm's goods and services. The study conducted by Geldres-Weiss et al. (2016) advocates that commitment enhances the speed of internationalisation while determining the scope of it. It enables decision makers to focus on the objectives and emphasise heavily on the management of foreign markets to

expand. Lin, Huang and Peng (2014) determine that there is a positive relation among commitment of the firm and internationalisation.

With reference to the above literature, it can be stated that commitment of the firm positively influences internationalisation. However, the difference exists in adaptation to the marketing mix which varies from one country to the other. Thus, to understand the influence of committed firms on international marketing strategies, the hypothesis developed is as below:

H7a: More committed firms are more likely to adopt international marketing strategies.

4.3.7.2 Commitment and Optimal Export Performance

Based on Villar, Alegre and PlaBarber (2014), the concept of international commitment can be defined as an extent to which the firm allocates its managerial resources in its exporting activities in a foreign market. Khalid and Bhatti (2015) highlight a positive impact of commitment of firms in international market on the adaptation of exporting as a marketing strategy for internationalisation. One of the prime reasons for such implications is that the high level of commitment from managers tends to amplify the available resources that further facilitate the process of exporting. It empowers the managers and decision makers to base their decision resulting in offering intensive marketing activities and comprehensive planning for success. It also allows them to formulate adequate adaptation of marketing mix depending on the nature of foreign market, as highlighted in Boehe and Jimenez (2016).

Wood et al. (2011) conducted a study focusing on 257 new ventures from South Africa, Mexico, India, and China. The findings of this study suggest that commitment of a firm to internationalize have a positive association with export performance, if strategic decisions are taken. On the other hand, Urban and Heydenrych (2015) conducted a study focusing on the South African renewable energy sector. The findings of this research also claimed that pre-commitments affect the performance of a company positively.

The evidence from South Africa and other countries identified above explains that commitment of a firm positively affects export performance. Hence, in order to identify the relationship between commitment and export performance in South African SMEs, following hypothesis is formulated:

H7b: More committed firms are more likely to have optimal export performance.

4.3.8 Psychic Distance (Hypothesis 8)

4.3.8.1 Psychic Distance and International Marketing Strategies

In order to describe and illustrate the corporate behaviour of international markets, Nordic scholars have proposed the concept of psychic distance. According to its definition, psychic distance is the accumulation of different elements that function as the barrier between the firm and market knowledge. It includes the passage of information in regards to the economic development, education levels, political systems, culture, and the language, as highlighted in Brunswicker and Vanhaverbeke (2015). Based on the model presented by scholars, it has been observed that firms that experience challenges in international market tend to evaluate it on the basis of near to far psychological distance. Ojala (2015) identifies the difference of perceptions that exist between sellers and buyers, which is associated with the demand and supply of the product offered. In addition, Dubihlela and Dhurup (2013) concluded that the psychic distance creates a gap between firms and its knowledge of the overseas market. On the other hand, Korsakiene (2014) argued that psychic distance reflects on the level of uncertainties the firms have, which further reduces their chances of seeking more knowledge of market due to unfamiliar culture.

Based on the discussion and definitions from various scholars like Puthusserry, Child and Rodrigues (2014), in regards with the psychic distance, it has been argued upon in this paper that the notion of psychic distance is associated with emotions and feelings. Moreover, these feelings can be initiated or sparked because of the difference between host and home countries' environmental, cultural, economic and political elements, which arise upon performing business activities and operations. It has been noted that a bigger difference between the conditions of home and host country results in increase of the psychic distance (Ojala, 2015). Puthusserry, Child and Rodrigues (2014) claimed that psychic distance is one of the most significant elements of considerations when conducting operations of multinational businesses. It is so because literature on the subject indicates that it facilitates the decision maker in opting for an appropriate market for their respective business. In more specific terms, it can be assumed as the difference of working and market conditions between home and host countries that impact a business's transnational behaviour. However, in most common cases, businesses tend to seek markets that have similar cultures as well as working

conditions as of their home market. In addition to this, it implies that the host country must also possess a cultural identity which is similar to that of home country.

According to Mitter et al. (2014), the process involving international operations of the business tends to expand their operations in regions that are relatively near or close in accordance with the perceived psychological distance. Later, these businesses are found to have entered in market considering the difference in culture and market again. On the other hand, majority of the businesses and their activities of operations within a certain market tend to follow a determined and clear path that moves forward to direct investment from export agencies. Based on the implications of the Stage Theory, as explained in the context of export behaviour, it has been analysed that lack of information and irregularities regarding overseas market conditions can cause business to invest lesser resources and project lesser interest in export activities (Daszkiewicz, 2015).

However, Wiese (2014) suggest that the benefits obtained from export activities can compel the companies to seek more knowledge and take advantage of the opportunities to expand the business in potential exporting markets. Furthermore, Coccia (2016) indicates that the businesses that have export experience tend to invest in markets for their exporting activities that are near to the home country, in order to expand their operations in more countries over a period of time.

This relationship between psychic distances and internationalisation is widely known and acknowledged. It is evident from the above literature that higher psychic distance inversely affects the international marketing strategies of a firm. Hence, following hypothesis is formulated to examine the negative impact of higher psychic distances on international marketing strategies of SMEs in South Africa.

H8a: Higher psychic distances negatively impact on firm's international marketing strategies.

4.3.8.2 Psychic Distance and Optimal Export Performance

Regardless of the significance of its concept, the literature concerning psychic distance still experiences a gap when discussing adaptation of marketing strategies on international platform. Griffith and Dimitrove (2014) stated that the psychic distance has little to no role in standardising the marketing strategies of export in cross national platforms. It implies that the

impact of psychic distance can only be evaluated through the extent to which a firm adapts marketing mix. In addition to this, Hutzschenreuter et al. (2014) highlighted that perceived similarities is a subjective term associated with the export activities of a firm, and the level at which these similarities or differences are understood by the firm. It has been found in Navarro-Garcia, Arenas-Gaitan and Rondan-Cataluna (2014) that the firm's adaptation to export strategies is efficient and little for the international platforms that resemble with the domestic market. It implies that the psychic distance between home and international market is lower and hence require lesser degree of adaptation in accordance with the marketing mix. Azar and Drogendijk (2014) have also been aligned with the implications of perceived distance between the domestic and foreign market and its impact on the performance of the firm.

The literature discussed above supports the hypothesis proposed in this study suggesting that high psychic distance has an inverse effect on the export performance of a firm. Therefore, following hypothesis is developed to investigate if higher psychic distance has an adverse impact on export performance of the firm in South Africa.

H8b: Higher psychic distances negatively impact on firm's optimal export performance.

4.3.9 Cultural Specificity (Hypothesis 9)

4.3.9.1 Cultural Specificity and International Marketing Strategies

Based on Brunswicker and Vanhaverbeke (2015) there are certain elements associated with the attributes of products that tend to increase the orientation of mass marketing of products on international platform. It heightens the debate that exists between global versus local dichotomy. It has been noted in Coccia (2016) that the products specific to culture tend to favour stage internationalisation as well as fast internationalisation globally on the very opposite extreme. Urbancova (2013) discussed small and medium sized enterprises in the context of technological advances and proposed that innovative measures and distributive channels can benefit the firms in expanding their business and product line through internationalisation. One of the prime examples of such notion is the automotive industry, where the industry relies on other markets or countries to manufacture their components, while some countries tend to market their products on international platforms.

According to Brunswicker and Vanhaverbeke (2015) manufacturers of products can also base their businesses on internet that could facilitate their distribution across different countries to the end user. It implies that the sales for the business could increase internationally (Hennart 2014). On the other hand, Urbancova (2013) concludes that there is a dire need for companies to recruit individuals to market their products internationally on full time basis, which does not only require high investment to accomplish internationalisation but would also be influential in marketing the products in accordance with the concept of stage internationalisation. In addition to this, process of staged internationalisation can also potentially favour the sequential acquisitions, as indicated in Camison and Villar Lopez (2014). Various research works has been carried out in the perspective of born global and technological integration, such as Brunswicker and Vanhaverbeke (2015) and Wynarczyk et al. (2016).It has been noted in Coccia (2016) that approximately 10% of the revenue from Canadian born global is invested in the department of research and development. Moreover, the expansions of businesses more often experience internationalisation.

From the discussed literature, it has been evident that firms producing highly culture specific products show more capability to international marketing strategies adoption. Hence in the context of South African SMEs, following hypotheses is formulated to analyse the notion and relation of culture specific business:

H9a: Firms with highly culture-specific products are more likely to adopt international marketing strategies than firms with products that are not culture-specific.

4.3.9.2 Cultural Specificity and Optimal Export Performance

As per Alshammari and Islam (2014), difference in culture among importing and exporting countries has a significant role in the performance of the exporting firm. The purchasing pattern of people is influenced by their values, beliefs and culture (Alshammari & Islam, 2014). Similarly, Erem and Menguc (2015) studied Turkish export ventures and stated that cultural specificity of a product improves the export performance of a firm because cultural-specificity allures the consume of that particular market to adopt the product or service provided. Moreover, it also identified that cultural-specificity and export performance are associated with each other because internationalisation requires exploring the specific market which bestows the needs of that market.

Referring to the above studies, it can be claimed that there is a relationship between cultural specificity and export performance. To investigate this relationship in the context of SMEs in South Africa, following hypothesis is formulated.

H9b: Highly culture-specific products tend to have less difficulty in selling to a culturally different international market than products that are not culture-specific resulting in superior export performance.

4.3.10 Manager Training and Superior Export Performance and International Marketing Strategies (Hypothesis 10)

There are many dimensions in which the export activities can be performed by the managers, which are mostly associated with their attitudinal, experiential, and demographical nature (Laufs and Schwens, 2014). This section discusses various elements such as performance of business in other countries, also known as export performance; the transition of firm's nature towards export; manager's behaviour; marketing strategies; and the use of information regarding market conditions. Manager's training can be divided into three broad categories, as discussed in Sui and Baum (2014). These categories are their international experience, command on foreign language and the educational level. While education level of the manager is required in general for the better performance of the firm, international experience and command on foreign language are specific to internationalisation.

4.3.10.1 Education Level, Superior Export Performance, and International Marketing Strategies

According to Andersson and Evers (2015), the level of education a manager possesses and his awareness of the world and cultures outside his home market are the key determinants of exports performance of the firm. It is also dependent on his experience in international marketing and exporting along with the command over different languages. While education level in this perspective can be referred to as the generic requirement, rest of the traits are associated solely to internationalisation. Li, Vertinsky and Zhang (2013) suggest that the fundamental element of managerial training is the formal educational level of a decision maker. It implies that the manager is aware of the variables that contribute in building his cognitive abilities as a manager. In addition to this, he is able to handle situations that are not

only complex and difficult but also has the ability to resolve ambiguity with utmost tolerance (Francioni, Musso, & Cioppi, 2015).

It has been noted in Adu-Gyamfi and Korneliussen (2013) that higher level of education possessed by the manager of the firm leads to better export performance. It implies that firms can train their top-level managers to influence the performance of their export activities. However, Laufs and Schwens (2014) argued that it is not necessary that a highly educated manager is capable of making decisions that are appropriate; it implies that the manager might take decisions that are convenient and feasible for the firm.

As discussed above, the literature posses both the views. One is that highly educated managers have an impact on the firm performance and the other signifies that having educated manager does not necessarily mean improved export performance. Alternatively, high level of education of a manger assists in the adoption of international marketing strategies. Hence, to understand the impact of education of managers in the context of South African SMEs, the proposed hypotheses are presented below:

H10a: In SMEs, the higher the educational level of the top manager, the more favourable his export attitude and the firm will experience superior export performance.

H10d: In SMEs, the higher the educational level of the top manager, the more favourable his export attitude to adopt international marketing strategies.

4.3.10.2 Foreign Language, Superior Export Performance and International Marketing Strategies

In addition to the aforementioned traits, the training of manager in context of the export performance is based on his ability to communicate and understand other languages. It has been highlighted by Sala and Yalcin (2015) that knowledge possessed by the manager in regard to the language of foreign market tends to benefit the export performance of the firm. In addition, Beleska-Spasova (2014) highlights that the knowledge of foreign language helps the manager to build connections in the host country; it is easier for him to attract new consumers in the foreign market, and it helps him in understanding the culture that can be incorporated in the firms' commercial regulations. Researchers like Francioni, Musso and

Cioppi (2015) and Li, Vertinsky and Zhang (2013) have discussed a significant bond between the export performance of the firm and the knowledge of foreign language.

There are various studies like Francioni, Musso and Cioppi (2015) and Li, Vertinsky and Zhang (2013) that have highlighted the association between the skills of a manager related to foreign language and international marketing strategies adoption as well as export performance. However, the literature is insufficient in the South African context. Therefore, the proposed hypotheses are formed to evaluate the relationship among SMEs of South Africa:

H10b: In SMEs, the more foreign languages spoken by the top manager the more favourable will be his export attitude and the firm will experience superior export performance.

H10e: In SMEs, the more foreign languages spoken by the top manager the more favourable will be his export attitude to adopt international marketing strategies

4.3.10.3 International Experience, Superior Export Performance and International Marketing Strategies

According to Sala and Yalcin (2015), international experience and longer exposure to the foreign market enhances the capability of managers to seek knowledge about the market conditions of host country while making contacts that can benefit the firm in a long run of export activities. There are mainly three identified components linked with the notion of international experience of the manager, as highlighted in Beleska-Spasova (2014). First component is the awareness and knowledge of the firms and institutes working in the foreign market. It includes seeking information about the values, norms, rules and behaviour of the government (Beleska-Spasova, 2014). The second component is the knowledge of foreign market, which comprises of the information regarding its competitors, customers and the market conditions itself (Beleska-Spasova, 2014). Last component is the information, which is not only directly related to the notion of internationalisation but also includes knowledge to understand capacities and resources to make informed operational decisions in foreign market (Beleska-Spasova, 2014).

It has been signified by Chong (2014) that knowledge and information of any kind related to the foreign market has a direct influence on the export operational perceived cost. Beleska-

Spasova (2014) discussed latent variables within structural equations that were based on the information collected from exporting firms. The results of this research indicated that the knowledge of capacities and resources brings optimistic perception with regard to the export activities in international market (Beleska-Spasova, 2014). In addition, optimistic approach and attitude of the manager also influences export performance of the firm in a positive manner.

Naude (2014) identified that there is a significant relationship between the international experience level and the selection of mode of entry as well as decision of the firm. Furthermore, Cagno and Trianni (2013) claimed that an organisation with lower levels of international experience tends to experience hardships in complying with the export activities and its requirements.

Given the above literature, it can be stated that the international experience of a top-level manager has a constructive influence on the export performance and international marketing strategies level adoption of a firm. Thus, to evaluate the performance of South African SMEs in exports and international marketing strategies adopted in the context of their managerial approach, following hypotheses are developed.

H10c: In SMEs, the greater the international experience of the top manager the more favourable his attitude towards exporting and the firm will experience superior export performance.

H10f: In SMEs, the greater the international experience of the top manager the more favourable his attitude to adopt international marketing strategies.

4.3.11 Personality factors and International Marketing Strategies and Export Performance (Hypothesis 11)

The general personality traits of managers tend to impact on the firms' export performances, as highlighted in Brush (2013). This includes dynamism, quality, commitment, flexibility, innovativeness, and risk-taking traits. These characteristics can be aligned with the traits possessed by entrepreneurs that aim to focus on internationalisation.

4.3.11.1 Risk Taking Ability, Superior Export Performance and International Marketing Strategies

According to Fernandez-Mesa and Alegre (2015), there are more risks attached with exporting as compared to the operations performed for domestic sales. There are three reasons that have contributed in the results. First reason relates to the dynamic interactions that are required to perform a business in an international market. The second reason can be considered as the participation of different actors that come into the equation. The last reason is the uncertainty of macro environment in a foreign market (Fernandez-Mesa & Alegre, 2015). Hence, Liesch, Welch and Buckley (2014) signify the risks attached with the exporting activities of a firm. On the other hand, it has been argued by Mitter et al. (2014) that the adverse risk perception may cause negative impact on the internationalisation of the firm.

With reference to above literature, it can be stated that hesitation to take new initiatives negatively influences a firm's productivity and its adoption to international marketing strategies. Therefore, the hypotheses are formulated to comprehend the relationship between risk-taking traits of manager and the export performance as well as international marketing strategies adoption.

H11a: In SMEs, the greater the risk-taking of the top manager, the more favourable his export attitude and the firm will experience superior export performance.

H11d: In SMEs, the greater the risk-taking of the top manager, the more favourable his export attitude to adopt international marketing strategies.

4.3.11.2 Rigidness, Optimal Export Performance and International Marketing Strategies

Beleska-Spasova (2014) highlights that receptiveness, open mindedness, and flexibility of managers are the key indicators of success in internationalisation. Furthermore, it has been signified in Cowling et al. (2015) that flexibility is associated with innovation; hence, the rigid nature of managers might revolve around the culture of organisation and may cause the firm to experience inertia. Therefore, it is essential for the managers to ensure that they make decisions that align with the market conditions, and hence, would require them to be flexible and adaptive to the international market. It has been noted in El Makrini (2015) that the attitude of manager plays a vital role in formulating the export strategies. These exporting activities can be correlated with the subjective perception and attitude of the managers or

decision makers, as highlighted in Ng and Feldman (2014). All of these attitudes and characteristics are subjective in nature and can have impact on export activities as well.

Considering the notion of internationalisation, it has been noted in Katsikea et al. (2015) that managers tend to incline more towards strategies incorporating favourable commercial operations in international market. The inclination of these managers could also be in regards with the consequences foreseen along with the volume expected from the outcome. Furthermore, Zeriti et al. (2014) emphasised that favourable attitude of managers or decision makers has the potential to progress through consistent behaviour in export activities.

Imran et al. (2018) extensively discussed the relationship between export attitude and export performance in the context of internationalisation and concluded that the attitude can have a negative or positive impact on the performance.

From the above literature, it has been summarised that there exists an association between export performance as well as adoption of international marketing strategies and rigidness of a manager. The areas in which the attitude of a manager impacts export performance are profitability and intensity of export operations. Therefore, the relationship between adaptive and flexible nature and attitude of managers and export performance as well as adoption of international marketing strategies of the South African firm is discussed under the light of following hypotheses:

H11b: In SMEs, the more rigid the top-level managers, the less favourable his export attitude and the firm will experience optimal export performance.

H11e: In SMEs, the more rigid the top-level managers, the less favourable his export attitude to adopt international marketing strategies.

4.3.11.3 Proactive Approach, Superior Export Performance and International Marketing Strategies

Aggressiveness is most commonly known as the proactivity towards work and its success. Brush (2013) depicts the notion of aggressiveness as a trait that reflects the level of anticipation. It is one of the most common traits discussed in literature of international marketing. Furthermore, managers that are proactive in nature tend to consider foreign market

as their natural market, which facilitates them in understanding its nature and macroeconomic impact considering the foreign environment (Demeulemeester et al., 2015). Hence, it can be said that the results derived in exports performance with aggressive managers are better.

As identified from the mentioned studies, more proactive approach from managers assists in getting optimal export performance and adoption to international marketing strategies. Thus, to understand the relation between export performance and international marketing strategies adoption of SMEs and the attitude of managers in South Africa SMEs, following hypotheses are developed:

H11c: In SMEs, the more proactive the top line manager, the more favourable his export attitude will experience superior export performance.

H11f: In SMEs, the more proactive the top line manager, the more favourable his export attitude to adopt international marketing strategies.

4.3.12 International Marketing Strategy and Export Performance (Hypothesis 12)

One of the basic elements required to formulate strategies for international market is the firm's decision to either opt for market conditions adaptation or to carry on operations with standardisation mode. According to Singla and George (2013) standardisation is a process in which the firm decides to follow similar strategies in both the markets, home and international. In addition to this, standardisation is also used in cases where the marketing mix is developed for general consumers. On the other hand, Atkin, Khandelwal and Osman (2017) identified the adaptation strategy in internationalisation which is based on the needs of consumer and the marketing mix.

It has been noted in Cowling et al. (2015) that standardisation is considered as a convenient method to perform business, while there are researches like Rosli and Sidek (2013) that have signified adaption as one of the key characteristics of successful business. It has been argued upon in Liedholm and Mead (2013) that standardisation might not work effectively in markets where the competition is high, and therefore, would not be able to gain a competitive edge for the firm. Alternatively, the adaptation strategies are used to increase competitive advantage and to avail identified opportunities (Fernández-Mesa and Alegre, 2015).

As identified in the previous studies, superior export performance can be achieved with the help of effective international marketing strategies. Following hypothesis is developed to understand the impact of marketing strategies on the firms' export performances:

H12a: Effective and efficient international marketing strategy leads to superior export performance.

4.3.12.1 Optimal Export Performance and Product Adaption

In accordance with Alteren and Tudoran (2016), it has been noted that firms tend to adopt certain strategies, in order to market their products on an international platform. In an era of globalisation, there are various products that aim to expand their business in foreign markets along with keeping their brand image and products alike and standardized universally. It has been noted by Toulova, Votoupalova and Kubickova (2015) that some businesses are in need of making adaptive decisions, for which implementation of adaptive strategies is a pre-requisite, that may impact the performance of their export activities. Moreover, these are the decisions that influence the position of the brand and increase competitiveness in the foreign market; thus, impacting the overall performance of export strategies. The strategies concerning adaptation vary from packaging to product development that suit the need of consumers and that might fit appropriately with the economic conditions of the targeted marketplace.

Sleuwaegen and Onkelinx (2014) indicate that the product adaptation is one of the most effective strategies to enter into a culturally diverse nation. However, Sui and Baum (2014) indicate that the degree at which product adaptation takes place is essential to evaluate, as high degree of adaption may impact the brand identity and core values negatively. Moreover, the notion of product adaption can also be considered as a firm's way to comply with the rules, regulations and the technicalities of an international market. However, Azar and Ciabuschi (2017) suggest that the degree of product adaption determines the impact that it may have on the export performance.

It can be inferred from the discussed literature that the extent to which product is adopted has an impact on the export performance. Therefore, following hypothesis is formulated to investigate the relationship between export performance and product adaption.

H12b: Optimal Export performance in an export organisation is enhanced by the degree of product adaption.

4.3.12.2 Optimal Export Performance and Promotion Adaption

Considering the notion of promotion adaption, there are six dimensions of promotion that are essential, as highlighted in Sousa and Novello (2014). In accordance with Griffith et al. (2014), these dimensions include promotion adaptation, personal visits, trade fairs, personal selling, sales promotion and advertising. All of these elements have a significant and direct impact on export performance of the firms. It has been noted in Kraus et al. (2016) that advertising is referred to as one of the most essential tools in promoting the products to an international market. It is used to persuade, remind, and inform the international consumers about the products the firm has offered, in order to boost sales. It has been concluded in Zeriti et al. (2014) that the relationship between advertising as a promotion mode is positively associated with increased sales in export activities, among other performance measures. Moreover, Marandu (2015) suggested that other promotional tools such as premiums, samples, and coupons are found in the markets with advertising restrictions, low competition, and lower income socio-status.

The debate between standardized promotion and promotion adaptation has been widely witnessed in literature, while majority of the researchers like Chen, Sousa and He (2016) are favouring standardisation. Researches that advocate promotion adaption, such as Griffith et al. (2014) and Charoensukmongkol (2016) suggest that promotion adaption is a necessity to ensure compliance with the restrictions imposed by government and to build communication infrastructure. Moreover, it facilitates the firm in ensuring competitive practices as highlighted in Oura, Zilber and Lopes (2016). On the other hand, Helm and Gritsch (2014) have concluded that promotion adaption has a significant and positive impact on the overall performance of export activities in foreign market. The impact or relationship between these two variables is regardless of the products, place, or the time, as noted in Chen, Sousa and He (2016).

Considering the importance of afore-mentioned literature, it is essential to perform an analysis of the export performance in the context of degree at which the promotion adaption takes place. This following hypothesis is formulated to investigate the relationship between promotion adaptation and export performance.

H12c: Optimal Export performance in an export organisation is enhanced by the degree of promotion adaptation

4.3.12.3 Optimal Export Performance and Price Competition

According to Fan, Li and Yeaple (2015), the element of pricing is considered as one of the vital tools that determine the situation of competition in a given market. Moreover, it has been observed through Martin and Javalgi (2016) that pricing has a direct and positive impact on the profitability and sales of firm's export. On the contrary, pricing is known as the most adaptive and flexible element that can be modified in accordance with the change of environment. In addition to this, it has been noted in McCombie and Thirlwall (2016) that a price change can project direct affection the strategies that are based on marketing mix tools. It not only impacts the buying behaviour and purchasing intention of the consumer, but also sparks reaction from competitors nationally and internationally. It has been argued upon by Esteves and Rua (2015) that pricing strategies to win competitive advantages are based on behavioural psychology and mathematical analysis. Moreover, Bas and Strauss-Kahn (2014) suggest that even a slight change in pricing can have a considerable influence on the competitive environment as well as on the export performance, as it is directly associated with the profitability and revenues of the firm.

There are many researchers such as Cooper, Hartley and Harvey (2018) that have signified pricing as the fastest way to enhance the notion of competitive edge in any given market. It has been suggested in Tan and Sousa (2015) that pricing can be used as a weapon to dominate the market, despite the level of competition that exists in it. Furthermore, firms that have the ability to perform innovative techniques in regards with pricing are likely to have competitive edge over rivals. However, it has been noted in Stoian, Rialp and Dimitratos (2017) that decisions concerning pricing strategies are complicated because of the dynamic nature of environment in foreign markets. Furthermore, firms with export strategies are likely to update their pricing strategies rapidly in order to comply with the dynamic conditions of market. Moreover, it is even more significant for exporting companies as they have to maintain a balance between their domestic market and their foreign market.

In accordance with Esteves and Rua (2015), competitive prices can be set with regard to the exported goods or services. However, the basis of these pricing strategies is to be staged on

intuition, previous experience, and pricing awareness. Furthermore, McCombie and Thirlwall (2016) feature the significance of market knowledge as one of the core tools to illustrate information about environmental factors and influencing matter on export performance. Moreover, it has been signified by Cooper, Hartley and Harvey (2018) that a firm's inability to respond to dynamically changing environment or market condition tend to have a negative impact on the performance of export activities. Hence, it can be assumed that the changing environment requires decision makers to dynamically change the pricing, in order to comply with the need of the moment.

Therefore, it is essential for firms to regularly monitor and ensure appropriate pricing decisions. Lack of information may also be considered as a negative influence on export performance. It includes lack of information in regards with the pricing of specific product, competitive pricing and the mode of payments preferred within the market. All of these elements of pricing competition are essential for the firm to understand. Therefore, following hypothesis has been developed.

H12d: Optimal Export performance in an export organisation is enhanced by increase in the level of price competition.

4.3.12.4 Optimal Export Performance and Foreign Distribution

The ability of distribution refers to the firm's ability to establish and maintain direct channels that ensure adaptation, performance and time management concerning all distribution activities in the foreign market. Stoian, Rialp and Dimitratos (2017) suggest that distribution strategy of a firm involves partnership between domestic market and the foreign market. It focuses on the use of intermediaries that enhances regular distribution and collaboration with the foreign representative of the market. There are studies like Toulova, Votoupalova and Kubickova (2015) that indicate negative relationship between export performance of the firm and adaptation of distribution strategy. However, Rosson and Ford (2016) suggest that the optimal performance of export is dependent on the level of foreign subsidiary or distributor involved in the notion of exporting activities.

With reference to the previous studies, it can be said that place and export performance have an association.

This relation can be determined in the context of SMEs in South Africa with the help of following proposed hypothesis:

H12e: Optimal Export performance in an export organisation is enhanced by increase in exporting firm's support to foreign subsidiary/distributor.

4.4 Summary

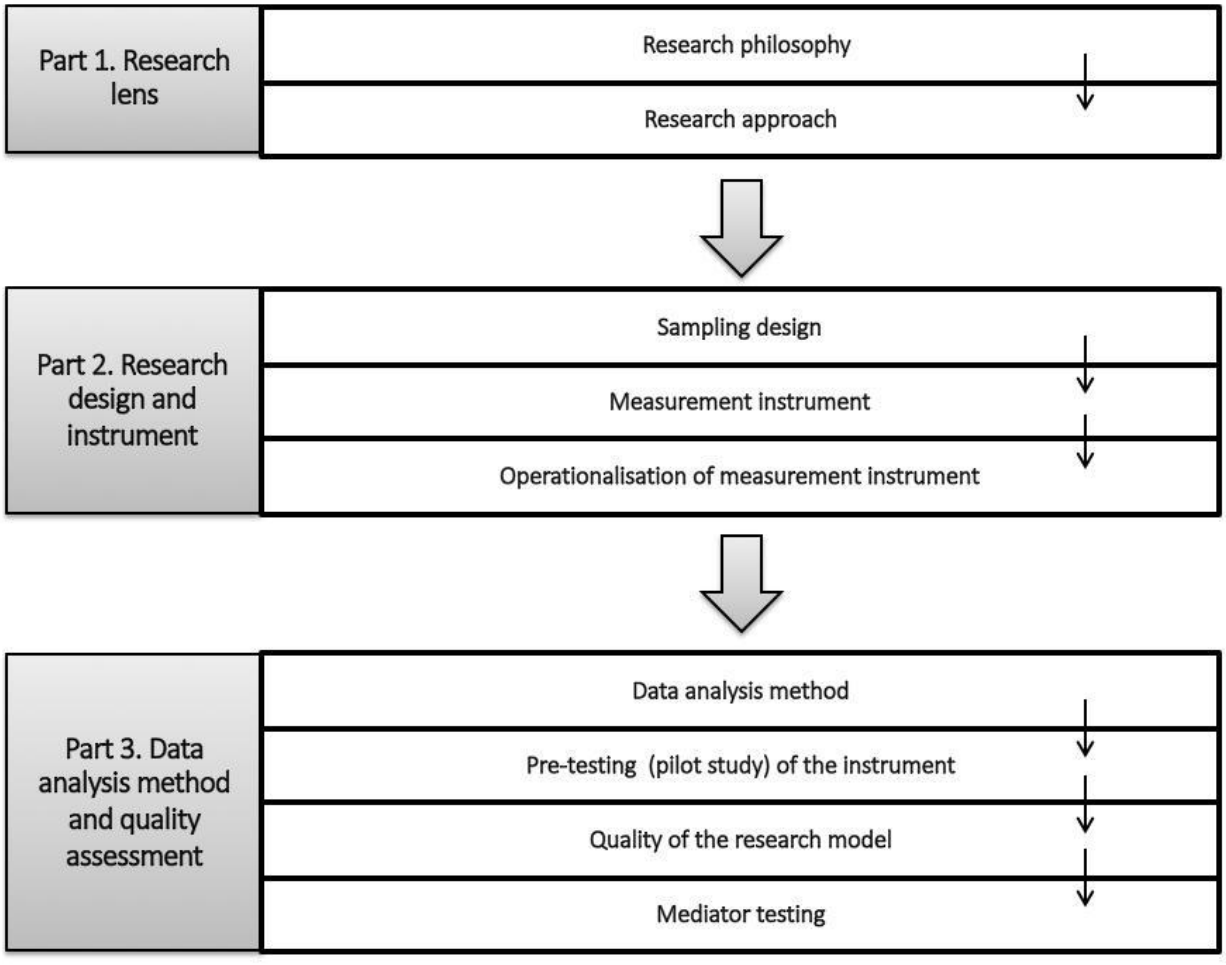
Chapter four of this research has outlined the conceptual framework developed. It illustrates the independent as well as dependent variables. Moreover, it discusses the relation between these variables in the context of hypothesis development. All of these variables have been compared in accordance with their impact on the international marketing strategies and export performance of firms in international market. The hypotheses are backed up with appropriate and relevant literature to enhance the understanding. These hypotheses are further investigated in the next chapter.

CHAPTER FIVE (5): RESEARCH DESIGN AND METHODOLOGY

5.1 Introduction

This study has included a detailed overview on literature of international marketing strategies and export performance in the context of different factors contributing to a firm's success in chapters 2 and 3. Chapter 4 further extended the understanding of conceptual framework and the development of hypotheses on which the research is based. Chapter 5 of this study reflects on the methodologies and research design that are being applied and used in this study. In order to do so, following is the outline of this chapter:

Figure 5.1: Outline of Research Methods



Source: Compiled by researcher (2020)

In accordance with the outline provided above, it can be observed that the first part of this chapter reflects research lens that further comprise of research approach as well as research philosophy. The research then progresses through illustrating its design and instrument for

measuring results. It also includes the process of highlighting operationalisation of the measurement instrument. The third part of this chapter focuses on methods of data analysis and assessment of quality. Prior to analysing the survey results, pre-testing methods are to be applied in order to evaluate the measurement instrument and its quality in the given research model. The purpose of doing so is to ensure that the influence of variables is understood more comprehensively.

5.2 Research Philosophy and Approach

The purpose of this section is to elaborate on the philosophy and approach of this research. It has been found through Quinlan et al. (2019) that both of these elements offer a reflective lens to the perception of research. Research philosophy and approach provide an outline to the research, illustrating the manner in which research has been carried out to produce results.

5.2.1 Research Philosophy

In accordance with Creswell and Creswell (2017), philosophy of research is considered as the strategy a researcher adopts in order to complete the study. It has been noted that each of the research requires different philosophy in accordance with its nature and form (Coghlan, 2019).The three distinct forms of research philosophy available are positivism, realism, interpretivism, and pragmatism. Moreover, there are ways to view selected philosophies through axiology, epistemology and ontology. Following is the table to reflect on the different variants of research philosophies and how they are perceived.

Table 5.1: Research Approaches and Philosophies

	Positivism	***Realism***	***Interpretivism***	***Pragmatism***
Ontology: the researcher's view of the nature of reality or being.	External, objective, and independent of social actors.	Is objective. Exists independently of human thoughts and beliefs or knowledge of their existence	Socially constructed, subjective, may change, multiple.	External, multiple views chosen to best enable answering of research question.

		(realist), but is interpreted through social conditioning (critical realist).		
Epistemology: the researcher's view regarding what Constitutes Acceptable knowledge.	Only observable phenomena can provide critical data, facts. Focus on causality and law-like generations, reducing phenomena to simplest elements.	Observable phenomena provide credible data, facts. Insufficient data means in accuracies in sensations (direct realism). Alternatively, phenomena create sensations, which are open to misinterpretation (critical realism). Focus on explaining within a context or contexts.	Subjective meanings and Social phenomena. Focus on the details of situation, a reality behind these details, Subjective meanings motivating actions.	Either or both observable phenomena and subjective meanings can provide acceptable knowledge, dependent upon the research question. Focus on practical applied research, integrating different perspectives to help interpret the data.
Axiology: the researcher's view of the role of	Research is undertaken in a value-free way,	Research is value-laden; the researcher is	Research is value-bound, the researcher	Values play a significant role in interpreting

values in research.	the researcher is independent of the data and maintains an objective stance.	biased by world views, cultural experiences, and upbringing. These will impact on the research.	is part of what is being researched, cannot be separated and so, will be subjective.	results, the Researcher adopting both objective and subjective points of view.
Data collection mainly used.	Highly structured, large samples, measurement, quantitative, but can use qualitative.	Methods chosen must fit the subject matter, quantitative or qualitative.	Small samples, in-depth investigations, qualitative.	Mix of multiple method designs, quantitative and qualitative.

Source: Compiled by researcher (2020)

This research uses positivism as its research philosophy because of its ability to perceive value and facts of the variables that can be measured in order to establish a phenomenon. In general sense, positivism is associated with establishing measurable outcomes. According to Antwi and Hamza (2015), the purpose of using positivism as a research philosophy is to reflect the objectivity from epistemological assumptions.

The purpose of this research is to evaluate the influence of various variables on their counterparts. Furthermore, the independent variables of this research have been discussed in comparison with the dependent variables as described and represented in the conceptual framework of this research. In order to determine the relationship between these dependent

and independent variables, a significantly large sample of population has been selected to obtain quantitative data and analyse the deduced results. In addition to this, the research philosophy opted to obtain and analyse data is positivist.

5.2.2 Research approach

Once the research philosophy has been determined, it is essential for the researcher to investigate and implement the best and most appropriate research approach to the study. The concept of research approach is based on ways that are selected in producing the results (George, 2019).The research approach also helps the researchers to determine the methods they choose to obtain information and data, along with the methods selected to perform analysis on the acquired information and conclude the study hypotheses. As indicated by Gravetter and Forzano (2018) and Kennedy and Thornburg (2018), there are two distinct approaches of research, which are inductive research approach and deductive research approach.

As indicated by Woo and O'Boyle and Spector (2017), inductive research approach refers to the method in which the findings are evaluated to generate a new theory. On the other hand, the deductive research approach is often applied on theories that are investigated to provide certain expected outcome. In deductive approach, the theories are confirmed through acceptance of hypothesis (Rahi, 2017). Unlike deductive approach, inductive approach revolves around exploration of the theories and deep understanding of the subject area. Bernard (2017) stated that deductive approach is considered as one of the most suitable choices for quantitative results. It enables the user to create constructs and their measurement items in order to evaluate their respective hypothesis. Therefore, this study uses deductive approach in its research design to analyse its quantitative data collected through survey questionnaire.

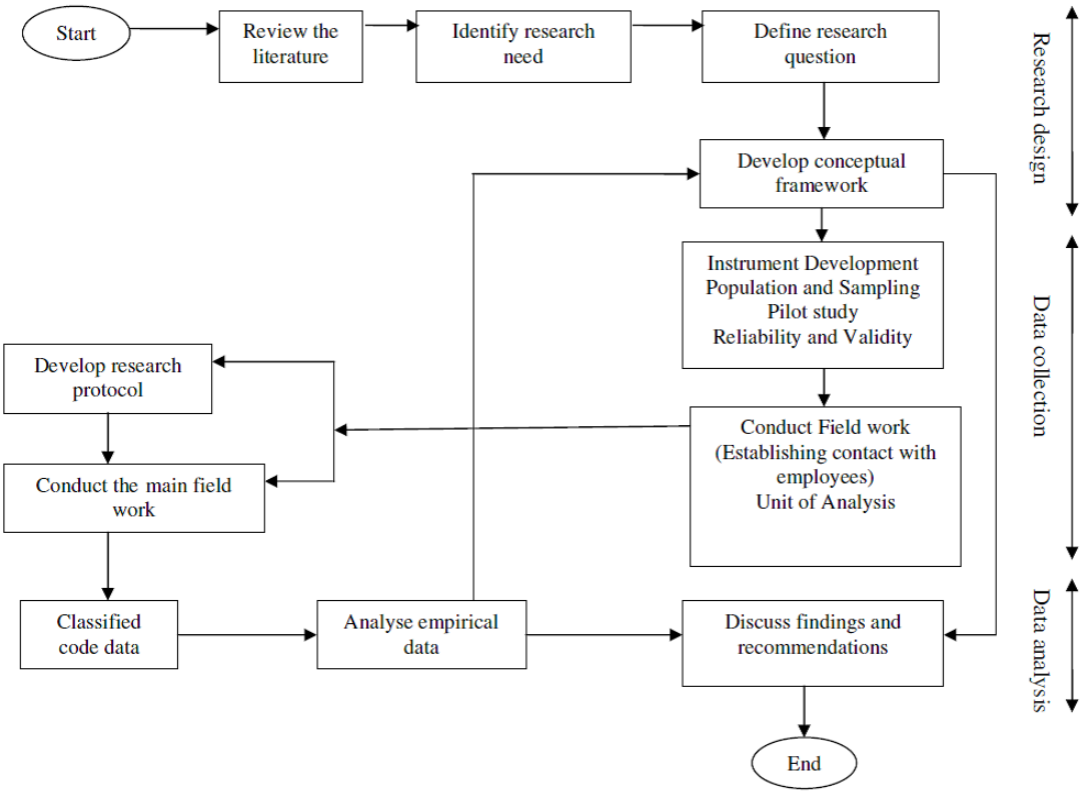
5.3 Research design

A research design or plan is a tool used to proceed a research towards its aims (Saunders et al., 2012). A descriptive cross-sectional survey has been employed in this study. The cross-sectional research design applied for this study is based on the hypothetical-deductive method. This method starts from a literature review, theoretical framework, formulating

hypotheses and making logical deductions from the results of the study (Rojon, & Saunders, 2012).

The figure below illustrates a step-by-step process that is used to conduct the study. This research design describes the hypothetical method that leads to answering the research questions and justifies the hypotheses. The research process has been used with extensive literature review helping the researcher to create an awareness of the research domain.

Figure 5.2: Research Design



Source: Compiled by researcher (2020)

Through establishing a gap in the literature, an understanding was developed regarding the research domain. After finding the gap and developing understanding of the research in the literature, a conceptual framework was formulated to represent the intended empirical research. In the conceptual framework, several factors have been connected regarding understanding of employee attitudes and behaviours in a change situation. To test the model, data is required to validate the research hypotheses. The type of data is quantitative, therefore, the epistemology stance and a research strategy has been identified.

5.3.1 Sampling design

The goal of conducting a sampling design is to accommodate different elements such as sample size, sampling method or technique, and target population. Each of these elements facilitates researcher to illustrate a design through which the sampling for the project has been selected.

5.3.1.1 Population

The term population, in this research, refers to the group of people who have been selected by the researcher as a sample to represent the thoughts, opinions and responses of larger group or society. These individuals are requested to participate in the research with intent to observe their responses to the questions designed by the researcher (Bryman, 2008). For this particular research, the target population are owners, managers, marketing officers and supervisors of the exporting SMEs in South Africa, specifically in Gauteng and the Western Cape Province. The categories of employees chosen have relevant experience and access to the information on export performance of the business. It has been observed through various researches, such as Peprah, Mensah and Akosah (2016) that SMEs of South Africa accounts for approximately 91% of the total formalised business and has been the source of employment for about 60% labours. Moreover, the industry contributes up to 34% in the total GDP with Gauteng and the Western Cape contributing the most to this sector (Stats SA 2013). Therefore, the primary focus of this research is based on the SMEs in the said region.

The analysis unit of a study is the one being reviewed (De Vaus & de Vaus, 2013). For this research, the unit of analysis is SMEs. Thus, the individuals from SMEs that can represent the organisation can be characterised instead of the whole population. The respondents of this research are owners, managers, and workers of the SMEs in South Africa.

5.3.1.2 Sampling frame

In accordance with Gentles et al. (2015), sampling frame refers to the source from which the individuals are being chosen. For this research, the sample population has been selected on the basis of their industry and business nature. The research has approached owners, managers, and workers of the SMEs in South Africa to obtain their responses for performing analysis and drawing results.

5.3.1.3 Sample size

The purpose of selecting an applicable sample size is to ensure that the number of individuals is sufficient enough to add value to the findings, add diversity, and helps to produce the accurate results. The sample size is often used to add precision in the research. According to Lohr (2019), determining sample size can be considered as the process of selecting a specific number of individuals to observe and attain responses from, which can further be presented in the statistical form. As noted in Purfield, Catriona, and Farole (2014), there are approximately 23,000 businesses in South Africa that qualify as exporting SMEs. Moreover, 58% of the total SMEs in South Africa can be found in provinces of Gauteng and Western Cape (Reis, Guilherme & Farole, 2012; Purfield, Catriona, & Farole, 2014)

In order to present adequate results, statistical data and responses, a sample size has been devised for this research. The sample size in question comprises of 350 individuals (N=350 calculated by RAOSOFT sample calculator), employed in 35 SMEs of South Africa. The attempts were made to select 10 individuals from each firm in order to increase response rate because few exporting SMEs present in South Africa, positioned in Gauteng and Western Cape province. Therefore, convenience sampling method has been implemented. In accordance with Ali (2012), convenience sampling refers to the mode of sampling in which the population is selected on the basis of convenience and availability.

5.3.1.4 Sampling method

As mentioned in the previous section, this research is based on the convenience sampling method to select its sample population. As indicated by Denscombe (2007), the convenience sampling method is a set of techniques in which respondents are selected on account of convenience offered by their proximity, availability and accessibility. According to Bryman (2008), it is considered as one of the most effective and efficient methods of producing results through selecting representatives of a wider population with similar interests and opinions.

Malhotra (2004) suggests that convenience sampling entails an even distribution of features of a specific group of people, which implies that the smaller group can effectively represent a larger group. Therefore, the results are assumed to be more accurate than random sampling.

However, it has been noted in the same research (Malhotra, 2004) that elements are randomly selected and pose no influence on probability of the sample results.

5.3.2 Measurement instrument

The measurement instrument used for this research is a survey questionnaire with mainly seven sections in total. As highlighted in Bell, Bryman and Harley (2018) survey questionnaire is one of the best methods to derive opinion of a larger group from a comparatively smaller one. The respondents were chosen based on the organisations they were working for. For the present study, 35 firms were selected, and approximately 10 individuals from each organisation were contacted to fill the survey questionnaire. The questionnaire was developed to investigate the interests of sample population in regards to the opportunities of firm. Hence, it can be said that the data collected for this research has been obtained through primary methods. Participants were provided with the questionnaire electronically and were requested to fill in.

5.3.3 Operationalisation of measurement instruments

In accordance with Sekaran (2000), operationalisation refers to the reduction of abstract information entailed with the constructs of the research and transform it into rational and observable features that can be evaluated for concrete results. For this particular research, there are independent variables, dependent variables, and a mediator. Firms' characteristics which include firm's age and size; firm's export market competencies including international experience, market knowledge, innovation and commitment; environmental factors such as psychic distance and culture specificity; and managerial characteristics such as personality factors, higher education, foreign language expertise, and other competencies are considered as independent variables. While international marketing strategy works as a mediator in this research, optimal export performance and superior export performance are accounted as the dependent variables. All these variables have been illustrated in the conceptual framework (Figure 1.1) and have been evaluated accordingly. The scale requires participants to respond on a 5-point likert type scale.

In this study, the construct will be operationalised in four dimensions, firm characteristics, export market competence characteristics, environmental factors and subjective (attitudinal) managerial characteristics. Firm's demographic variables will be included to economies and

diseconomies of scale. The variables are (1) nature of business organisation, (2) ownership status, (3) category of products exported, (4) age of firm, (5) firm size (measured by the number of full time employees), (6) the firm's exporting experience (measured by years of exporting involvement) and (7) number of export markets served. Whereas, managerial characteristics comprised five variables pertaining to the owner's or manager's, education level and international exposure; i.e., whether or not the manager has lived abroad, speaks any foreign language other than English, frequency of foreign travel as well as exporting experience (measured by the number of years the manager has been involved in exporting business). The firm's international experience will be measured in terms of the number of years for which the firm has been involved in exporting and the number of export markets it has served.. The subjective (attitudinal) managerial characteristics dimension will be measured indirectly through multiple indicators suggested by Ogbuei and Longfellow (1994). Firm export competencies will be operationalised on the dimensions of market knowledge and research, international experience, production/innovation competencies, firm commitment as well as informational competencies in line with Katsikeas et al. (1996).

On the other hand, international marketing strategy will be operationalised using the strategy adaptation (STRATADAPT) scale developed by Stewart (1997) and later unified by Lages et al. (2008). This scale measures the degree of adaptation of the firm's product, pricing, distribution and promotion in the international market.

Lastly, optimal export performance and superior export performance will be measured as a composite score using Zou et al.'s (1998) perceptual scales on the dimensions of financial, strategic and satisfaction indicators. Ural (2009) used similar scales to study the export performance of Turkish SMEs. Murray, Kotabe, and Wildt (1995) argued that a variable with multiple indicators should be integrated in the analysis, in order to minimize problems of multicollinearity. This view is consistent with Maurel (2009) who argued that measurement of optimal export performance and superior export performance by different indicators increases the reliability of results. The use of subjective measures of optimal export performance and superior export performance has been suggested for various reasons: Foremost, subjective measures become the only practical measures in cases where managers may be unwilling or unable to provide objective financial data; a case common in studies involving SMEs (Katsikeas et al., 2000; Lages et al., 2005). By using relative measures, executives are able to answer performance questions without revealing confidential sales or profit information (Katsikeas et al., 2000; Sousa. 2004). In addition, Lages et al. (2005) argue that since firms

are often drawn from heterogeneous populations with varying market characteristics, level of competition and market intensity; only the managers' own perceptions of export performance, and not objective values, are useful performance measures. Moreover, Madsen (1998) reports the lack of cost accounting systems, particularly in SMEs, which makes calculation of actual profits complicated. Thus reliance on subjective assessments is witnessed. Besides, Dess and Robinson in Pendergast et al., (2006) found a significant positive correlation between subjective and objective measures.

Table 5.2: Summary of Operationalisation and Measurement of the Variables

Variable	***Type***	***Indicator/Description***	***Cronbach alpha values in literature***
Firm Characteristics	Independent variable	1) Firm size 2) Firm age (Kariuki, Namusonge, and Orwa, 2015) 3) Firm employee education (Osunsan et al. 2015)	Firm Size, α=0.885 Firm Age, α=0.884 Employee education, α=0.881
Managerial Characteristics	Independent variable	1) International experience 2) Education level 3) Foreign language competencies (Zou and Stan's, 1998) 4) Proactive approach 5) Risk taking ability 6) Rigidness (Ogbuei and Longfellow, 1994)	International experience, α=0.801 Foreign language, α=0.833 Education level, α=0.772 Proactive approach, α=0.717 Risk taking, α=0.791 Rigidness, α=0.824
Export Market Competencies	Independent variable	1) Innovation 2) Firm commitment 3) Market knowledge 4) International experience (Katsikeas et al., 1996)	Export Market Competencies α=0.852 and above
Environmental Factors	Independent variable	1) Psychic Distance 2) Cultural Specificity (Spence, Orser, & Riding, 2011; Yip, 2003)	Environmental Factors α=0.831 and above

International marketing strategy	Mediating variable	1) Product strategy 2) Pricing strategy 3) Distribution strategy 4) Promotion strategy (Lages et al., 2008)	International marketing strategy α=0.914 and above
Optimal Export performance	Dependent variable	1) Optimal export performance Zou et al.'s (1998)	Optimal export performance, α=0.921
Superior Export performance	Dependent variable	2) Superior export performance Zou et al.'s (1998)	Superior export performance α=0.917

(Compiled by Researcher, 2020)

5.3.3.1 Firm Size

To evaluate the aspect of firm size, measurement items have been developed.

Table 5.3: Measurement Items of Firm Size

- *The larger firms tend to have different strategies of exporting*
- *Larger size tends to perform better than the smaller ones*
- *Large organisations have clear demarcation*
- *Large organisations lead to transparency*

Source: Compiled by researcher (2020)

5.3.3.2 Firm Age

The Firm Age has been investigated through the following measurement items, which were tailored from Love, Roper and Zhou (2016).

Table 5.4: Measurement Items of Firm Age

- *Efficiency of old firms selections is based on surviving through maturity*
- *Older age firm tend to have greater chances in surviving*
- *Older age firm achieve stability in employment*
- *The firms which were not too old were comparatively more active*

- *Firms that are young project greater volatility*
- *New firm establish inter-firm networks and going international*

Source: Compiled by researcher (2020)

5.3.3.3 Education of Employees

The construct of education of employees have been analysed through the following measurement items:

Table 5.5: Measurement Items of Education of Employees

- *Educated employees are important in internationalisation*
- *Individuals with high education are likely to be open for complex methodologies*
- *Higher level of education of top manager offers better results*
- *Better outcome when it comes to the export performance of the firm*

Source: Compiled by researcher (2020)

5.3.3.4 Extent of Product Adaptation

Table 05.6: Measurement Items of Extent of Product Adaptation

- *Product brand name*
- *Product design/style*
- *Product labelling*
- *Variety of the main exporting product line*
- *Product quality*
- *Features and characteristics.*
- *Packaging*

Source: Compiled by researcher (2020)

5.3.3.5 Extent of Promotion Adaptation

Table 5.7: Measurement Items of Extent of Promotion Adaptation

- *Advertising theme*
- *Media channels for advertising*
- *Promotion objectives*
- *Budget for promotion*

- *Direct Marketing*
- *Sales promotion*
- *Personal selling*

Source: Compiled by researcher (2020)

5.3.3.6 Extent of Price Adaptation

Table 5.8: Measurement Items of Extent of Price Adaptation

- *Determination of pricing strategy*
- *Concession of credit*
- *Price discount policy*
- *Retail price*
- *Price margins*

Source: Compiled by researcher (2020)

5.3.3.7 Extent of Place/Distribution Adaptation

Table 5.9: Measurement Item of Extent of Place/Distribution Adaptation

- *Criteria of selection*
- *Transport strategy*
- *Distribution budget*
- *Distribution network*
- *Type of middlemen*
- *Control over distribution channels*

Source: Compiled by researcher (2020)

5.3.3.8 Educational level

Table 5.10: Measurement Item of Educational Level

- *Educated manager handled the situations that are not only complex and difficult*
- *Higher level of education possessed by the manager of the firm leads to better export performance*

Source: Compiled by researcher (2020)

5.3.3.9 International experience

Table 5.11: Measurement Item of International Experience

- *Degree of training in international business e.g. attended formal export courses*
- *Ability to follow up on trade leads in the main importing market*

Source: Compiled by researcher (2020)

5.3.3.10 Foreign languages

Table 5.12: Measurement Item of Foreign Language

- *Language of foreign market tends to benefit the export performance*
- *Knowledge of foreign language helps the manager to build connections in the host country*

Source: Compiled by researcher (2020)

5.3.3.11 Risk Taking Ability

Table 5.13: Measurement Item of Risk-Taking Ability

- *High risk-tolerant ability of the manager*
- *Entry to new markets able to increase trade with foreign customers*

Source: Compiled by researcher (2020)

5.3.3.12 Rigidness

Table 5.14: Measurement Item of Rigidness

- *Degree of favourable consideration of new markets*
- *Inhibit favourable consideration of new customer*

Source: Compiled by researcher (2020)

5.3.3.13 Proactive approach

Table 5.15: Measurement Item of Proactive Approach

- *Ability to perceive international markets as natural markets for firms in open economies*
- *More favourable attitude towards exporting*

Source: Compiled by researcher (2020)

5.3.3.14 Commitment

Table 5.16: Measurement Item of Commitment

- *The firm has an appropriate organisational structure to deal with all export activities.*
- *Firm executives travel frequently to export markets*
- *The firm sets aside adequate funds to develop overseas markets*
- *Learning about export procedure and documentation is a high priority in this firm*
- *Exporting is a high priority activity in the firm*

Source: Compiled by researcher (2020)

5.3.3.15 International Experience

Table 5.17: Measurement Item of International Experience

- *Understanding overseas customer requirements*
- *Establishing and maintaining close supplier relationships*
- *Establishing and maintaining close overseas distributor relationships*
- *Identification of prospective customers*
- *Capturing important market information*
- *Acquiring export-market related information*
- *Making contact in the export market*
- *Monitoring competitive products in the export market*

Source: Compiled by researcher (2020)

5.3.3.16 Market Knowledge

Table 5.18: Measurement Item of Market Knowledge

- *Export pricing abilities*
- *Managing export distribution channels*
- *Abilities in managing export marketing communications*
- *Capabilities of the firm's export sales force*
- *Export market research skills*
- *Export marketing planning skills*
- *Export marketing implementation skills*

Source: Compiled by researcher (2020)

5.3.3.17 Innovation

Table 5.19: Measurement Items of Innovation

- *Quality control process*
- *Development of new products for export customers*
- *Range of products offered on the export market*
- *Developing products according to customers specifications*
- *Product quality*
- *Product uniqueness*
- *Warranty and service arrangements*

Source: Compiled by researcher (2020)

5.3.3.18 Psychic Distance

Table 5.20: Measurement Item of Psychic Distance

- *The distance between the home market and a foreign market*
- *Difference in the degree of separation between the company's home market and a foreign export market*
- *Environmental uncertainty/ Volatility*
- *Similarity between the elements of company's home market and a foreign export market*

Source: Compiled by researcher (2020)

2.3.3.19 Cultural Specificity

Table 5.21: Measurement Items of Cultural Specificity

- *Similarity between the company's home market and a foreign export market*
- *Culture distance(difference) between the company's home market and a foreign export market*
- *Make culture specific product which enjoys a degree of patent protection over competing products*

Source: Compiled by researcher (2020)

2.3.3.20 Export Performance

Export performance is divided into two parts, namely optimal export performance and superior export performance.

Table 5.22: Measurement Items of optimal export performance

- *Growth of the firm*
- *Size of the market and its knowledge*
- *Quality standards of the product*
- *To take advantage of government incentives*
- *To take advantage of other alternative financial techniques*
- *Presence of marketing department*
- *Firm's age*
- *Number of employees in the firm*

Source: Compiled by researcher (2020)

Table 5.23: Measurement Items of superior export performance

- *Overcoming competition in the local market*
- *Competitive price advantage*
- *Preventing dependence on local market for sales*
- *Product uniqueness*
- *Production efficiency*
- *Management commitment to exporting*

Source: Compiled by researcher (2020)

5.4 Data analysis method

To analyse the data, responses was transferred to Microsoft excel for coding. The data is coded to make it suitable for the statistical programme for the process of analysis. This study has employed structural equation modelling (SEM) to establish causal relationship among the variables, using SEM-SMART PLS. SEM is a procedure that entitles a set of relations between independent variables (either continuous or discrete) and dependent variables.

According to Hair et al. (2014), structural equation modelling provides the suitable and very efficient approximation procedure for a sequence of independent multiple regression equations estimated simultaneously. It is developed by two components; the measurement model and structural model which aim to find overall model fit as to confirm the consistency of a theoretical model and the estimated model (Diamantopoulos and Siguaw, 2000; Hair et al., 2014; Tabachnick and Fidell, 2007). In statistics, many methods are available to develop overall model fit on the basis of both incremental and absolute goodness of fit measures.

5.5 Quality of the Research Model

There are numerous ways by which the quality of a research can be determined to prove its authenticity and reliability. As noted in Hair et al. (2016), structural model and measurement model are the two major elements of structural equation model (SEM). These components are also known as inner model and outer model, respectively, and their purpose is to form relationships and paths between variables or constructs in hypothesis. For the purpose of this research, a sample size of 350 individuals has been selected and evaluated through several measurement instruments to ensure reliability and authenticity. Moreover, a pilot study was performed to pre-test the instrument and check its reliability and validity.

5.5.1 Measurement model

In order to investigate and ensure the measurement model, Ab Hamid, Sami and Sidek (2017) emphasised that validity and reliability are required to be ensured. Furthermore, the outer model which serves as the measurement model tends to form a theoretical bridge between constructs and instruments. This research has used Average Variance Extracted (AVE), Composite Reliability (CR), and Cronbach's Alpha (CA) to ensure that the quality of measurement model remains intact. Moreover, PLS-SEM algorithm has also been used for the same purpose.

5.5.1.1 Reliability

Composite Reliability and Cronbach's Alpha are two significant models that are used to ensure and guarantee the reliability of a research. These can also be termed as the indicators, whose value determines the reliability of said research. For a research to be reliable, the value of CR or composite reliability should be more than 0.70, as indicated in Mani et al. (2016).

However, researches with the CR value less than 0.60 are considered to be unreliable. In addition to this, the minimum value of Cronbach's Alpha to be reliable is 0.70, which reflects internal consistency, indicated by Mani et al. (2016). It is considered as one of the most traditional approaches to evaluate the internal reliability, however the results of CR add precision and accuracy to findings. Therefore, the research has implemented the reliability methods of CA and CR in order to ensure precision and consistency of each indicator used.

5.5.1.2 Validity

Validity of the research can be determined through two distinctive measurement models; discriminant validity and convergent validity (Zinbarg et al., 2018). In this research, both of the measurement models have been implemented to ensure validity.

5.5.1.2.1 Convergent validity

In order to evaluate the convergent validity of this research, the values of average variance extracted (AVE) values have been used. The minimum value of AVE is required to be more than 0.50. Cheah et al. (2018) suggest that the value of AVE can be used to determine the construct's value.

5.5.1.2.2 Discriminant validity

Based on the literature of Wu and Chen (2017) discriminant validity refers to a valuable tool for analysing and evaluating the relationships between variables. There are many ways to perform discriminant validity; however, outer loading approach leads to more significant variance among indicators within a conceptual framework. According to Shaffer, De Geest, and Li (2016), the value of AVE should be greater than the squared correlation of constructs with the pair.

5.5.2 Structural Model

In this research, the quality of structural model, also known as inner model, R-square, Path Coefficients, and Q^2 are assessed. In such cases, the value of path coefficients determines the strength of bond existing between two variables, out of which one is dependent and the other

is independent. In addition to this, R- square reflects upon the variance of variables, implying the degree of one construct on the other.

5.5.3 Mediator testing

In this study, international marketing strategies function as a mediator in between different characteristics of firm and the export performance. Moreover, study uses a four steps method, as adopted by Bao, Bao, and Sheng (2011) in their research. The mediator testing first step involves determination of relationship between independent variable and dependent variable in the absence of mediator. Consequently, the second step is to investigate the relationship between independent variables in the presence of mediator. The third step assesses the relationship between mediator and dependent variable. The last step evaluates the complete model suggesting the relationship between all variables as well as mediator.

5.6 Summary

On a broader scale, this chapter of research contains research design and methodology. However, there are two different purposes that it serves. It not only describes elaborately the research methodology, philosophy and design of this study; but has also developed a framework of analysis that is applied on the findings of this research. The components of this section include research design that revolves around sampling design, population, frame, size and method, along with research measurement instrument. In contrast, it discusses the method of data analysis, quality of research model, reliability and validity of measurement model, convergent validity, discriminant validity, structural model, and mediator testing. Moreover, the analysis framework that has been discussed in this chapter is further applied on the findings of this research in the next chapter, which is chapter 6.

CHAPTER SIX (6): DATA ANALYSIS AND RESULTS

6.1 Introduction

This sixth section accumulates all the results and analysis of information that has been obtained for the purpose of this research. The chapter also includes an overview on the research along with the statistical representation of research variables, its implication and comprehensive analysis. In addition to this, the model measurement quality is evaluated on the basis of test results of hypothesis and path modelling. Furthermore, this chapter also discusses the testing of mediators along with the provision of summary comprising on the analysis of hypothesis that leads up to the conclusion.

6.2 Pilot study

A pilot research has been conducted to evaluate the authenticity and reliability of instruments of measurement for this research. The pilot research is based on a sample size of 20 individuals who belong to different exporting SMEs in South Africa. The collected data has been analysed statistically using Smart PLS that yields AVE, CR, and CA of the measurement instrument. The findings of pilot research and evaluation can be found in the appendices section. The findings indicate that reliability has been achieved as all the values of CA are in reliable range between 0.781 and 0.939, as suggested by Cheah et al. (2018). In addition, the values of CR are also found in between 0.7 and 0.816, while the values of AVE remained above 0.50 which ensure that the findings of this research and the data are reliable as per the standards mentioned in Hair et al. (2012). Therefore, it may be determined that in this research, the validity and reliability of measurement items has been adequate and sufficient. Furthermore, the research also indicates that the 20 individual-based sample size is sufficient enough to continue with research and analysis.

6.3 Demographic and Descriptive Statistics

The aim of this section is to elaborate the descriptive statistics associated with the participants of this research. It covers an overview of their firm's size and other various characteristics. It also includes insight on their firm's age, their expertise in different languages, their international experience, their position in the company, their region of business, and industry of the firm. All of these characteristics are aimed to create a baseline for this research and to

provide insights into the participant's background. Furthermore, the section also includes descriptive statistics of all the measurement items that have been used for the purpose of this research.

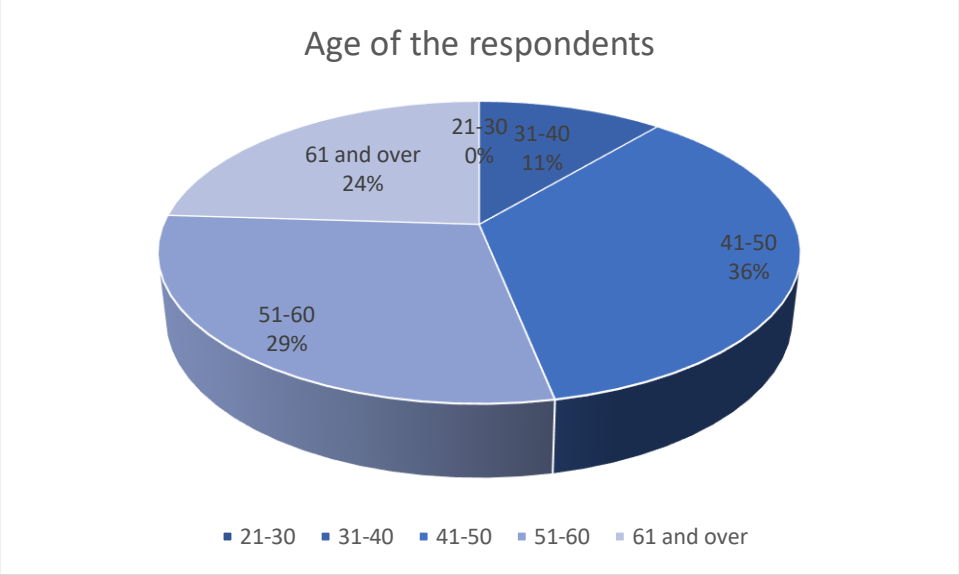
6.3.1 Demographic Profile Respondents

The purpose of this section is to represent the demographic characteristics of respondents of this research.

6.3.1.1 Age

The purpose of this research is to investigate the impact of firm-level characteristics and international marketing strategies on export performance of SMEs in South Africa. Given this aim, the respondents are recruited from SMEs in South Africa. The age range of the sample of 350 people is presented in Figure 6.1. The highest number of participants lies in the age range of 41 to 50 years, accounting to 36% of the total number.

Figure 6.1: Age of the respondents

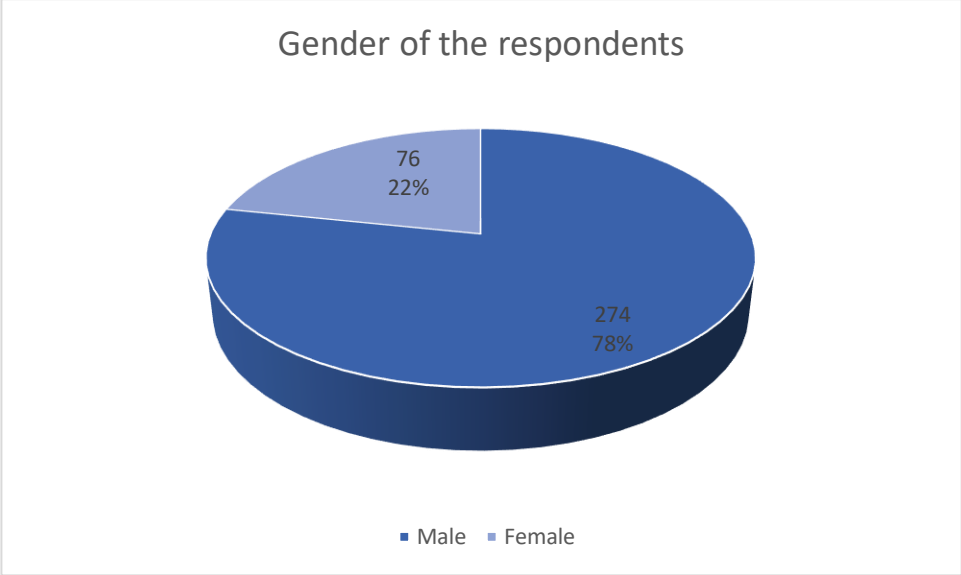


Source: Compiled by researcher (2020)

6.3.1.2 Gender

From the total 350 respondents, majority were male making up 78 percent of the respondents whereas 76 participants were female accounting to 22 percent.

Figure 6.2: Gender of the respondents



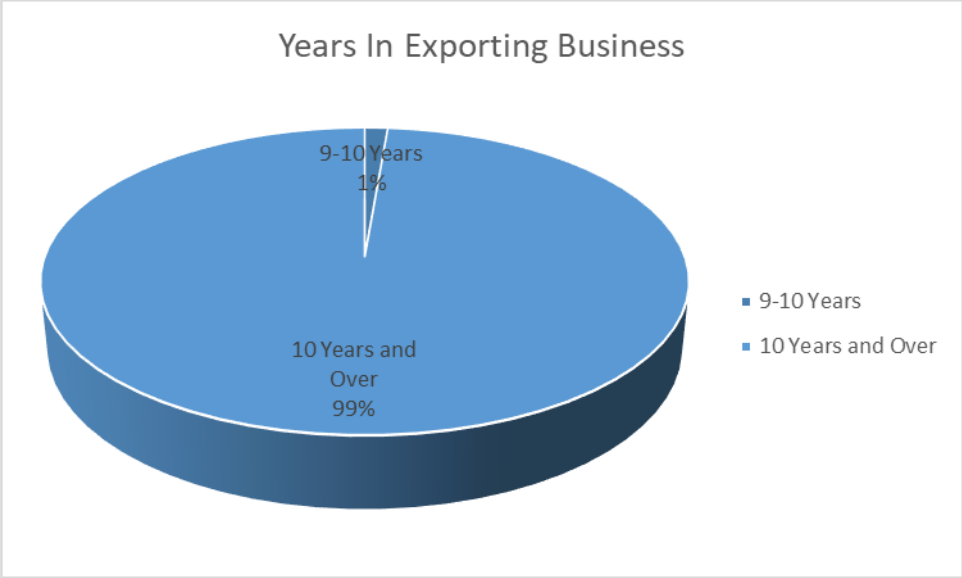
Source: Compiled by researcher (2020)

6.3.1.3 Export Age of Firm

One of the main aims of this research is to identify the impact of firm's age and international experience in order to understand its impact on the international marketing strategies as well as on the export performance of the company. Consequently, it is significant to study the respondent firm's total years of conducting export activities in South Africa. A total number of 350 individuals responded to the survey which includes male and female, across all levels of employment in their respective firms.

Following are the results that have been obtained from the participants when they were asked about the years their respective firms have spent in export business.

Figure 6.3: Years in Exporting Business



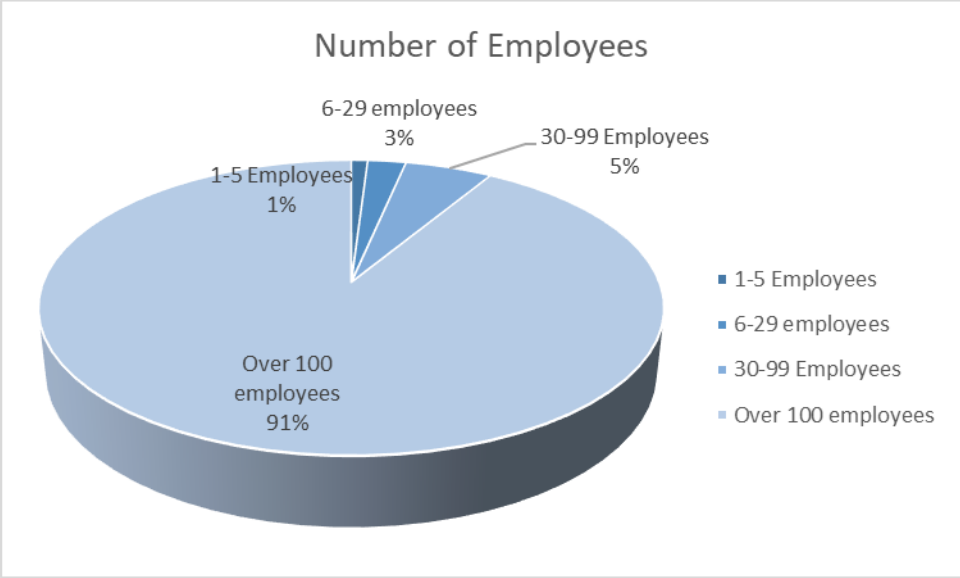
Source: Compiled by researcher (2020)

6.3.1.4 Number of Employees

The participants were questioned about the number of employees that work in their firm in order to analyse and determine the size of their respective firms. According to the responses of survey questionnaire, majority of the participants belonged to firms that accommodated more than 100 employees accounting up to 91% of the total pool size for this research. Moreover, employees belonging to the firms sized up to 5 employees were 1%; while those employed at the firms with a size of 6-29 employees and 30-99 employees were 3% and 5%, respectively.

The figure below indicates the percentage of firm size in accordance with the number of employees each participant's firm has.

Figure 6.4: Number of Employees



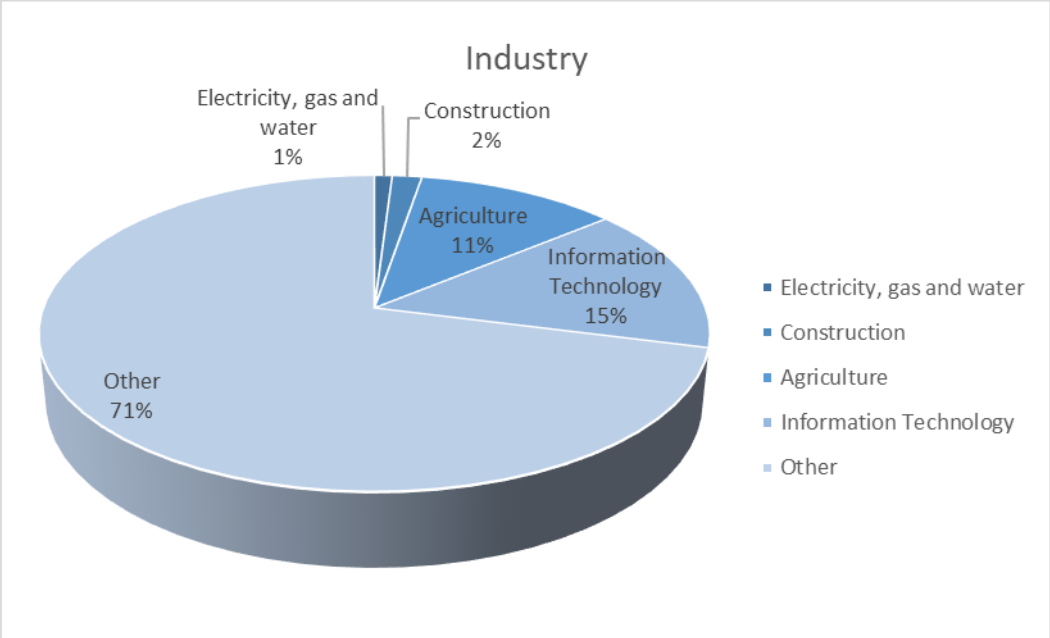
Source: Compiled by researcher (2020)

6.3.1.5 Industry

The participants were asked to classify their firms industry in order to evaluate which industries are more inclined towards internationalisation and exporting activities. As the result of this survey, it has been found that only 1% of the total pool size belongs to the industry of Electricity, Gas and Water, while 2% of the participants belonged to the industry of construction. In addition to this, participants who belonged to the industry of agriculture accounted for 11% of the total pool size of this research, while those who belonged to the industry of information technology accounted for 15% only. However, a large portion of participants belonged to miscellaneous businesses that performed export activities in their respective fields.

Following is the visual representation of the participants belonging to firms with different industries:

Figure 6.5: Industry of Employees' Firm

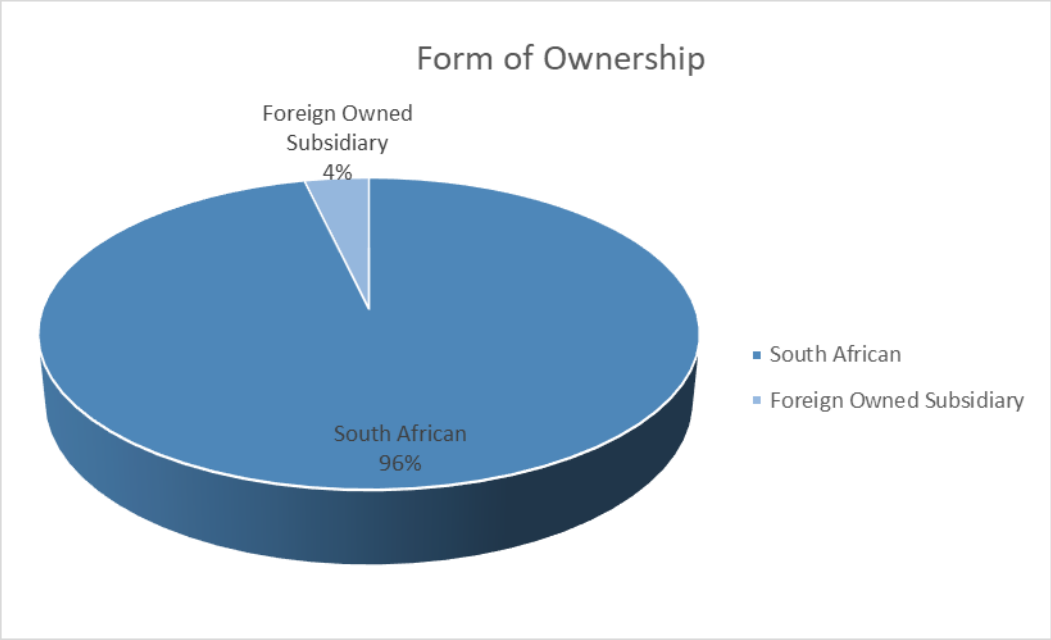


Source: Compiled by researcher (2020)

6.3.1.6 Form of Ownership

During the survey, participants were asked to classify the form of ownership in regards to the firms they were representing. Even though there were multiple options given to the participants, it has been found that most of the companies were either based in South Africa or they performed business through foreign owned subsidiaries. According to the results obtained for this research, it has been identified that 4% of the total respondents belonged to the firms that have foreign owned subsidiary as their form of ownership. On the other hand, 96% of the participants were employees of solely South African businesses.

Figure 6.6: Form of Ownership



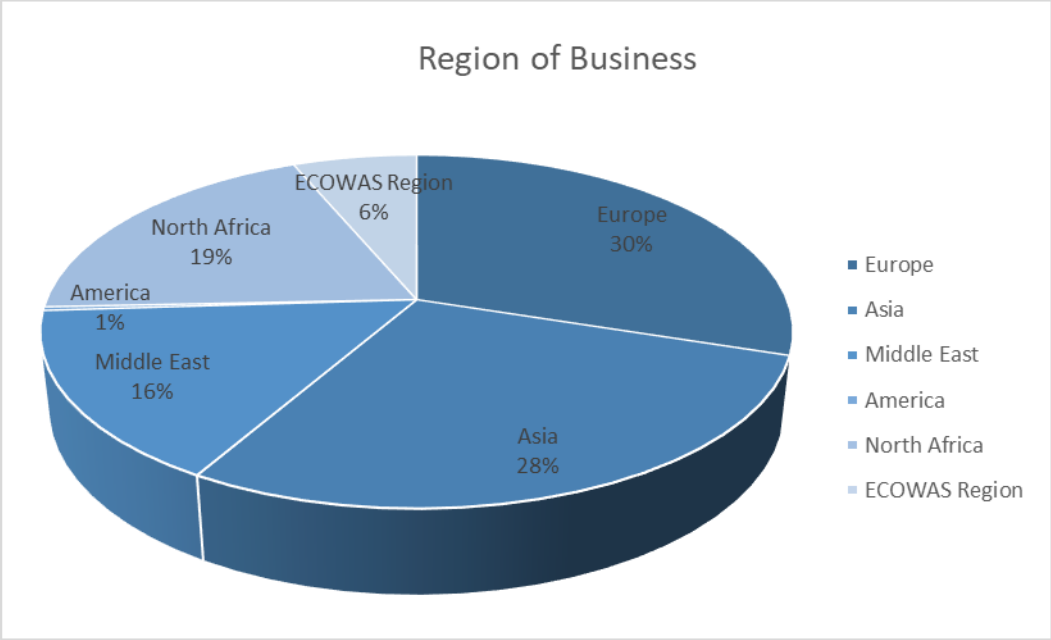
Source: Compiled by researcher (2020)

6.3.1.7 Business Regions

In this section of the survey, participants were asked to identify the region in which their respective firms were conducting business apart from South Africa. The results of the research indicated that most of the firms perform their businesses in European region, accounting for 30% of the total, followed by Asia which accounts for 28% of the total pool size. Moreover, the region of businesses for 16% of the samples' firms function in Middle East, while 19% of the total firms have North Africa as their region of business. Lastly, firms that have region of business in ECOWAS comprise 6%, and 1% of the firms have America as their business regions.

Following is the visual representation of the firms' region of business based on the responses given by participants for this research.

Figure 6.7: Region of Business

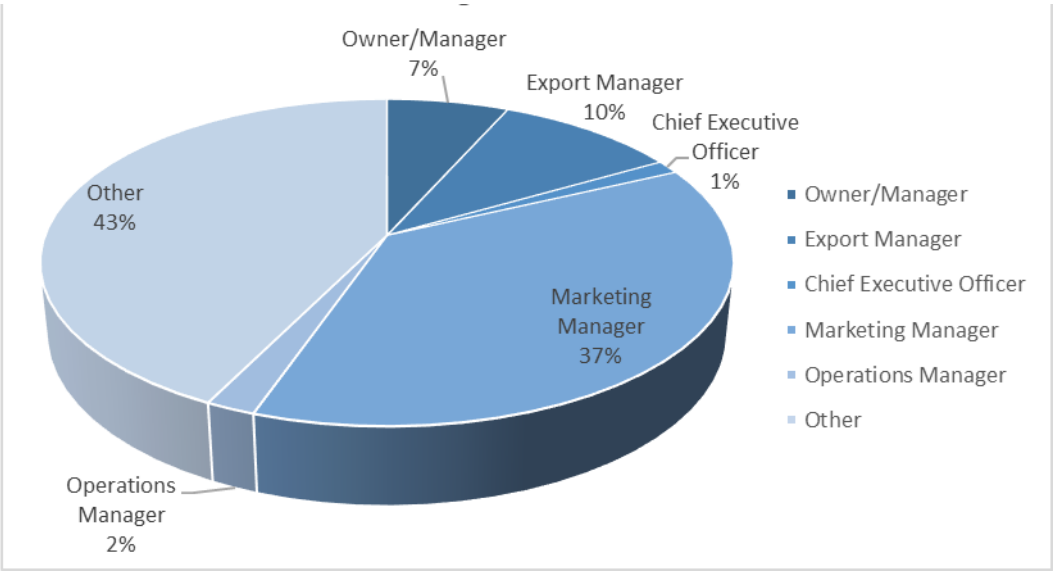


Source: Compiled by researcher (2020)

6.3.1.8 Position in Firm

This section of the survey questionnaire concentrated on the employees of the firms and how their position in the firm impacts the overall business. Therefore, the participants were asked for position in their respective firms and were given multiple options for that. Based on the findings of this research, it has been found that only 1% of the total sample population works as Chief Executive Officer, while only 2% of the sample population works as operations manager in their respective firms. Moreover, 7% of the total population marked themselves as owner/manager while 10% of total participants were marked as export managers. 37% of these participants were marketing managers in their respective firms while a large portion of the total sample size, accounting for almost 43% of the total, marked them in the other category implying other positions in the firms.

Figure 6.8: Position in Firm

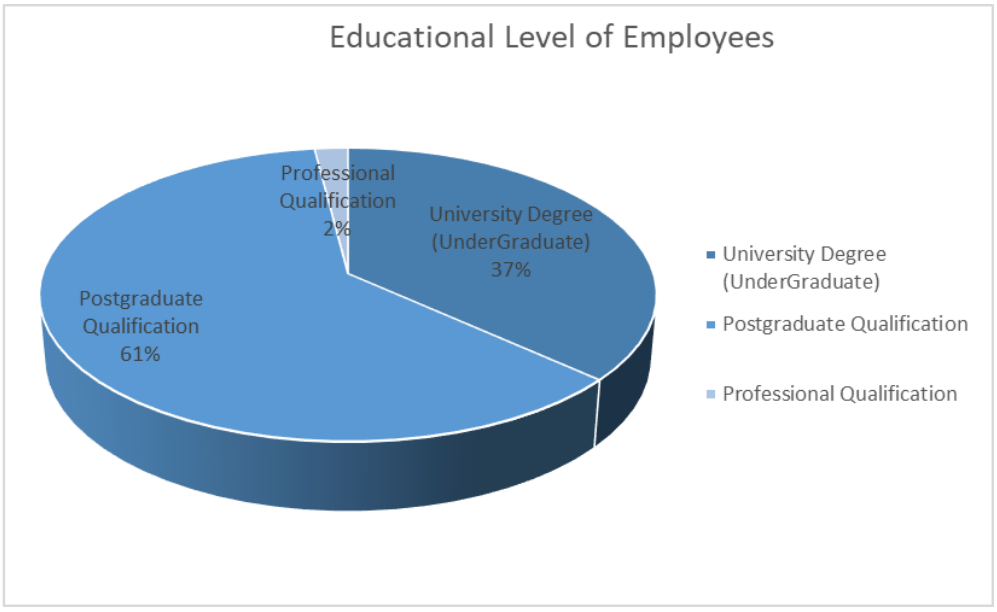


Source: Compiled by researcher (2020)

6.3.1.9 Education Level

Education level of employees plays a vital part in determining the influence of firm level characteristics on international marketing strategies and export performance. It has been found through the results of this research that 2% of the employees have professional qualification out of the total number of participants. On the other hand, employees that possess university degree (Undergraduate) account for 37%. Lastly, employees that possess postgraduate qualification were in majority accounting for 61% of the total number of sample size.

Figure 6.9: Educational Level of Employees

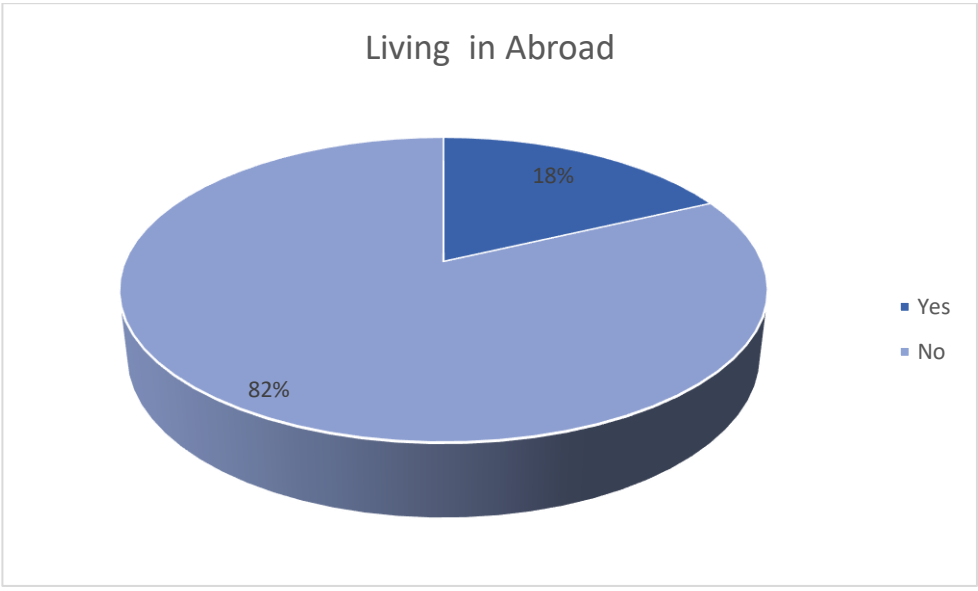


Source: Compiled by researcher (2020)

6.3.1.10 Living in Abroad

To understand the experience of the managers regarding living in a foreign country, the survey questionnaire included an item investigating whether or not they have lived abroad in the last 10 years. Employees that responded affirmatively were 18%, while employees who have not spent time abroad in the last 10 years and responded no accounted for 82%.
Below are the responses of these participants in a visual form:

Figure 6.10: Living in Experience

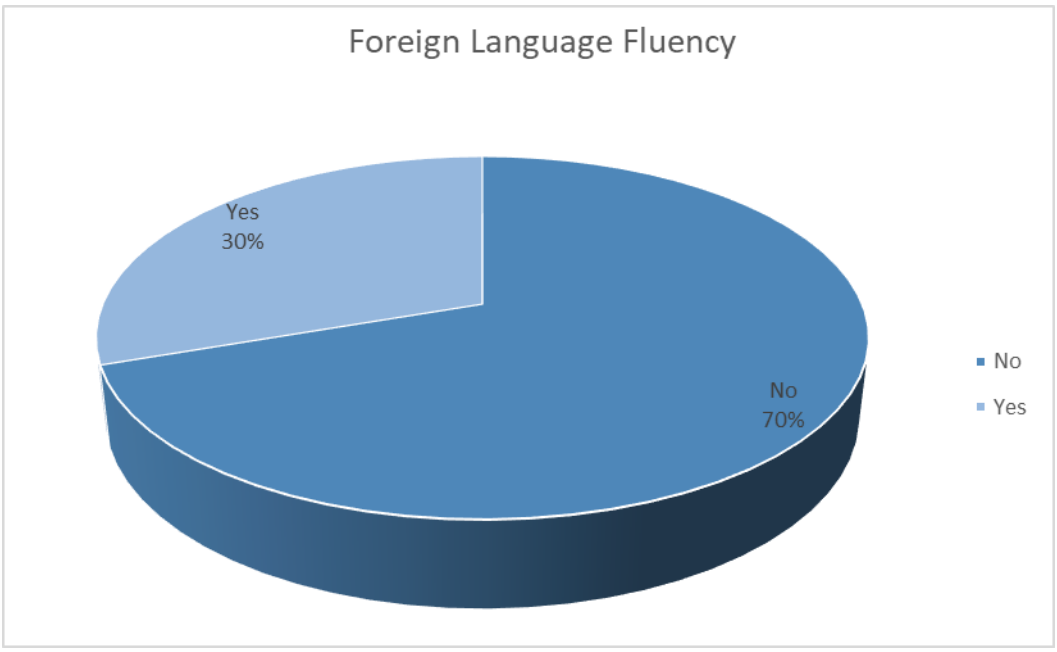


Source: Compiled by researcher (2020)

6.3.1.11 Foreign Language

Employees were asked if they had command over any other language than English. From the sample, 30% of the employees said yes, there were 70% of the total population that responded negatively implying that they only know the English language.

Figure 6.11: Foreign Language Expertise

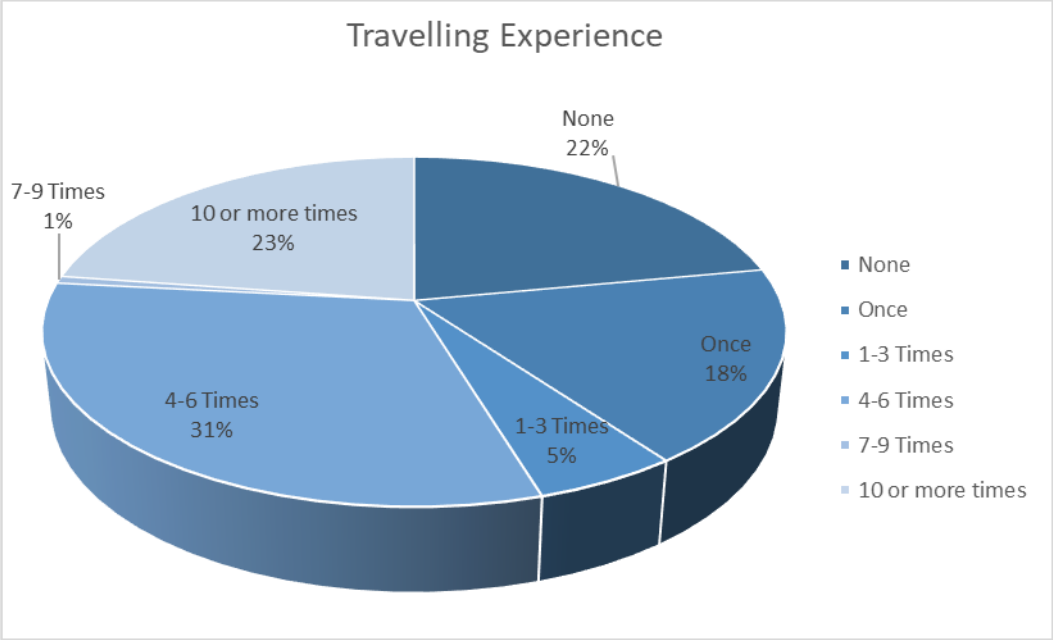


Source: Compiled by researcher (2020)

6.3.1.12 Travelling Experience

Employees were asked if they had travelled to any other country or region than South Africa in order to analyse their knowledge about different markets. Findings of this research indicate that majority of the individuals from the sample size have travelled 4 to 6 times abroad which accounts for 31%. On the other hand, employees who have travelled more than 10 times in last 3 years account for approximately 23%, while those did not travel at all in 3 years account for 22%. The employees who only travelled once in three years account for 18%, while those who travelled for 1 to 3 times in three years were in the bracket of 5%. Lastly, only 1% of the employees from the total pool size of this research had travelled for 7 to 9 times in last three years.

Figure 6.12: Travelling Experience

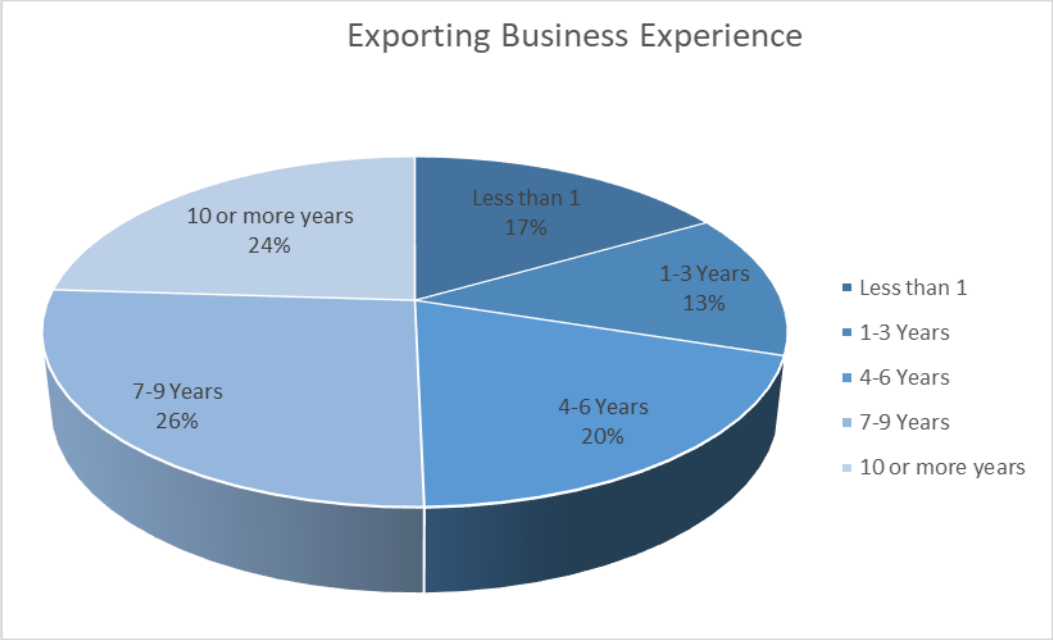


Source: Compiled by researcher (2020)

6.3.1.13 Exporting Experience

In the survey questionnaire developed for this research, employees were asked about the number of years they had spent in exporting business. It has been found through the results of the research that majority of the employees from total sample size have approximately 7 to 9 years of experience, accounting for almost 26%. On the other hand, individuals having 10 years of experience or exceeding 10 years were 24%. Lastly, those who possess less than 1 year of experience in the field of exporting were only 17%. Employees having more than 1 year but less than 3 years of experience accounted for almost 13%, while those who have experience of 4 to 6 years accounted for 20% of the total sample size population.

Figure 6.13: Export Business Experience



Source: Compiled by researcher (2020)

6.3.1.14 Demographic Summary Table

The table below illustrates the demographic statistics of the respondents or in other words, it represents the respondents' profile in quantity and in percentage. In the tables below, n represent the number of respondents while % is the percentage of responses from the total.

Table 6.1: Demographic Summary Table

Age	n	%
21-30	0	0
31-40	39	11
41-50	125	36
51-60	102	29
61 and over	84	24

Gender	n	%
Male	274	78
Female	76	22

Position in the Company	n	%
Owner/ Manager	25	7
Export Manager	35	10
Chief Executive Officer	3	1
Marketing Manager	130	37
Operations Manager	7	2
Other Specify Please	150	43

Level of Education	n	%
Apprenticeship/Qualification/Diploma	0	0
University degree(Undergraduate)	130	37
Postgraduate Qualification	213	61
Professional Qualification	7	2

Lived in Abroad	n	%
No	287	82
Yes	63	18
If yes, for how many (years)?	Mostly	3yrs plus

Foreign Language Expertise	n	%
No	241	70
Yes	105	30
If yes, list the foreign language(s) you speak…	Mostly	2

Travelling Frequency	n	%
None	77	22
Once	63	18
1-3 times	18	5
4-6 times	108	31
7-9 times	4	1
10 or more times	80	23

Years in Exporting Business	n	%
Less than 1	60	17
1-3 years	45	13
4-6 years	70	20
7-9 years	91	26
10 or more years	72	24

Source: Compiled by researcher (2020)

6.3.2 Descriptive Statistics Measurement Items

This section of the research particularly focuses on the descriptive statistics of construct's measurement items. The measurement items are displayed next to the construct along with the values of mean value, standard deviation, the responses based on five-point likert scale and the total value of responses. The table also includes percentage that represents the value added under likert scale, which indicates the responses over 5 points: Strongly Disagree, Disagree, Neutral, Agree and Strongly Agree. In the tables below, the measurement items have been displayed that include Firm Age (FA), Firm Size (FZ), Education of Employees (EE), Production Adaption (PDA), Promotion Adaption (PRA), Price Adaption (PA), Place/Distribution Adaptation (DA) , International Marketing Strategy (IMS), Education Level (EL), International Experience (IE), Foreign Languages (FL), Risk Taking Ability (RTA), Rigidness (R), Proactive Approach (PA), Commitment (C), International Experience of Firm (IEF), Market Knowledge (MK), Innovation (I), Psychic Distance (PD), Culture Specificity (CS), and Export Performance (EP).

6.3.2.1 Firm Age

Table 6.2: Descriptive Statistics Firm Age

Construct	Item	Mean Value	Std. Dev	1	2	3	4	5	Total
			.						
FA	FA1	3.470	1.15	0	0	11	140	199	350
				0%	0%	3%	40%	57%	100%
	FA2	3.707	1.102	0	0	77	97	181	350
				0%	0%	7%	32%	60%	100%
	FA3	3.530	1.162	0	0	25	150	175	350
				0%	0%	7%	43%	50%	100%
	FA4	3.457	1.147	0	0	15	164	171	350
				0%	0%	5%	47%	49%	100%
	FA5	3.693	1.092	0	0	14	147	189	350
				0%	0%	4%	42%	54%	100%
	FA6	3.643	1.1	0	0	15	125	212	350
				0%	0%	4%	35%	60%	100%

Source: Compiled by researcher (2020)

Table 6.2 of descriptive statistics of measurement items illustrates the value of Firm's age as a construct and its measurement items. With a total number of 6 items, the construct Firm's age has been evaluated thoroughly. Majority of the respondents, accounting up to 57% of the total sample population have strongly agreed to the measurement itemFA1, which indicates that old firms tend to survive through maturity. While 40% of the total respondents agreed to the statement, there were only 3% of respondents whose opinion remained neutral. On the other hand, majority of the respondents strongly agreed for the measurement item FA2 suggesting that order age firm tend to have greater chance of surviving, while 32% agreed and 7% remained neutral. In FA3, 50% of the respondents strongly agreed that older age firms achieve stability in employment, while 43% agreed and 7% were neutral. The results of FA4 showed that 49% of the respondents strongly agreed that early age firms were more active, 47% agreed and 5% said that they are neutral. Alternatively, the results of FA5 imply that

majority of the respondents accounting up to 54% strongly agree followed by 42% who agreed and 4% who remained neutral for the statement that younger firms pose greater volatility. Lastly, FA6 that indicated new firm to establish inter-firm networks and going international had received strongly agreed responses with 60% of population, while 35% agreed and 4% had neutral opinion. Hence, it can be determined that firm age has a substantial influence on the overall decision-making process of the firm, especially when it concerns stability and survival in a competitive or new environment.

6.3.2.2 Firm Size

Table 6.3: Descriptive Statistics Firm Size

Construct	Item	Mean Value	Std. Dev	1	2	3	4	5	Total
			.						
FZ	FZ1	3.457	1.141	0	0	14	150	186	350
				0%	0%	4%	43%	53%	100%
	FZ2	3.690	1.096	0	0	18	136	196	350
				0%	0%	5%	39%	56%	100%
	FZ3	3.603	1.036	0	0	108	121	121	350
				0%	0%	31%	34%	34%	100%
	FZ4	3.193	1.118	0	0	108	137	105	350
				0%	0%	31%	39%	30%	100%

Source: Compiled by researcher (2020)

The construct of Firm's Size (FZ) has four measurement items in total, which are FZ1, FZ2, FZ3, and FZ4. The responses obtained from the participants of this research indicate that majority of them strongly agreed to the statement that the larger firms tend to have different strategies of exporting (FZ1).56% strongly agreed, 39% agreed and 5% were neutral with the statement that larger size organisations perform better than smaller ones. In FZ3, the percentage of respondents who strongly agreed and agreed were 34% each, while 31% were neutral for the statement large organisations have clear demarcation. Lastly, 30% strongly agreed, 39% agreed and 31% were neutral with the statement that large organisations lead to transparency. Therefore, the findings conclude that firm's size is essential to consider when

making exporting decisions and that the larger firms are better in performing export activities as compared to their smaller counterparts.

6.3.2.3 Education of Employees

Table 6.4: Descriptive Statistics Education of Employees

Construct	Item	Mean Value	Std. Dev	1	2	3	4	5	Total
			.						
EE	EE1	3.482	1.166	0	0	10	130	210	350
				0%	0%	2%	37%	60%	100%
	EE2	3.710	1.104	0	0	14	136	200	350
				0%	0%	4%	39%	57%	100%
	EE3	3.683	1.139	0	0	7	130	213	350
				0%	0%	2%	37%	61%	100%
	EE4	3.880	1.083	0	0	10	130	210	350
				0%	0%	3%	37%	60%	100%

Source: Compiled by researcher (2020)

There are four measurement items of the construct education of employees (EE). In the first measurement item EE1, the responses indicate that majority strongly agreed to the statement that educated employees are important in internationalisation with 60%. Upon the statement of EE2 that individuals with high education are likely to be open for complex methodologies had 57% responses of strongly agreed, 39% agreed and 4% neutral. The statement higher level of education of top manager offers better results was strongly agreed by the majority of 61%, followed by 37% who agreed, and 2% who were neutral in EE3. In EE4, majority of respondents (60%) strongly consented to the statement that higher education of employees offer better outcome when it comes to the export performance of the firm. While 37% of the respondents agreed to the statement, there were 3% of total respondents who remained neutral. Hence, it has been found that education of employees is one of the contributing factors in a firm's success. Furthermore, higher level of education of a firm's employees offer better results and increase the ability to adapt to complex methodologies.

6.3.2.4 Product Adaptation

Table 6.5: Descriptive statistics Product Adaptation

Construct	Item	Mean Value	Std. Dev	1	2	3	4	5	Total
			.						
PDA	PDA1	3.497	1.176	0	0	7	119	224	350
				0%	0%	2%	33%	64%	100%
	PDA2	3.723	1.108	0	0	7	136	207	350
				0%	0%	2%	39%	59%	100%
	PDA3	4.017	0.933	0	0	11	129	210	350
				0%	0%	3%	37%	60%	100%
	PDA4	3.817	1.078	0	0	7	114	229	350
				0%	0%	2%	33%	66%	100%
	PDA5	3.810	1.087	0	0	14	102	234	350
				0%	0%	4%	29%	67%	100%
	PDA6	3.893	1.008	0	0	18	129	203	350
				0%	0%	5%	37%	58%	100%
	PDA7	3.870	0.98	0	0	10	133	207	350
				0%	0%	3%	38%	58%	100%

Source: Compiled by researcher (2020)

The table above is a comprehensive representation of the responses collected for the construct product adaption and its 7 measurement items. As per the results, it has been found that in PDA1, 64% respondents of the total population size strongly agreed to the statement that their respected firms have adapted product brand name, 33% agreed and 2% were neutral. In addition to this, for PDA2 majority of the respondents, accounting for 59% of total population size strongly agreed that their firms have adapted product design/style to some extent, while 39% agreed and 2% were neutral. For PDA3, 60% of the respondents strongly agreed that their firms have adapted product labelling, 37% agreed and 3% were neutral. On the other hand, for adapting to the variety of main exporting product line (PDA4), 66% strongly agreed, 33% agreed and 2 % remained neutral. 67% of the total respondents strongly agreed that their firms have adapted product quality (PDA5), while 29% agreed to the said statement. PDA6

indicated adaption of features and characteristics, to which 58% strongly agreed, 37% agreed and 5% were neutral. However, the PDA6 suggest adaptation of packaging, to which the 58% respondents strongly agreed, 38% agreed, and 3% neutral. Based on the statistics presented on the table above, it can be analyzed that each of the firms these respondents belong to have conducted product adaption. However, the degree and extent vary in accordance with the nature of business and organisational structure.

6.3.2.5 Promotion Adaption

Table 6.6: Descriptive Statistics Promotion Adaption

Construct	Item	Mean Value	Std. Dev	1	2	3	4	5	Total
			.						
PRA	PRA1	3.443	1.137	0	0	23	128	199	350
				0%	0%	6%	35%	59%	100%
	PRA2	3.687	1.09	0	0	14	115	221	350
				0%	0%	4%	33%	64%	100%
	PRA3	3.803	1.064	0	0	14	119	217	350
				0%	0%	4%	33%	62%	100%
	PRA4	3.897	0.931	0	0	18	129	203	350
				0%	0%	5%	37%	58%	100%
	PRA5	3.957	0.939	0	0	22	129	210	350
				0%	0%	3%	37%	60%	100%
	PRA6	3.857	0.968	0	0	14	140	196	350
				0%	0%	4%	40%	56%	100%
	PRA7	3.997	0.936	0	0	25	119	206	350
				0%	0%	7%	34%	59%	100%

Source: Compiled by researcher (2020)

The above table illustrates the construct of promotion adaptation (PRA) and its 7 measurement items. Based on the responses of this construct, it has been evident that 59% of the total respondents strongly agreed with the statement that their firm has adapted to the advertising theme as their promotion adaptation tool (PRA1), while 35% agreed to the statement and 6% were neutral. Similar have been the results for media channels for

advertising (PRA2) as 64% strongly agreed, 33% agreed, and 4% were neutral. For PRA3, 62% strongly agreed that they use promotion objectives while 33% agreed and 4% were neutral. For budget of promotion PFA4, 58% strongly agreed, 37% agreed and 5% were neutral. 60% of the total respondents said that they use direct marketing as the part of promotion adaptation (PRA5), while 37% agreed and 3% were neutral. For PRA 6 which indicates sales promotion, the statistics indicate 56% respondents who strongly agreed, 40% agreed, and 4% responded as neutral. In addition to this, 59% of the total respondents strongly agreed that they use personal selling (PRA7) while 34% agreed and 7% remained neutral. The statistics conclude that promotion adaptation is one of the most essential constructs in the context of internationalisation and firms are essentially required to adapt to the promotional strategies to some extent or degree.

6.3.2.6 Price Adaption

Table 6.7: Descriptive Statistics Price Adaption

Construct	Item	Mean Value	Std. Dev	1	2	3	4	5	Total
			.						
PA	PA1	3.457	1.152	0	0	26	124	200	350
				0%	0%	7%	35%	57%	100%
	PA2	3.707	1.017	0	0	16	144	188	350
				0%	0%	4%	41%	54%	100%
	PA3	3.757	1.025	0	0	14	136	200	350
				0%	0%	4%	39%	57%	100%
	PA4	3.777	1.003	0	0	14	130	203	350
				0%	0%	4%	37%	58%	100%
	PA5	3.830	1.024	0	0	8	143	199	350
				0%	0%	2%	41%	57%	100%

Source: Compiled by researcher (2020)

In regards to the values presented in the table above, it has been found that price adaption is one of the most commonly used constructs in internationalisation. It is found that PA1, which is determination of pricing strategy, is strongly agreed upon by the majority, accounting for 57% of the respondents, while 35% of the respondents agreed and 7% remained neutral.

Concession of credit which is PA2 received 54% of responses in the favour of strongly agreed, while 4% remained neutral and 41% agreed to use such tools. In addition to this, price discount policy PA3 received 57% of strongly agreed responses, 39% agreed and 4% neutral responses. 58% of the respondents strongly agreed to the PA4 measurement item that is retail price, while 37% agreed to it and 4% stayed neutral. Similar results were observed for PA5, price margins, on which 57% strongly agreed, 41% agreed and 2% remained neutral. Therefore, the statistics indicate that different aspects of price adaption and their intensity of adaptation have an immediate influence on firms' internationalisation.

6.3.2.7 Place/Distribution Adaption

Table 6.8: Descriptive Statistics Place/Distribution Adaption

Construct	Item	Mean Value	Std. Dev	1	2	3	4	5	Total
			.						
DA	DA1	3.470	1.15	0	0	11	136	203	350
				0%	0%	3%	39%	58%	100%
	DA2	3.720	1.108	0	0	14	119	217	350
				0%	0%	4%	34%	62%	100%
	DA3	3.990	1.015	0	0	14	119	217	350
				0%	0%	4%	34%	62%	100%
	DA4	4.007	0.993	0	0	11	112	224	350
				0%	0%	3%	32%	64%	100%
	DA5	3.777	1.026	0	0	14	119	217	350
				0%	0%	4%	34%	62%	100%
	DA6	3.800	1.026	0	0	14	137	199	350
				0%	0%	3%	39%	57%	100%

Source: Compiled by researcher (2020)

In the table above, the construct of Place/Distribution Adaption has been discussed with the 6 measurement items, Criteria of selection (DA1), Transport strategy (DA2), Distribution budget (DA3), Distribution network (DA4), Type of middlemen (DA5), and control over distribution channels (DA5). Based on the statistics presented in the table above, 58% of the total respondents strongly agreed that their firms use criteria of selection to some degree,

while 39% only agreed and remaining 3% responded neutrally. On the other hand, those who strongly agreed to DA2 were accounted as 62%, the percentage of people who agreed were 34% and those who were neutral remained at 4%. The statistics of DA3 suggest that majority of respondents strongly agree to have distribution budget, while 34% agreed and 4% responded neutrally. In DA5 and DA6 majority of the respondents suggested strongly agreed accounting for 62% and 57%, respectively. The percentage of people who agreed to these was 34% and 39% respectively. Hence, it has been established that in order to have successful internationalisation firms have to incorporate place/distribution adaptation to some degree or extent.

6.3.2.8 Education Level

Table 6.9: Descriptive Statistics Education Level

Construct	Item	Mean Value	Std. Dev	1	2	3	4	5	Total
			.						
EL	EL1	3.800	1.026	1	0	14	126	210	350
				0%	0%	4%	36%	59%	100%
	EL2	3.447	1.135	0	0	7	87	256	350
				0%	0%	2%	25%	73%	100%

Source: Compiled by researcher (2020)

The construct of education level (EL) denotes the education level of managers working in the top position of the firm. As indicated by the statistics in table above, it has been noticed that majority of the respondents (59%) strongly agreed to the statement that degree of professional exporting experience is better for firm's export performance (EL1). While only 4% responded as neutral, 36% of the total respondents agreed to the statement. In addition to this, the majority strongly agreed to the statement of EL2 that degree of overseas experience, or live or work abroad is extremely substantial for export business, making up to 73% of the total sample population. The percentage of those who perceived it as definitely substantial was 25% and the percentage of somewhat substantial responses were only 2%. The statistics conclude that a highly educated employee with high experience is an asset to the firm which aims for internationalisation and export activities.

6.3.2.9 International Experience

Table 6.10: Descriptive Statistics International Experience

Construct	Item	Mean Value	Std. Dev	1	2	3	4	5	Total
			.						
IE	IE1	3.677	1.125	0	0	18	140	192	350
				0%	0%	5%	40%	55%	100%
	IE2	3.727	1.079	0	0	11	140	199	350
				0%	0%	3%	40%	57%	100%

Source: Compiled by researcher (2020)

In the above table, the construct of international experience of manager is discussed and presented with two measurement items; IE1 and IE2. The resulting statistics indicate that 55% of respondents agreed that intensity of training in international business, such as attended formal export courses, is extremely substantial for the business and the firm (E1), while 40% agreed and 5% responses were neutral. Alternatively, 5% of the total respondents strongly agreed to the statement that manager's capability to follow up on trade leads in the main importing market, while 40% responded that it is definitely substantial and 3% responded that it is somewhat substantial.

6.3.2.10 Foreign languages

Table 6.11: Descriptive Statistics Foreign Languages

Construct	Item	Mean Value	Std. Dev	1	2	3	4	5	Total
			.						
FL	FL1	3.470	1.15	0	0	14	133	203	350
				0%	0%	4%	38%	58%	100%
	FL2	3.710	1.098	1	0	10	143	196	350
				0%	0%	3%	41%	56%	100%

Source: Compiled by researcher (2020)

The expertise of top-level manager in foreign languages has been evaluated and the responses gathered in the same context are illustrated in the table above. The construct foreign language (FL) has 2 measurement items, FL1 and FL2. On the basis of responses obtained through the survey questionnaire, it is found that majority of the respondents accounting for 58% of the total sample size think that the knowledge of manager about operation of many foreign markets is extremely substantial for the export business. However, 38% thought that the said notion is definitely substantial and 4% perceived it as somewhat substantial for the export business. On the other hand, 56% of the respondents said that foreign language ability of the manager is extremely substantial for the export business. 41% thought that it is definitely substantial and 3% said that it is somewhat substantial. The results indicate that the command on foreign language help managers to understand the operations of businesses in foreign market, and hence, it is beneficial for the firm.

6.3.2.11 Risk Taking Ability

Table 6.12: Descriptive Statistics Risk-Taking Ability

Construct	Item	Mean Value	Std. Dev	1	2	3	4	5	Total
			.						
RTA	RTA1	3.460	1.144	0	0	11	151	189	350
				0%	0%	3%	43%	54%	100%
	RTA2	3.697	1.091	0	0	11	147	193	350
				0%	0%	3%	42%	55%	100%

Source: Compiled by researcher (2020)

The risk-taking ability of the manager holds great significance for the business aiming for successful export activities. The table above presents Risk taking ability as the construct with two measurement items: high risk-tolerant ability of the manager (RTA1) and entry to new markets able to increase trade with foreign customers (RTA2). The statistics of responses as illustrated above indicate that 54% of the respondents perceive RTA1 as extremely substantial, 43% respondents perceive it as definitely substantial and 3% perceive it as somewhat substantial. On the other hand, the response statistics of RTA2 indicates that 55% respondents consider it as extremely substantial, 42% definitely substantial and 3% as somewhat substantial. Hence, it can be said that the risk-taking ability of a top level manager

is one of the most significant tools as it unlocks the doors of prospect for the firm and that it is crucial for the business as well.

6.3.2.12 Rigidness

Table 6.13: Descriptive Statistics Rigidness

Construct	Item	Mean Value	Std. Dev	1	2	3	4	5	Total
			.						
R	R1	3.473	1.153	0	0	7	133	210	350
				0%	0%	2%	38%	60%	100%
	R2	3.710	1.104	0	0	7	143	200	350
				0%	0%	2%	41%	57%	100%

Source: Compiled by researcher (2020)

In the above table, rigidness of the top-level managers has been discussed with the two measurement items: R1 and R2. The R1 equates to degree of favourable consideration of new markets and it has received 60% of responses as extremely substantial, while 38% responses are in favor of extremely substantial, and 2% of the responses are for definitely substantial. On the other hand, the responses of R2, which represents the ability of managers regarding inhibit favourable consideration of new customer, received 57% of responses indicating it as extremely substantial and 41% of definitely substantial, while the responses of somewhat substantial remained 2%. The results conclude that rigid behaviour of manager is substantial for the export performance of a firm as it involves degree of favourable consideration of new markets and inhibits favourable consideration of new customer. Both of these elements hold utmost importance in the context of internationalisation.

6.3.2.13 Proactive Approach

Table 6.14: Descriptive Statistics Proactive Approach

Construct	Item	Mean Value	Std. Dev	1	2	3	4	5	Total
			.						
PA	PA1	3.453	1.138	0	0	11	143	196	350
				0%	0%	3%	41%	56%	100%
	PA2	3.707	1.096	0	0	7	133	210	350
				0%	0%	2%	38%	60%	100%

Source: Compiled by researcher (2020)

Proactive approach of top-level managers has been discussed in this research and the table above illustrates the construct PA and its measurement items PA1 and PA2. 56% of the total respondents said that it is extremely substantial, 41% responded that it is definitely substantial, and 3% said that it is somewhat substantial for the firm to have a manager with ability to perceive international markets as natural markets for firms in open economies. In addition to this, 60% of the respondents said that it is extremely substantial, 38% suggested that it is definitely substantial and 2% responded that it is somewhat substantial for the firm's manager to have more favourable attitude towards exporting. Therefore, conclusion can be made that manager's proactivity plays a significant part in perceiving international market conditions and complying with them for better output. Moreover, a manager who's protagonist of exporting enables the firm to explore different strategies and markets in order to expand their business.

6.3.2.14 Commitment

Table 6.15: Descriptive Statistics Comittment

Construct	Item	Mean Value	Std. Dev	1	2	3	4	5	Total
C	C1	3.470	1.156	0	0	7	123	220	350
				0%	0%	2%	35%	63%	100%
	C2	3.727	1.113	0	0	11	129	210	350
				0%	0%	3%	37%	60%	100%

	C3	3.693	1.14	0	0	7	133	210	350
				0%	0%	2%	38%	60%	100%
	C4	3.690	1.123	0	0	11	122	217	350
				0%	0%	3%	35%	62%	100%
	C5	3.687	1.087	0	0	14	119	217	350
				0%	0%	4%	34%	62%	100%

Source: Compiled by researcher (2020)

In the above table, commitment has been discussed and illustrated as the construct while its measurement items are 5 in quantity: C1, C2, C32, C4, and C5. 63% of the respondents strongly agreed to the statement that the firm has an appropriate organisational structure to deal with all export activities (C1), while 35% agreed and 2% had neutral opinion. Alternatively, 60% of the respondents strongly agreed to the statement that the firm executives travel frequently to export markets (C2), while 37% agreed and 3% had neutral opinion. Moreover, 60% of the total respondents strongly agreed to the statement that the firm sets aside adequate funds to develop overseas markets (C3), while 38% agreed and 2% had neutral opinion. 62% of the respondents strongly agreed to the statement that the learning about export procedure and documentation is a high priority in this firm (C4), while 35% agreed and 3% had neutral opinion. Lastly, 62% of the respondents strongly agreed to the statement that exporting is a high priority activity in the firm (C5), while 34% agreed and 4% had neutral opinion. Based on these statistics it can be observed that the firm's commitment towards its expansion through internationalisation has an immediate and constructive influence on its export performance.

6.3.2.15 International Experience Firm

Table 6.16: Descriptive Statistics International Experience Firm

Construct	**Item**	**Mean Value**	**Std. Dev**	**1**	**2**	**3**	**4**	**5**	**Total**
			.						
IEF	IEF1	3.453	1.144	0	0	14	129	207	350
				0%	0%	4%	37%	59%	100%
	IEF2	3.677	1.076	0	0	11	133	206	350
				0%	0%	3%	38%	59%	100%
	IEF3	3.580	1.076	0	0	14	130	206	350

				0%	0%	4%	37%	59%	100%
	IEF4	3.520	1.141	0	0	11	157	182	350
				0%	0%	3%	45%	52%	100%
	IEF5	3.570	1.134	0	0	8	154	185	350
				0%	0%	2%	44%	53%	100%
	IEF6	3.560	1.155	0	0	11	136	203	350
				0%	0%	3%	39%	58%	100%
	IEF7	3.640	1.188	0	0	7	137	206	350
				0%	0%	2%	39%	59%	100%
	IEF8	3.597	1.183	0	0	11	136	203	350
				0%	0%	3%	39%	58%	100%

Source: Compiled by researcher (2020)

The above table illustrates the statistics obtained through the responses of survey questionnaire, in order to understand the construct (IEF) and its measurement items. Among the total respondents, 59% strongly agreed that understanding overseas customer requirements (EIF1) is essential; while 4% had neutral opinion, 37% of the total sample population agreed to it. On the other hand, 59% strongly agree, 38% agree and 3% has neutral opinions on creating and retaining close supplier relationships (EIF2). Moreover, creating and retaining close overseas distributor relationships (EIF3) has received majority of responses to strongly agree with 59% of sample population, while those who agree were 37% and 4% were neutral. 52% of respondents strongly agreed to the identification of prospective customers (EIF4), while 45% and 3% of the respondents agreed and have neutral opinion, respectively. For capturing important market information (EIF5) 55% strongly agreed, 43% agreed and 2% of the respondents had neutral opinion. Acquiring export-market related information (EIF6) received 58% of the responses as strongly agreed, 39% responses as agreed, and 3% responses as neutral. On the other hand, 50% strongly agreed to the statement of making contact in the export market (EIF7), while 39% agreed to it and 3% were neutral about it. Lastly, 58% of the respondents strongly agreed to the monitoring competitive products in the export market (EIF8) with 3% who were neutral and 39% of the respondents who agreed to the statement. Through these statistics, it can be observed that the international experience of the firm is crucial for the future endeavours in foreign market. This is because the past experiences of a firm help it to understand the overseas customer requirements, establish relationships, maintaining relationship with distributor, market identification, market knowledge, and monitoring the rival and competition.

6.3.2.16 Market Knowledge

Table 6.17: Descriptive Statistics Market Knowledge

Construct	Item	Mean Value	Std. Dev	1	2	3	4	5	Total
			.						
MK	MK1	3.487	1.168	0	0	7	126	217	350
				0%	0%	2%	35%	62%	100%
	MK2	3.733	1.115	0	0	7	115	228	350
				0%	0%	2%	33%	65%	100%
	MK3	3.803	1.107	0	0	11	112	227	350
				0%	0%	3%	32%	65%	100%
	MK4	3.893	1.014	0	0	11	119	220	350
				0%	0%	3%	34%	63%	100%
	MK5	3.953	0.944	0	0	3	116	229	350
				0%	0%	1%	33%	65%	100%
	MK6	3.790	1.11	0	0	11	112	234	350
				0%	0%	3%	32%	67%	100%
	MK7	3.827	0.981	0	0	11	105	234	350
				0%	0%	3%	30%	67%	100%

Source: Compiled by researcher (2020)

The table above has presented the structure of market knowledge (MK) and its measurement items. 62% of the total respondents strongly agreed to the statement that export pricing abilities (MK1) are essential for an exporting business, 35% agreed to this statement while 2% had neutral opinion. Moreover, 65% strongly agreed, 32% agreed and 3% had neutral opinion towards managing export distribution channels as essential (MK2). 195 out of 350individuals accounting for 65% strongly agreed, 32% agreed, and 3% were neutral when asked about the skills in managing export marketing communications (MK3). 63% of the total respondents strongly agreed to the capabilities of the firm's export sales force (MK4), while 34% agreed and 3% had neutral opinion. In the context of export market research skills (MK5), the results indicate that 65% strongly agreed, 33% agreed, and 1% was neutral only. Moreover, 67% strongly agreed to export marketing planning skills (MK6) and export marketing implementation skills (MK7) each respectively, 32% and 30% respondents agreed

to the statements respectively, while only 3% of the total respondents remained neutral for both the statements. It indicates that market knowledge and understanding is essential for any business to expand its roots into foreign market.

6.3.2.17 Innovation

Table 6.18: Descriptive Statistics Innovation

Construct	Item	Mean Value	Std. Dev	1	2	3	4	5	Total
			.						
I	I1	3.470	1.159	0	0	7	116	227	350
				0%	0%	2%	33%	65%	100%
	I2	3.710	1.104	0	0	11	122	217	350
				0%	0%	3%	35%	62%	100%
	I3	3.690	1.083	0	0	11	140	199	350
				0%	0%	3%	40%	57%	100%
	I4	3.473	1.066	21	81	85	87	67	350
				6%	24%	27%	25%	19%	100%
	I5	3.497	1.079	21	81	77	84	91	350
				6%	23%	22%	24%	26%	100%
	I6	3.447	1.099	24	81	81	91	73	350
				7%	23%	23%	26%	21%	100%
	I7	3.503	1.069	11	81	94	84	84	350
				3%	23%	27%	24%	24%	100%

Source: Compiled by researcher (2020)

Innovation has been evaluated as a construct with 7 measurement items. 65% of the respondents strongly agreed, and 33% agreed to the importance of quality control process (I1), while only 3% had neutral opinion. Similarly, 62% of the respondents strongly agreed, 35% agreed, and 3% had neutral opinion for development of new products for export customer (I2). 57% of the respondents strongly agreed, 40% agreed, and 3% had neutral opinion for Range of products offered on the export market (I3). 19% of the respondents strongly agreed, 25% agreed, 27% had neutral opinion for developing products according to customers' specifications (I4). However, 24% of the respondents disagreed and 6% strongly

disagreed to the said statement. Moreover, 26% of the respondents strongly agreed, 24% agreed, and 24% had neutral opinion for product quality, having 23% responses towards disagree, and 6% towards strongly disagree (I5).21% of the respondents strongly agreed, 26% agreed, and 23% had neutral opinion for product uniqueness (I6). However, 23% and 7% of the total respondents disagreed and strongly disagreed to the statement. Lastly, considering the warranty and service arrangements, 24% of the respondents strongly agreed, 24% agreed, and 27% had neutral opinion, while 23% disagreed and 3% strongly disagreed. The results indicate that even though innovation can greatly benefit exporting companies, there is a degree to innovation that favours success. There are certain cases in which the impact of innovation on the firm can be negative and that it cannot be considered as a necessary feature of all the firms aiming to export in international markets.

6.3.2.18 Psychic Distance

Table 6.19: Descriptive Statistics Psychic Distance

Construct	Item	Mean Value	Std. Dev	1	2	3	4	5	Total
			.						
PD	PD1	3.307	1.122	11	84	84	98	77	350
				3%	24%	24%	28%	22%	100%
	PD2	3.530	1.103	21	81	98	80	70	350
				6%	23%	28%	23%	21%	100%
	PD3	3.463	1.066	21	108	74	67	80	350
				6%	31%	21%	19%	23%	100%
	PD4	3.173	1.218	21	74	80	77	101	350
				6%	21%	23%	22%	29%	100%

Source: Compiled by researcher (2020)

The table above illustrates PD as a construct with four measurement items. To the statement that space among the home market and a foreign market (PD1), majority of the respondents just agreed that its important with 28%, followed by 24% of respondents who said it is neutral and somewhat important each respectively. Moreover, 22 thought that it is extremely important while only 3% perceived it as unimportant. Moreover, majority of the people (28%) had neutral opinion about disparity in the amount of separation among the company's home

market and a foreign export market (PD2). Alternatively, the majority of respondents perceived environment uncertainty/volatility (PD3) as somewhat important (31%). Similarity between the company's home market and a foreign export market (PD4) was found to be very important for the majority of respondents accounting up to 29%. On the basis of the statistics presented in the above table, it can be observed that psychic distance is subjective. Each firm can be negatively and positively influenced with its own opinion of the dissimilarity between home market and international market.

6.3.2.19 Culture Specificity

Table 6.20: Descriptive Statistics Culture Specificity

Construct	Item	Mean Value	Std. Dev	1	2	3	4	5	Total
			.						
CS	CS1	3.330	1.129	21	86	77	84	80	350
				6%	25%	22%	24%	23%	100%
	CS2	3.543	1.117	21	86	73	84	84	350
				6%	25%	21%	24%	24%	100%
	CS3	3.683	1.053	18	91	73	94	74	350
				5%	26%	21%	27%	21%	100%

Source: Compiled by researcher (2020)

The construct of cultural specificity is illustrated in the table above with three of its measurement items. It is observed that respondents have diverse opinion about cultural specificity (CS). 25% of the respondents thought that Similarity among the company's home market and a foreign export market is somewhat important, while 24% thought that it is important, 23% perceived it as very important while 6% perceived it as unimportant. On the other hand, 24% of the respondents perceived culture distance (difference) among the company's home market and a foreign export market (CS2) as important and very important each, while 25% perceived it as somewhat important. Lastly, the percentage of individual responding to the statement that makes culture specific product which enjoys a degree of patent protection over competing products as important is 27%, followed by 26% respondents who perceived it as somewhat important and 21% who perceived it as very important.

Therefore, it can be observed that culture specificity, like psychic distance, is a subjective perception which differs from one firm to the other and from one culture to the other.

6.3.5.20 Optimal Export Performance

Table 6.21: Descriptive Optimal Export Performance

Construct	Item	Mean Value	Std. Dev	1	2	3	4	5	Total
			.						
EPRO	EPR1	3.350	1.141	6	68	66	78	71	350
				2%	23%	22%	26%	24%	100%
	EPR2	3.550	1.093	17	65	73	72	73	350
				6%	22%	24%	24%	24%	100%
	EPR3	3.297	1.209	17	88	58	58	79	350
				6%	29%	19%	19%	26%	100%
	EPR4	3.673	1.03	17	71	73	70	69	350
				6%	24%	24%	23%	23%	100%
	EPR5	3.293	1.143	16	74	72	72	66	350
				5%	25%	24%	24%	22%	100%

Source: Compiled by researcher (2020)

In the table above, optimal export performance has been illustrated in comparison with the 11 measurement items, which focused on the importance of export activities. 26% of the respondents said that increasing yearly sales (EPR1) is very important, 24% said it is extremely important, 22 said it is important, 23% perceived it as somewhat important and 2% said it is not important at all. To the statement of increasing the growth of the firm (EPR2), 24% said that it is important, very important, and extremely important; while only 6% perceived it as unimportant. 29% of the respondents agreed that having a larger market is somewhat important, 26% extremely important, and 19% each responded that it is important and very important. Making greater profits (EPR4) was considered as somewhat important and important with 24% of responses each, and very important and extremely important with 23% of the responses each. Taking advantage of government incentives for exporting and keeping pace with local competition (EPR5) was considered as somewhat important by 25% of the participants, while 24% perceived it as important and very important.

6.3.5.21 Superior Export performance

Table 6.22: Descriptive Statistics Superior Export Performance

Construct	Item	Mean Value	Std. Dev	1	2	3	4	5	Total
EPRS	EPR6	3.265	1.11	15	80	80	64	61	350
				5%	27%	27%	21%	20%	100%
	EPR7	3.370	1.152	10	75	57	68	90	350
				3%	25%	19%	23%	30%	100%
	EPR8	3.163	1.147	17	80	65	74	64	350
				6%	27%	22%	25%	21%	100%
	EPR9	3.350	1.1	17	79	64	60	80	350
				6%	26%	21%	20%	27%	100%
	EPR10	3.447	1.055	15	57	90	77	61	350
				5%	19%	30%	26%	20%	100%
	EPR11	3.470	1.112	19	62	84	64	71	350
				6%	21%	28%	21%	24%	100%

Source: Compiled by researcher (2020)

Overcoming competition in the local market (EPR6) was considered as somewhat important and important by 27% of the respondents each, while 21% and 20% considered it as very important and extremely important respectively. Competitive price advantage (EPR7) was found to be extremely important for 30% of the respondents, while 25% and 23% perceived it as somewhat important and very important. Preventing dependence on local market for sales (EPR8) has been perceived as somewhat important by 27% participants, very important by 25% and important by 22% of the total respondents. Product uniqueness (EPR9) is considered as extremely important by 27% of the respondents, somewhat important by 26% of the respondents, and only 6% perceived it as unimportant. Production efficiency (EPR10) was found to be important for 30% of the respondents while 26% perceived it as very important followed by 20% participants who perceived it as extremely important. Management commitment to exporting (EPR11) was perceived as important by 28% and extremely important by 24%.

6.3.5.22 International Marketing Strategies

Table 6.22: Descriptive Statistics Superior Export Performance

Construct	Item	Mean Value	Std. Dev	1	2	3	4	5	Total
IMS	IMS1	3.265	1.11	7	84	63	62	74	350
				0%	5%	2%	33%	64%	100%
	IMS2	3.370	1.152	0	84	63	62	74	350
				0%	0%	2%	39%	59%	100%
	IMS3	3.163	1.147	0	84	63	62	74	350
				0%	0%	3%	37%	60%	100%
	IMS4	3.350	1.1	0	84	63	62	74	350
				0%	0%	1%	33%	66%	100%
	IMS5	3.447	1.055	0	84	63	62	74	350
				0%	0%	4%	29%	67%	100%
	IMS6	3.470	1.112	0	84	63	62	74	350
				0%	0%	5%	37%	58%	100%
	IMS7	3.369	1.064	0	84	63	62	74	350
				0%	1%	3%	38%	58%	100%
	IMS8	3.125	1.034	0	84	63	62	74	350
				0%	0%	6%	35%	59%	100%
	IMS9	3.215	1.12	0	84	63	62	74	350
				0%	0%	3%	33%	64%	100%
	IMS10	3.321	1.147	0	84	63	62	74	350
				0%	1%	4%	33%	62%	100%
	IMS11	3.145	1.167	0	84	63	62	74	350
				0%	0%	5%	37%	58%	100%
	IMS12	3.365	1.117	0	84	63	62	74	350
				0%	0%	3%	37%	60%	100%
	IMS13	3.452	1.152	0	84	63	62	74	350
				0%	0%	4%	40%	56%	100%
	IMS14	3.452	1.047	0	84	63	62	74	350
				0%	0%	7%	34%	59%	100%
	IMS15	3.164	1.035	0	84	63	62	74	350

				0%	1%	7%	35%	57%	100%
	IMS16	3.369	1.158	0	84	63	62	74	350
				0%	1%	4%	41%	54%	100%
	IMS17	3.350	1.124	0	84	63	62	74	350
				0%	0%	4%	39%	57%	100%
	IMS18	3.125	1.147	0	84	63	62	74	350
				0%	0%	7%	36%	57%	100%
	IMS19	3.452	1.035	0	84	63	62	74	350
				0%	1%	4%	37%	58%	100%
	IMS20	3.163	1.045	0	84	63	62	74	350
				0%	0%	2%	41%	57%	100%
	IMS21	3.265	1.064	0	84	63	62	74	350
				0%	0%	3%	39%	58%	100%
	IMS22	3.370	1.114	0	84	63	62	74	350
				0%	0%	4%	34%	62%	100%
	IMS23	3.167	1.105	0	84	63	62	74	350
				0%	0%	4%	34%	62%	100%
	IMS24	3.350	1.125	0	84	63	62	74	350
				0%	1%	3%	32%	64%	100%
	IMS25	3.369	1.148	0	84	63	62	74	350
				0%	0%	4%	34%	62%	100%

As illustrated in the table above, it is found that a majority of 64% respondents fully adapted to product brand name (IMS1). Similar results were found for product design/style (IMS2), product labelling (IMS3), variety (IMS4), product quality (IMS5), features and characteristics (IMS6), and packaging (IMS7) where majority of the participants responded in the favour of fully product adaption. On the other hand, majority of the participants also suggested that Advertising theme (IMS8), Media channels for advertising (IMS9), Promotion objectives (IMS10), Budget for promotion (IMS11), Direct Marketing (IMS12), Sales promotion (IMS13) and Personal selling (IMS14) are fully adaptable as 58%, 59%, 64%, 62%, 58% and 60% participants responded the same, respectively. Even though the responses for determination of price strategy (IMS15), concession of credit (IMS16), price discount policy (IMS17), retail price (IMS18), and price margins (IMS19) were mixed, majority of the respondents favoured its full adaptation with 57%, 54%, 57%, 57%, and 58%, respectively. Lastly, the results of Criteria of selection (IMS20), Transport strategy (IMS21), Distribution

budget (IMS22), Distribution network (IMS23), Type of middlemen (IMS24) and Control over distribution channels (IMS25) were highly favoured indicating 57%, 58%, 62%, 62%, 64% and 62%participants responding for full adaptation.

6.4 Quality of the Research model

It has been evident through Maslowsky, Jager and Hemken (2015) that there are multiple methods to determine the quality of a research model. Among these, the structural model and measurement model are the two latent variables of structural equation model used to assess the quality of research model. Hence, this section of the research discusses measurement model, structural model, and path modelling and hypothesis testing.

6.4.1 Measurement model

In accordance with the conceptual research model of this study, firm level characteristics have been discussed, which include Firm Age (FA), Firm Size (FZ), Education of Employees (EE), Production Adaption (PDA), Promotion Adaption (PRA), Price Adaption (PA), Place/Distribution Adaptation (DA), International Marketing Stratetgy (IMS), Education Level (EL), International Experience (IE), Foreign Languages (FL), Risk Taking Ability (RTA), Rigidness (R), Proactive Approach (PA), Commitment (C), International Experience of Firm (IEF), Market Knowledge (MK), Innovation (I), Psychic Distance (PD), Culture Specificity (CS), Optimal export performance (EPRO), and Superior Export Performance (EPRS). The validity and reliability of these measurement items have been tested alongside the outer loadings of these variables. According to Hair et al. (2016) the outer loading for each item should be at least 0.70 for being reliable, which has been found in the results of this research. The table below illustrates the values of each construct and its measurement items including standard deviation, CA, CR, AVE and outer loading.

Table 6.23: Overall Statistics Results

Research construct	*Item*	*Mean Value*	*Std. Dev.*	*CA*	*CR*	*AVE*	*Outer Loading*
FA	FA1	3.470	1.15				0.858
	FA2	3.707	1.102				0.940

	FA3	3.530		1.162					0.787
			3.583		1.125	0.891	0.816	0.781	
	FA4	3.457		1.147					0.846
	FA5	3.693		1.092					0.939
	FA6	3.643		1.1					0.758
FZ	FZ1	3.457		1.141					0.855
	FZ2	3.690		1.096					0.931
			3.48		1.097	0.775	0.726	0.677	
	FZ3	3.603		1.036					0.821
	FZ4	3.193		1.118					0.798
EE	EE1	3.482		1.166					0.855
			3.687		1.123	0.782	0.765	0.674	
	EE2	3.710		1.104					0.931
	EE3	3.683		1.139					0.821
	EE4	3.880		1.083					0.798
PDA	PDA1	3.497		1.176					0.776
	PDA2	3.723		1.108					0.861
	PDA3	3.817	3.768	1.078	1.072	0.831	0.716	0.638	0.849
	PDA4	3.810		1.087					0.891

	PDA5	3.893		1.008				0.703
PRA	PRA1	3.443		1.137				0.753
	PRA2	3.687		1.09				0.768
	PRA3	3.803		1.064				0.777
	PRA4	3.897	3.805	0.931	1.009	0.821	0.75	0.707	0.715
	PRA5	3.957		0.939				0.897
	PRA6	3.857		0.968				0.848
	PRA7	3.997		0.936				0.794
PA	PA1	3.457		1.152				0.749
	PA2	3.707		1.017				0.772
	PA3	3.757	3.705	1.025	1.044	0.89	0.804	0.668	0.734
	PA4	3.777		1.003				0.735
	PA5	3.830		1.024				0.864
DA	DA1	3.470		1.15				0.950
	DA2	3.720		1.108				0.704
	DA3	3.990	3.794	1.015	1.053	0.778	0.752	0.668	0.775
	DA4	4.007		0.993				0.782

	DA5	3.777		1.026					0.775
	DA6	3.800		1.026					0.714
EL	EL1	3.800		1.026					0.855
			3.623		1.08	0.736	0.711	0.674	
	EL2	3.447		1.135					0.933
IE	IE1	3.677		1.125					0.863
			3.702		1.102	0.743	0.799	0.683	
	IE2	3.727		1.079					0.940
FL	FL1	3.470		1.15					0.857
			3.59		1.124	0.732	0.707	0.689	
	FL2	3.710		1.098					0.945
RTA	RTA1	3.460		1.144					0.854
			3.587		1.117	0.769	0.802	0.683	
	RTA2	3.697		1.091					0.943
R	R1	3.453		1.138					0.861
			3.58		1.117	0.755	0.799	0.654	
	R2	3.707		1.096					0.937
PA	PA1	3.453		1.138					0.863
			3.58		1.117	0.877	0.79	0.628	
	PA2	3.707		1.096					0.940
C	C1	3.470		1.156					0.858
	C2	3.727		1.113					0.939
	C3	3.693	3.653	1.14	1.123	0.873	0.799	0.708	0.925
	C4	3.690		1.123					0.725

	C5	3.687		1.087					0.738
IEF	IEF1	3.453		1.144					0.745
	IEF2	3.677		1.076					0.784
	IEF3	3.580		1.076					0.705
	IEF4	3.520	3.574	1.141	1.137				0.917
	IEF5	3.570		1.134		0.743	0.799	0.683	0.803
	IEF6	3.560		1.155					0.886
	IEF7	3.640		1.188					0.843
	IEF8	3.597		1.183					0.809
MK	MK1	3.487		1.168					0.859
	MK2	3.733		1.115					0.938
	MK3	3.803		1.107					0.827
	MK4	3.893	3.78	1.014	1.062				0.707
	MK5	3.953		0.944		0.768	0.707	0.625	0.785
	MK6	3.790		1.11					0.866
	MK7	3.827		0.981					0.874
I	I1	3.470		1.159					0.845

	I2	3.710		1.104				0.924
	I3	3.690		1.083				0.792
	I4	3.473	3.541	1.066	1.094	0.846	0.729	0.641	0.822
	I5	3.497		1.079				0.808
	I6	3.447		1.099				0.840
	I7	3.503		1.069				0.707
PD	PD1	3.307		1.122				0.822
	PD2	3.530		1.103				0.884
			3.368		1.127	0.755	0.705	0.611	
	PD3	3.463		1.066				0.727
	PD4	3.173		1.218				0.791
CS	CS1	3.330		1.129				0.839
	CS2	3.543	3.518	1.117	1.099	0.702	0.771	0.617	0.887
	CS3	3.683		1.053				0.776
EPRO	EPR1	3.350		1.141				0.749
	EPR2	3.550		1.093				0.830
	EPR3	3.297		1.209				0.719
			3.487		1.117	0.879	0.785	0.637	
	EPR4	3.673		1.03				0.792
	EPR5	3.293		1.143				0.720

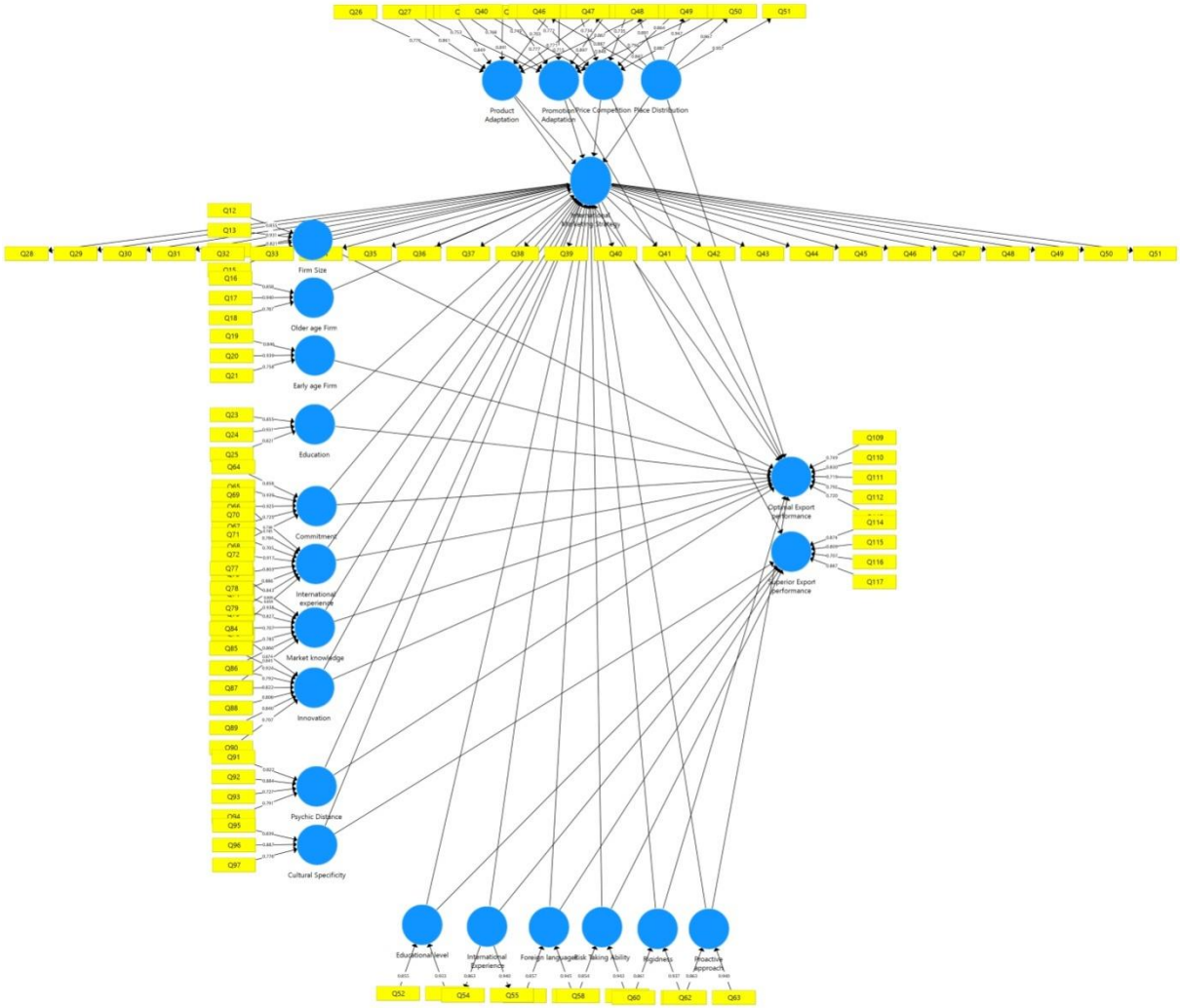
EPRS	EPR6	3.177		1.11				0.874
	EPR7	3.370		1.152				0.809
			3.47		1.082	0.734	0.816	0.66
	EPR8	3.163		1.147				0.707
	EPR9	3.300		1.1				0.887
	EPR10	3.447		1.055				0.792
	EPR11	3.470		1.112				0.886
IMS	IMS1	3.265		1.11				0.753
	IMS2	3.370		1.152				0.717
	IMS3	3.163		1.147				0.835
	IMS4	3.350		1.1				0.761
	IMS5	3.447		1.055				0.933
	IMS6	3.470		1.112				0.817
	IMS7	3.369		1.064				0.727
			3.306		1.103	0.763	0.755	0.689
	IMS8	3.125		1.034				0.829
	IMS9	3.215		1.12				0.778
	IMS10	3.321		1.147				0.815
	IMS11	3.145		1.167				0.843

IMS12	3.365	1.117	0.905
IMS13	3.452	1.152	0.950
IMS14	3.452	1.047	0.865
IMS15	3.164	1.035	0.753
IMS16	3.369	1.158	0.832
IMS17	3.350	1.124	0.745
IMS18	3.125	1.147	0.736
IMS19	3.452	1.035	0.708
IMS20	3.163	1.045	0.949
IMS21	3.265	1.064	0.729
IMS22	3.370	1.114	0.841
IMS23	3.167	1.105	0.780
IMS24	3.350	1.125	0.773
IMS25	3.369	1.148	0.742

Source: Compiled by researcher (2020)

The table above presents the indicators that have been used in this research to ensure the quality of the variables or construct. These values are also used to examine the data to draw results. SmartPLS is the tool used to produce these figures based on the conceptual framework.

Figure 6.14: Conceptual Framework and Its Outer Loadings



Source: SmartPLS output (2020)

In order to proceed with the analysis and measurement of the results that have been obtained for this research, it is essential to determine the quality of models of measurement applied for the testing of hypothesis. Therefore, validity and reliability of these models are evaluated through utilising the items of AVE and HTMT and CR and CA, respectively.

6.4.1.1 Reliability

The values of CA and CR have been used to confirm the reliability of the constructs used in this research. It is observed through research of Hair et al. (2012) that the values of both, CR and CA, are required to be above 0.70 for the construct to be reliable. As shown in the table, the values of each construct are above 0.70; hence, the reliability has been confirmed.

Table 6.24: Cronbach's Alpha and Composite Reliability

Construct	Cronbach's Alpha	CR
Commitment	0.873	0.799
Cultural Specificity	0.702	0.771
Early age Firm	0.781	0.743
Education	0.736	0.711
Educational level	0.782	0.765
Firm Size	0.775	0.726
Foreign language Expertise	0.732	0.707
Innovation	0.846	0.7
International experience	0.743	0.799
International Market Strategy	0.763	0.755
Market knowledge	0.768	0.707
Older age Firm	0.891	0.816
Optimal Export performance	0.879	0.785
Place/Distribution Adaptation	0.778	0.752
Price Adaptation	0.89	0.804
Proactive approach	0.877	0.79
Product Adaptation	0.831	0.716
Promotion Adaptation	0.821	0.75
Psychic Distance	0.755	0.705
Rigidness	0.755	0.799
Risk Taking Ability	0.769	0.802
Superior Export performance	0.734	0.816

Source: Compiled by researcher (2020)

6.4.1.2 Validity

To confirm the authenticity of each construct, AVE and HTMT are applied for convergent and discriminant validity.

6.4.1.2.1 Convergent validity

To comply with the standard convergent validity, the value of AVE should surpass the threshold of 0.50 value at least. (Hair et al., 2012). The following table presents the AVE for all constructs.

Table 6.25: Convergent Validity (AVE)

Construct	**Average Variance Extracted (AVE)**
Commitment	0.708
Cultural Specificity	0.617
Early age Firm	0.686
Education	0.674
Educational level	0.674
Firm Size	0.677
Foreign languages	0.689
Innovation	0.641
International Marketing Strategies	0.689
International experience	0.683
Market knowledge	0.625
Older age Firm	0.668
Optimal Export performance	0.637
Place/Distribution Adaptation	0.668
Price Adaptation	0.668
Proactive approach	0.628
Product Adaptation	0.638
Promotion Adaptation	0.707
Psychic Distance	0.611
Rigidness	0.654
Risk Taking Ability	0.683
Superior Export performance	0.66

Source: Compiled by researcher (2020)

On the basis of values provided in the table above, the AVE value of each of the construct is above 0.50 of value therefore it has been found that the variables used in this research are complied with convergent validity standards.

6.4.1.2.2 Discriminant validity

In accordance with Wu and Chen (2017), discriminant validity is analysed through the HTMT ratio of constructs. Following table 6.26 indicates the HTMT ratio of each variable used.

		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
1	Commitment																						
2	Cultural Specificity	0.614																					
3	Early age Firm	0.729	0.739																				
4	Education	0.662	0.733	0.610																			
5	Educational level	0.800	0.685	0.846	0.604																		
6	Firm Size	0.623	0.741	0.763	0.687	0.825																	
7	Foreign languages	0.620	0.671	0.696	0.622	0.636	0.852																
8	Innovation	0.692	0.862	0.854	0.774	0.738	0.656	0.826															
9	International Experience	0.861	0.849	0.896	0.896	0.834	0.801	0.849	0.840														
10	International experience	0.618	0.750	0.850	0.799	0.746	0.803	0.834	0.623	0.787													
11	Market knowledge	0.710	0.655	0.633	0.884	0.809	0.827	0.851	0.875	0.884	0.678												
12	Older age Firm	0.611	0.736	0.630	0.667	0.782	0.701	0.786	0.878	0.850	0.754	0.713											
13	Optimal Export performance	0.793	0.799	0.839	0.821	0.895	0.841	0.739	0.645	0.787	0.680	0.842	0.694										
14	Place/Distribution Adaptation	0.624	0.862	0.707	0.649	0.830	0.885	0.750	0.845	0.676	0.835	0.782	0.681	0.699									
15	Price Adaptation	0.769	0.750	0.718	0.739	0.806	0.753	0.771	0.803	0.798	0.647	0.722	0.664	0.891	0.727								
16	Proactive approach	0.691	0.766	0.676	0.653	0.634	0.850	0.654	0.748	0.683	0.610	0.797	0.825	0.818	0.709	0.793							
17	Product Adaptation	0.834	0.797	0.880	0.621	0.716	0.890	0.736	0.728	0.652	0.759	0.898	0.765	0.818	0.883	0.828	0.604						
18	Promotion Adaptation	0.616	0.875	0.877	0.843	0.700	0.884	0.622	0.842	0.649	0.707	0.718	0.730	0.675	0.660	0.652	0.746	0.643					
19	Psychic Distance	0.658	0.808	0.877	0.616	0.754	0.722	0.716	0.647	0.726	0.848	0.626	0.647	0.710	0.822	0.784	0.826	0.854	0.857				
20	Rigidness	0.891	0.705	0.710	0.708	0.881	0.831	0.850	0.722	0.816	0.839	0.715	0.779	0.683	0.718	0.653	0.895	0.803	0.601	0.731			

21	Risk Taking Ability	0.884	0.665	0.740	0.775	0.869	0.861	0.656	0.729	0.766	0.658	0.646	0.729	0.769	0.725	0.702	0.795	0.620	0.783	0.605	0.829	
22	Superior Export performance	0.627	0.768	0.757	0.612	0.702	0.615	0.645	0.852	0.819	0.792	0.884	0.714	0.850	0.772	0.821	0.800	0.769	0.718	0.690	0.798	0.751

Table 6.26 Discriminant validity (HTMT)

Source: Compiled by researcher (2020)

In order to be reliable, the HTMT ratio of each construct is required to be below 0.85 which has also been the case in this research. Hence, it can be confirmed that the constructs comply with the standards of discriminant validity.

Model Fitness

The model is completely fitted as its SRMR value is 0.07 and NFI is 0.89 and chi-square is also good showing the value of 429.959

Table 6.27: Model Fitness

Criteria	Saturated Model	Estimated Model
SRMR	0.044	0.079
d_ULS	0.228	0.75
d_G1	0.371	0.449
d_G2	0.242	0.303
Chi-Square	362.112	429.659
NFI	0.914	0.898

Based on the table above, it is found that the value of SRMR in Saturated Model is 0.044 while the value of same in Estimated Model is 0.079. The number is lower than 0.10 which implies that the fitness is ensured. Since the value of d_ULS is greater than 0.005, therefore it is established that it is fit and there is no discrepancy. The NFI value in the table is presented as close to 1, which reflects that the model is fit. Similarly, the value of CHI square also reflects the fitness of the model.

6.4.2 Structural model

The notion of R^2 determines the variance of each independent variable. 0.75 value indicates a high variance where 0.20 reflects on a weak variance of a variable. The R-square of superior export performance, optimal export performance and international export performance have been discussed in this research and the following table illustrates its values:

Table 6.27: R-Square

R-Square

	R Square	R Square Adjusted
Superior Export performance	0.876	0.824
Optimal Export performance	0.785	0.762
International Marketing Strategy	0.792	0.779

Source: Compiled by researcher (2020)

A modified form of R square is the adjusted R square, which is adjusted with reference t to the number of predictor variables in the model. It increases when the new terms added to the model have the ability to improve it. It has been observed through the table above that all these variables hold greater variance with the values more than 0.75.

Table 6.28: Q2 Value

Construct	**Q^2**
Superior Export performance	0.153
Optimal Export performance	0.186
International Marketing Strategy	0.108

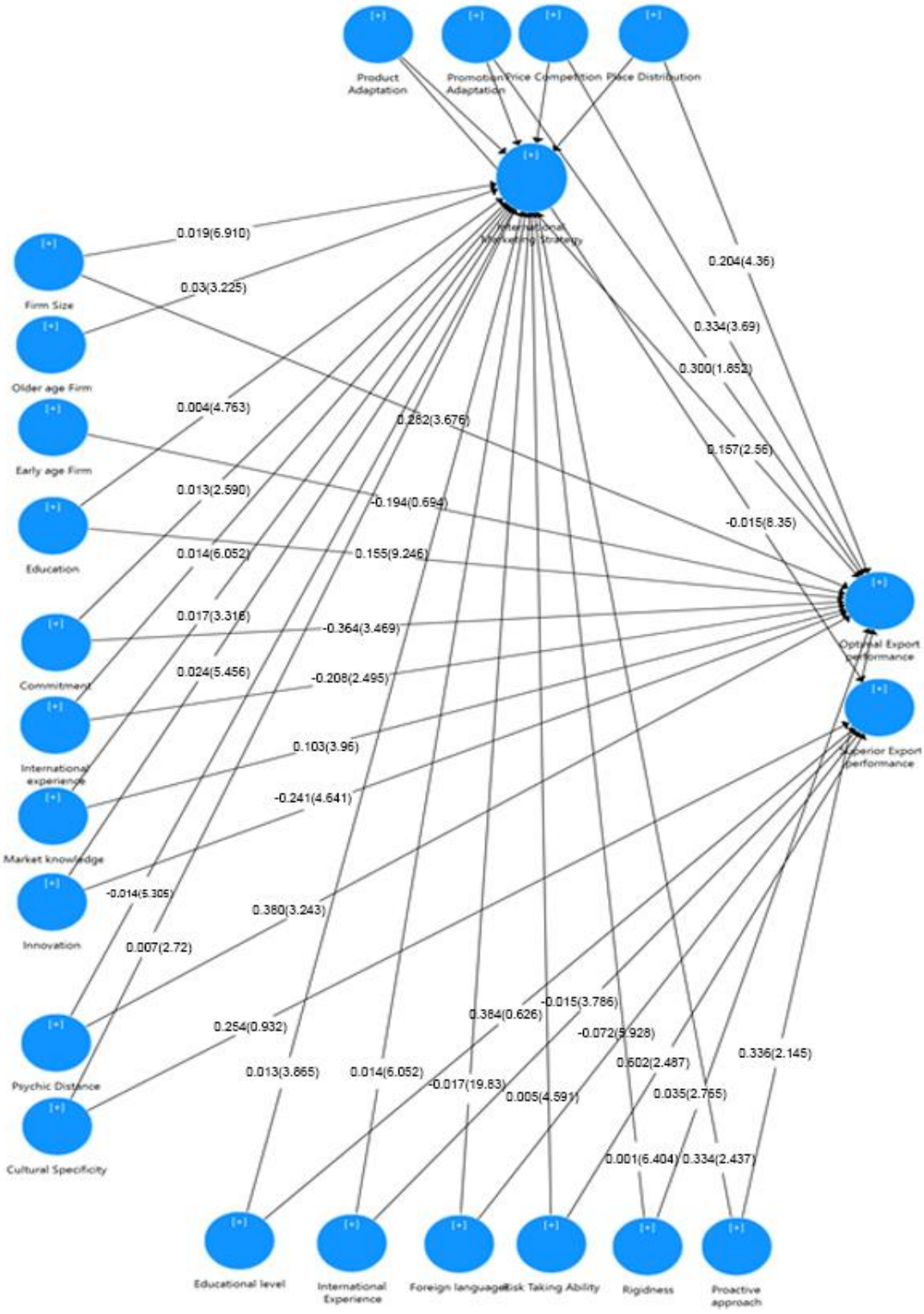
Source: Compiled by researcher (2020)

Q square is the R square value, which is achieved after application of the QSAR model. According to Hair et al. (2011), the value of constructs above 0 indicates that these are predictive. It implies that the superior export performance, optimal export performance, and international marketing strategy are complied with the standard value of Q^2.

6.4.3 Path Modelling and Hypothesis Testing

The purpose of this section is to present an overview of the results obtained for each hypothesis. The relationships among dependent and independent variables have been projected through their path coefficient. Figure 6.15 shows the graphical representation of the relationships between independent variables, independent variables and mediator.

Figure 6.15: Path coefficients conceptual research model



Source: SmartPLS output (2020)

The table below illustrates the association or relationship between variables, hypothesis, path coefficients, t-values and the result. These values are based on the hypothesis that has been formed for the purpose of this research. The significance level is compared with the threshold value that must be ≤ 0.05. Thus, the significance values of the below table identify whether the hypothesis is accepted or rejected on that basis.

Table 6.29: Path Modelling and Hypotheses Testing

Relationship	Hypothesis	Path Coefficient	Sig Value	T-Value	Result
Firm Older Age -> International Marketing Strategies	H1a	0.03	0.001	3.225	Supported and significant
Firm Early Age -> Optimal Export Performance	H1b	-0.194	0.310	0.694	Supported and not significant
Firm Size -> International Marketing Strategies	H2a	0.019	0.000	6.910	Supported and significant
Firm Size -> Optimal Export Performance	H2b	0.282	0.000	3.676	Supported and significant
Higher Educated Employees -> International Marketing Strategies	H3a	0.004	0.000	4.763	Supported and significant
Higher Educated	H3b	0.155	0.000	9.246	Supported

Employees -> Optimal Export Performance					and significant
International Experience -> International Marketing Strategies	H4a	0.014	0.000	6.052	Supported and significant
International Experience -> Optimal Export Performance	H4b	-0.208	0.013	2.495	Supported and significant
Market Knowledge -> International Marketing Strategies	H5a	0.017	0.001	3.316	Supported and significant
Market Knowledge -> Optimal Export Performance	H5b	0.103	0.000	3.96	Supported and significant
Innovation -> International Marketing Strategies	H6a	0.024	0.000	5.456	Supported and significant
Innovation -> Optimal Export Performance	H6b	-0.241	0.000	4.641	Supported and significant
Committed Firms -> International Marketing Strategies	H7a	0.013	0.010	2.590	Supported and significant

Committed Firms -> Optimal Export Performance	H7b	-0.364	0.010	3.469	Supported and significant
Psychic Distance -> International Marketing Strategies	H8a	-0.014	0.000	5.305	Supported and significant
Psychic Distance -> Optimal Export Performance	H8b	0.380	0.001	3.243	Supported and significant
Culture Specificity -> International Marketing Strategies	H9a	0.007	0.007	2.72	Supported and significant
Culture Specificity -> Superior Export Performance	H9b	0.254	0.098	0.932	Supported and not significant
Higher Educational Level of Manager -> Superior Export Performance	H10a	0.384	0.117	0.626	Supported and not significant
Foreign Language Expertise-> Superior Export Performance	H10b	-0.072	0.000	5.928	Supported and significant
International Experience of Manager -> Superior Export Performance	H10c	-0.015	0.000	3.786	Supported and significant

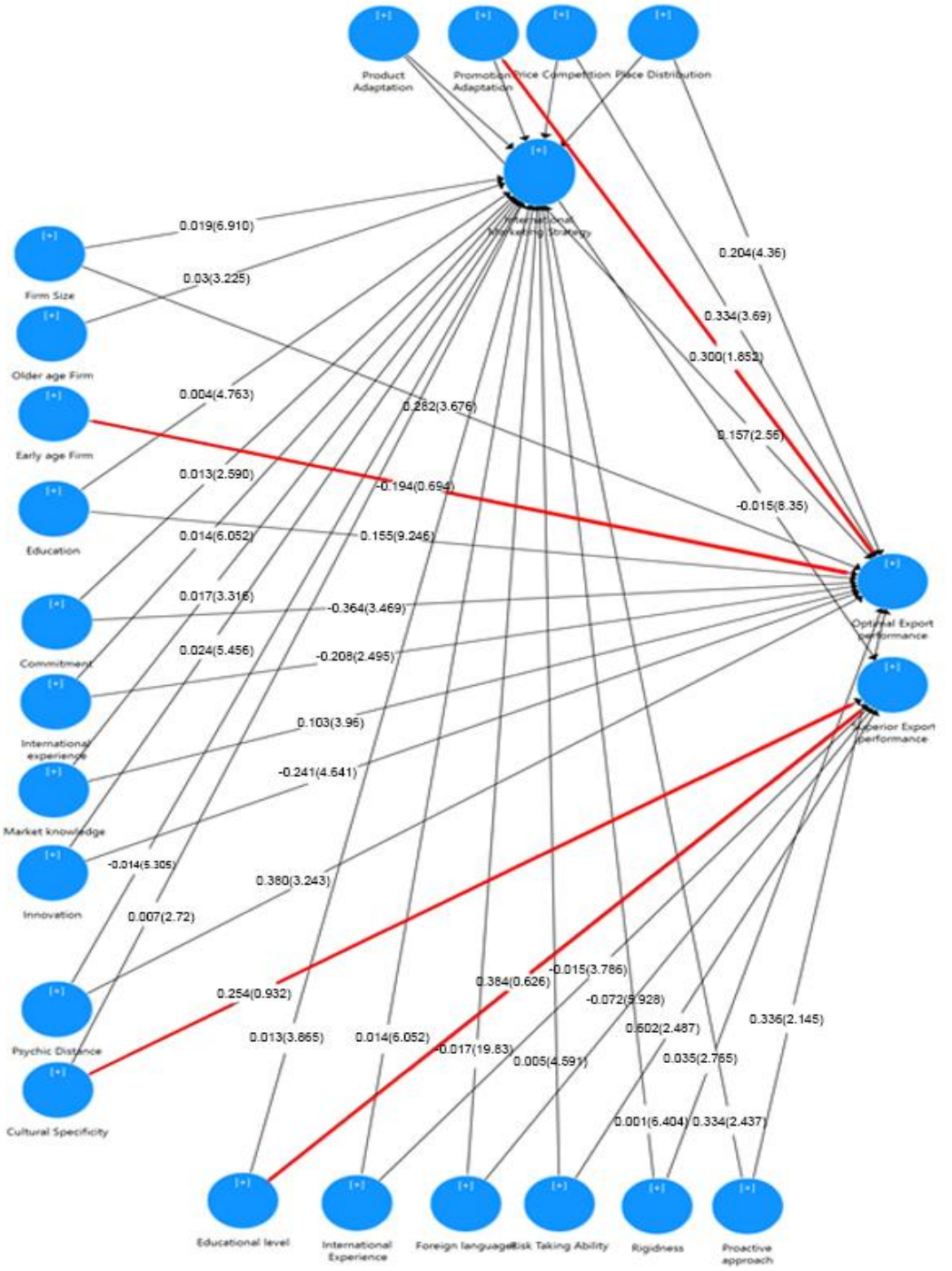
Higher Educational Level of Manager -> International Marketing Strategies	H10d	0.013	0.000	3.865	Supported and significant
Foreign Language Expertise-> International Marketing Strategies	H10e	-0.017	0.000	19.83	Supported and significant
International Experience of Manager -> International Marketing Strategies	H10f	0.014	0.000	6.052	Supported and significant
Risk Taking Ability-> Superior Export Performance	H11a	0.602	0.013	2.487	Supported and significant
Rigidness of Manager ->Optimal Export Performance	H11b	0.035	0.006	2.765	Supported and significant
Proactive Approach of Manager -> Superior Export Performance	H11c	0.336	0.000	2.145	Supported and significant
Risk Taking Ability-> International Marketing Strategies	H11d	0.005	0.000	4.591	Supported and significant
Rigidness of Manager ->	H11e	0.001	0.030	6.404	Supported

International Marketing Strategies					and significant
Proactive Approach of Manager -> International Marketing Strategies	H11f	0.334	0.000	2.437	Supported and significant
Effective International Marketing Strategies-> Superior Export Performance	H12a	-0.015	0.005	8.35	Supported and significant
Product Adaptation ->Optimal Export	H12b	0.157	0.003	2.56	Supported and significant
Promotion Adaptation ->Optimal Export	H12c	0.300	0.070	1.852	Supported and not significant
Price Competition ->Optimal Export	H12d	0.334	0.005	3.69	Supported and significant
Foreign Subsidiary/Distribution ->Optimal Export	H12e	0.204	0.006	4.36	Supported and significant

Source: Compiled by researcher (2020)

On the basis of the table above, it has been observed that majority of the hypothesis developed for this research are accepted. However, there are four hypotheses that have been rejected, which are 1b, 9b, 10a, and 12c. For the entire hypothesis that has been accepted, the relationship between variables is found to be significant.

Figure 6.16: Hypotheses and strength of the relationships



Source: SmartPLS output (2020)

6.5 Mediator testing

Based on the conceptual framework of this research, international marketing strategies is the only mediator between independent and dependent variable. However, there are five variables of mediator that are analysed to comprehend its influence on the dependent variable which is export performance. The steps of mediator testing include determining of relationship among independent variable and dependent variable without mediator, the second step is to evaluate the relationship between independent variables and mediator. The third step evaluates the relationship among mediator and dependent variable. The fourth step discusses the complete model signifying the relationship between all variables as well as mediator.

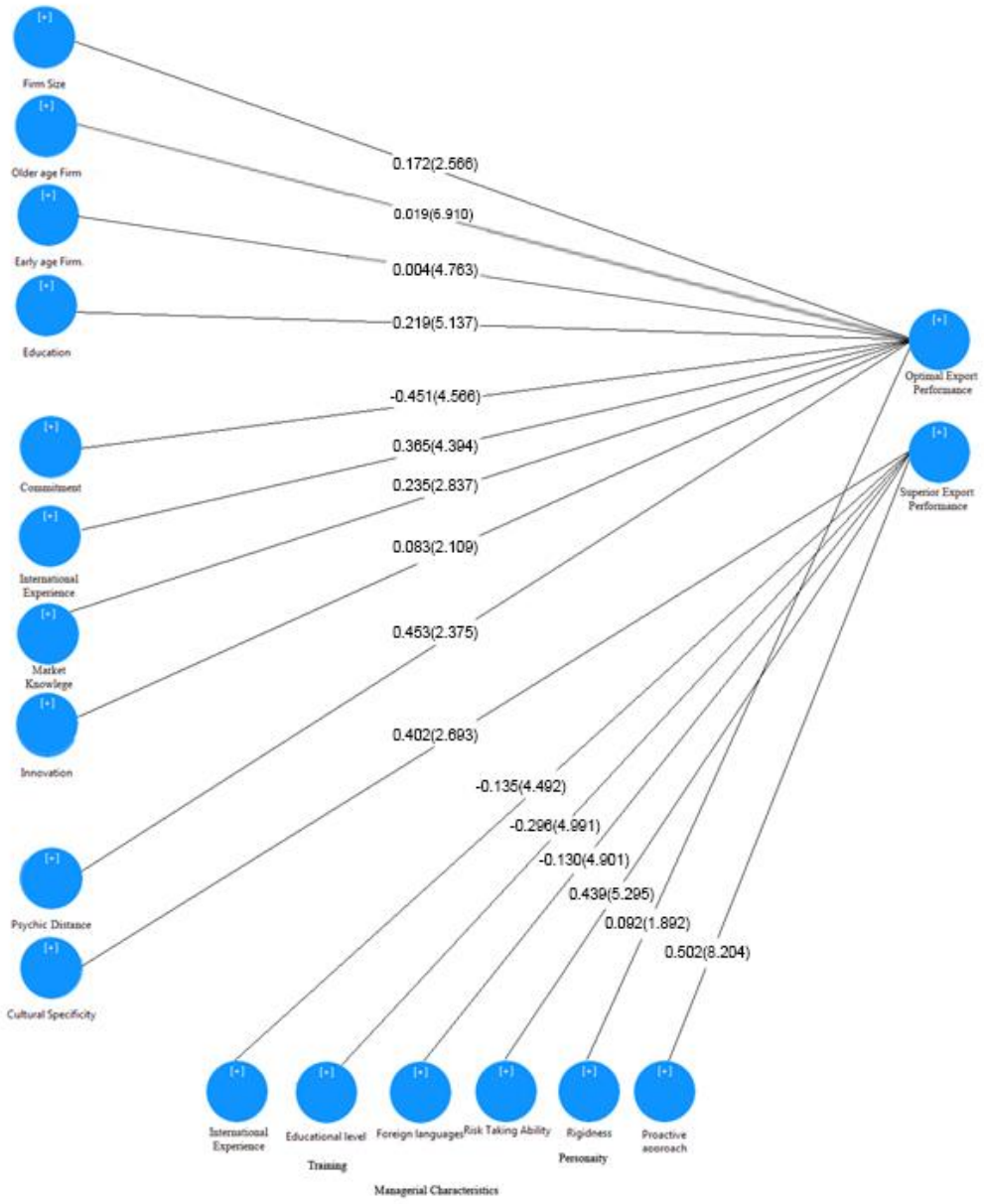
6.5.1. Step one

The first step is to determine the relationships between the independent and dependent variables without the mediator (as presented in the graph below, figure 6.17). This result has shown that the firm size and optimal export performance have significant association with path coefficient of 0.172 and t-value as 2.566. The relationship between higher educated employees and optimal export performance is also significant with path coefficient 0.219 and t-value is 5.137. Similarly, international experience and optimal export performance relationship are significant with the value of path coefficient as 0.365 and t-value as 4.394. Market knowledge and optimal export performance have shown significant association with path coefficient 0.235 while the t-value is 2.837. Similar to this, innovation and optimal export performance path coefficient and t-value are 0.083 and 2.109, which is significant. The correlation between firms' commitment and optimal export performance is significant with path coefficient of -0.451 and t-value of 4.566, just as association between psychic distance and optimal export performance, having the path coefficient 0.453 and t-value of 2.375. Additionally, culture specificity and superior export performance relationship is also found to be significant with path coefficient of 0.402 and t-value 2.693.

The path coefficient and t-value between higher education of managers and superior export performance are 0.296 while the t-value is 4.991.Similarly, relationship between foreign

language expertise of manager and superior export performance is also significant, as the path coefficient is -0.130, and the value of t is 4.901. Furthermore, association between international experience of managers and superior export performance is significant with a path coefficient -0.135 while t-value is 4.492, just as risk taking ability and superior export performance relationship are significant because the path coefficient value is 0.439 and t-value is 5.295. Relationship between Rigidness of manager and superior export performance is significant with t-value of 1.892 and path coefficient value of 0.092. Lastly, proactivity of manager and superior export performance has shown significant association with path coefficient value 0.502 and t value 8.204. The result of 1st step indicates that all the fourteen variables met the requirements for a mediating effect.

Figure 6.17: Model without mediators

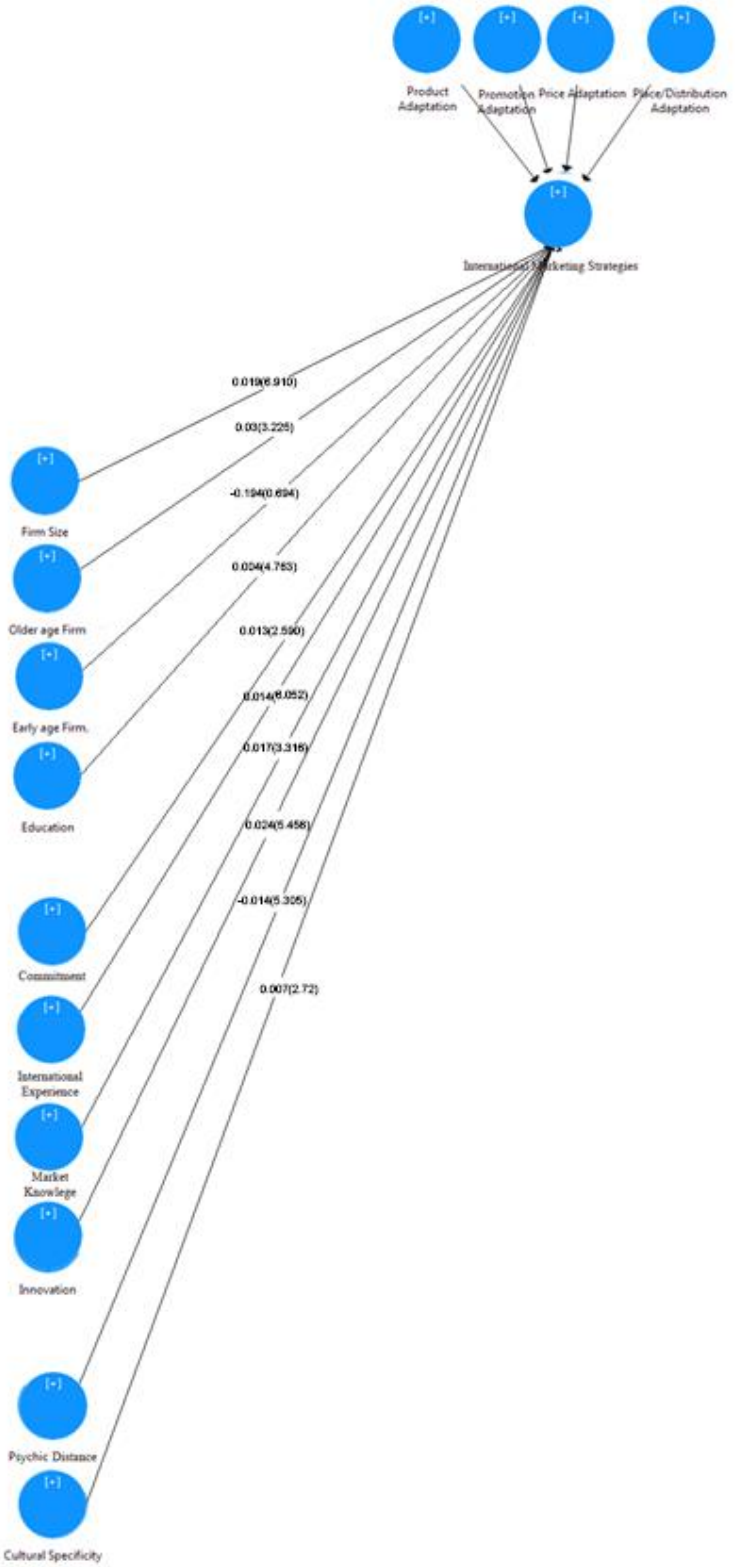


Source: SmartPLS output (2020)

6.5.2. Step two

The second step is to evaluate the relationship among independent variables and mediator. Most relationships presented in figure 6.18 are significant, suggesting that majority of independent variables significantly influence the mediators. This is applicable for older firm age and international marketing strategies with t-value of 3.225 and path co-efficient of 0.03, firm size and international marketing with path coefficient 0.019 and t-value 6.910,higher educated employees and international marketing strategies with path coefficient 0.004 and t-value is 4.763, international experience and international marketing strategies with path coefficient 0.014 and t-value 6.052,market knowledge and international marketing strategies with path coefficient 0.017 and the t-value 3.316, innovation and international marketing strategies with path coefficient 0.024 and t-value 5.456, firms commitment and international marketing strategies with path coefficient 0.013 and t-value 2.590, psychic distance and international marketing strategies with the path coefficient -0.014and the t-value 5.305, and culture specificity and international marketing strategies with path coefficient 0.007 and t-value 2.72. The only non-significant association among mediator and independent variable is between firm early age and international marketing strategies with the path coefficient of -0.194 and t-value of 0.694.

Figure 6.18: Independent variables on mediators

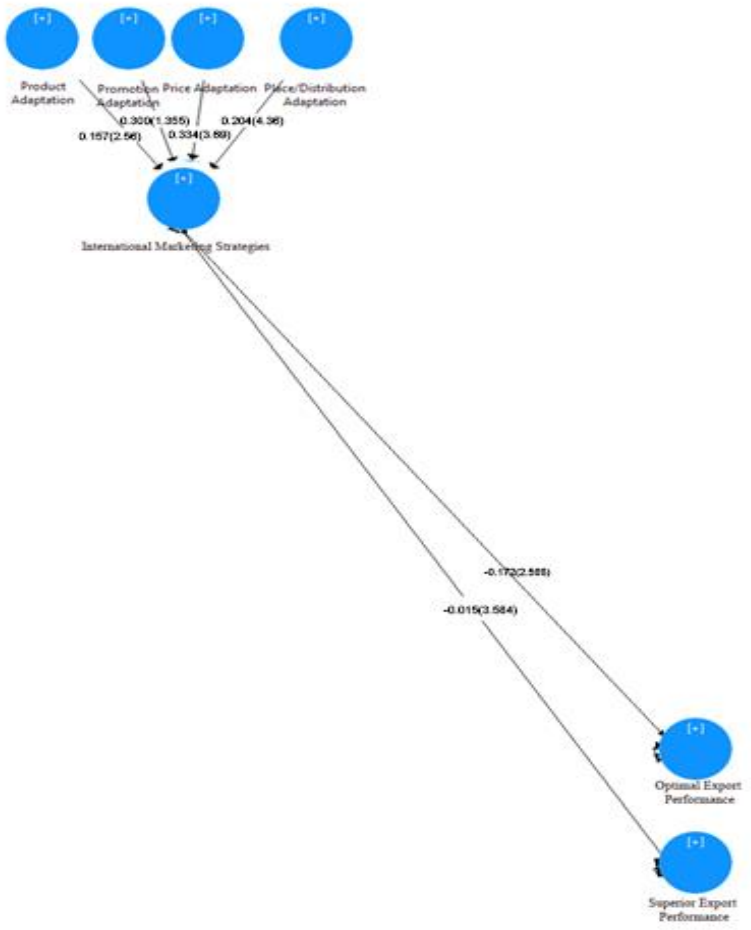


Source: SmartPLS output (2020)

6.5.3. Step three

The third step determines whether the relationships among the mediators and the dependent variables are significant (as presented in the figure 6.19 below). The relationship between export performance and international marketing strategy is significant with path coefficient of -0.015 and t-value of 3.584. Moreover, the relationship between product adaptation and optimal export performance is significant with t-value of 2.56 and path coefficient of 0.17.The correlation between export performance and price competition is significant with path coefficient of 0.334 and t-value of 3.69, just as association between foreign subsidiary/distributor support and optimal export performance, having the path coefficient 0.204and t-value 4.36. On the contrary, association between promotion adaption and optimal export performance is not significant with path coefficient of 0.300 and t-value of 1.355.

Figure 6.19: Mediators on dependent variable



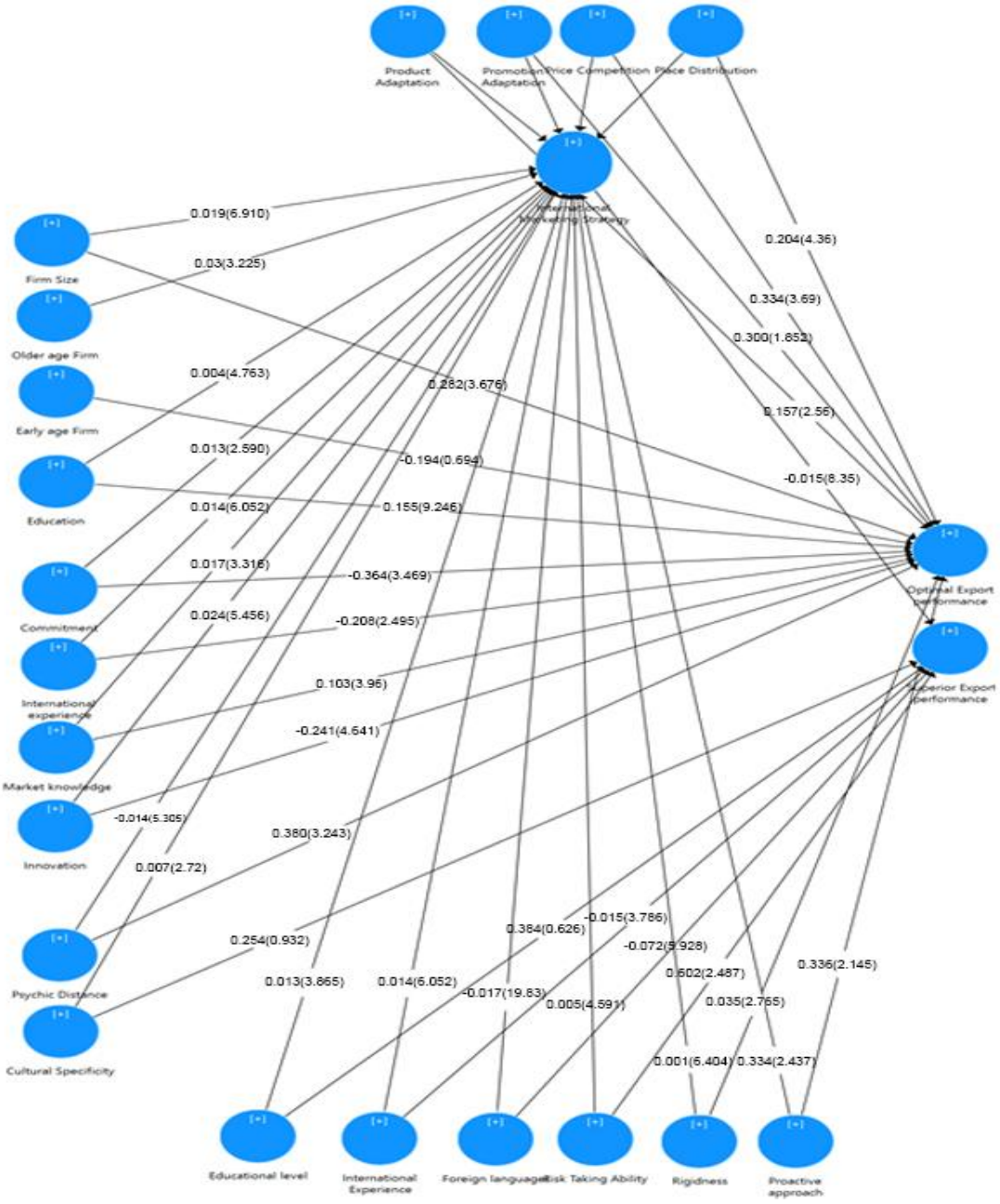
Source: SmartPLS output (2020)

6.5.4. Step four

The final step involves determining the relationship between independent, dependent and mediator variables. Based on the conceptual framework and findings of this research, it has been observed that the relationship among variables is significant, with and without the mediator. As per the Nitzl, Roldan, and Cepeda (2016), if the addition of mediator shows that the relationship among dependent and independent variables becomes zero, full mediation occurs. However, the

reduction in relationship points out partial mediation. The weakest or not significant relationship is found to be among firm at early age and international marketing strategies, culture specificity and superior export performance, higher educational level of manager and superior export performance, promotion adaptation and optimal export performance. Below in figure 6.20 shows the graphical representation of the full model.

Figure 6.20: Full Model



Source: Smart PLS output (2020)

6.6 Summary of Hypotheses Results

The purpose of this section is to represent the summary of results obtained for each hypothesis through path modelling and testing.

6.6.1 Firm Age and International Marketing Strategies

Hypothesis 1a has been designed to investigate the relationship between firms with older age and international marketing strategies, suggesting that the older firms are more prone to adopt international marketing strategies. The results of this research estimate a t-value of 3.225 and path co-efficient of 0.03, hence it can be observed that the older firms are better at adapting international marketing strategies.

6.6.2 Firm Age and Optimal Export Performance

Hypothesis 1b has been established to analyse the impact of firms early age on its optimal export performance. The results of this hypothesis indicate the path coefficient -0.194 with the t-value of 0.694, which means that the hypothesis is supported but not significant.

6.6.3 Firm Size and International Marketing Strategies

Hypothesis 2a has been developed to explore the correlation between the size of the firm and its international marketing strategies stating that bigger firms are more likely to adopt international marketing strategies. The hypothesis has been supported with the path coefficient 0.019 and t-value 6.910, indicating that the larger firms are more likely to adopt international marketing strategies.

6.6.4 Firm Size and Optimal Export Performance

Hypothesis 2b, in an attempt to analyse the relationship between firm size and optimal export performance, states that larger firms are more likely to have optimal export performance. The

hypothesis has been supported and found significant as the results of this research indicate the relationship between these two variables is significant with path coefficient of 0.282 and T-value as 3.676.

6.6.5 Higher Educated Employees and International Marketing Strategies

Hypothesis 3a indicates the relationship between higher education of employees working in a firm and its international marketing strategies. With the path coefficient of 0.004 and T-value of 4.763, the hypothesis states that firms with more educated employees are more prone to adopt international marketing strategies.

6.6.6 Higher Educated Employees and Optimal Export Performance

Hypothesis 3b has been established to examine the association between higher educated employees of the firm with optimal export performance. It states that firms with more educated employees are more likely to have optimal export performance. The hypothesis has been supported and significant as the results indicate path coefficient to be 0.155 and T-Value is 9.246.

6.6.7 International Experience and International Marketing Strategies

Hypothesis 4a discusses the impact of international experience of the firm on its international marketing strategies, stating that firms with more international experience are more likely to adopt international marketing strategies. The hypothesis has been supported and significant with the path coefficient of 0.014 and T-value is 6.052.

6.6.8 International Experience and Optimal Export Performance

The Hypothesis 4b states that firms with more international experience are more likely to have optimal export performance. The results of hypothesis indicate a positive relationship between

international experience and optimal export performance because the hypothesis is supported and significant with the value of path coefficient as -0.208 and T-value as 2.495.

6.6.9 Market Knowledge and International Marketing Strategies

Hypothesis 5a establishes the relationship between market knowledge possessed by employees of the firm and its impact on the international marketing strategies. The results of research indicate that the path coefficient is 0.017 while the t-value of these variables is 3.316. Hence, it indicates that the hypothesis stating firms with more market knowledge and research are more likely to adopt international marketing strategies is supported and significant.

6.6.10 Market Knowledge and Optimal Export Performance

Hypothesis 5b is developed to investigate that the market knowledge of firms has an impact on the optimal export performance. In compliance with the results of this research, it has been found that the path coefficient of these variables is 0.103 while the T-value is 3.960. Therefore, the hypothesis is found to state that firms with more market knowledge and research are more probable to have optimal export performance is supported and significant.

6.6.11 Innovation and International Marketing Strategies

Hypothesis 6a has been designed to illustrate the relationship that exists between innovation of the firm and its impact on the international marketing strategies. The path coefficient and T-Value of the results are 0.024 and 5.456, respectively. Hence, it supports the hypothesis stating that firms applying more innovation are more likely to adopt international marketing strategies.

6.6.12 Innovation and Optimal Export Performance

Hypothesis 6b has been formulated to investigate the association between innovation and international marketing strategies. The results of this research indicate path coefficient and T-value of these variables as -0.241 and 4.641, respectively. Hence, it has been found that the hypothesis stating that the firms applying more innovation are more likely to have optimal export performance, is supported and significant.

6.6.13 Committed Firms and International Marketing Strategies

Hypothesis 7a indicates a relationship between firm's commitment and its international marketing strategies, stating that more committed firms are more likely to adopt international marketing strategies. It has been found through the results that the path coefficient is 0.013and the T-value is 2.590, which proves that the hypothesis is supported and significant. It implies that higher commitment of firms leads to development of international marketing strategy.

6.6.14 Committed Firms and Optimal Export Performance

Hypothesis 7b states that more committed firms are more likely to have optimal export performance. The results concerning this hypothesis indicate the value of path coefficient to be -0.364 and value of T as 3.469. The results imply that the hypothesis is supported and significant and the relationship between committed firms is associated with the optimal export performance of the firm.

6.6.15 Psychic Distances and International Marketing Strategies

Hypothesis 8a is established to understand the relationship between psychic distance and international marketing strategies. The path coefficient is found to be-0.014, while the T-value is 5.305. It indicates that the hypothesis that states higher psychic distances negatively impacts on firm's international marketing strategies is supported and significant.

6.6.16 Psychic Distance and Optimal Export Performance

Hypothesis 8b indicates a relationship between psychic distance of a firm and the marketplace and optimal export performance. The hypothesis states that higher psychic distances negatively impact on firm's export performance and is found to be supported significantly in this research as the path coefficient is 0.380 with the T-value as 3.243.

6.6.17 Culture Specificity and International Marketing Strategies

Hypothesis 9a has been established to examine the relationship between culture specificity of the products offered by the firm and its international marketing strategies. The path coefficient of this quotient is found to be 0.007 while the value of T is 2.720. Hence, it can be observed that the hypothesis is supported and significant, stating that firms with highly culture-specific products are more likely to adopt international marketing strategies as compared to the firms with products that are not culture-specific.

6.6.18 Culture Specificity and Superior Export Performance

H9b states that highly culture-specific products are inclined to have less difficulty in selling to a culturally different international market than products that are not culture-specific, resulting in superior export performance. This hypothesis has been created to investigate the influence of culture specificity on superior export performance. The results indicating path coefficient 0.254and T-Value 0.932, indicating that the hypothesis is supported but the results are not significant.

6.6.19 Higher Educational of Managers and Superior Export Performance

Hypothesis 10a has been developed in an attempt to evaluate the impact of higher education level of managers on the superior export performance of the firm. The findings indicate path coefficient as 0.384 while the t-Value is 0.626. It indicates that the hypothesis is validated but the

result is not significant stating that in SMEs, the higher the educational level of the top manager, the more favourable his export attitude and the firm will experience superior export performance.

6.6.20 Foreign Language Expertise of Manager and Superior Export Performance

Hypothesis 10b has been formulated to investigate the impact of manager's expertise on the foreign language on the superior export performance of the firm. Findings of this research accept the hypothesis suggesting that in SMEs, the more foreign languages spoken by the top manager the more favourable will be his export attitude and the firm will experience superior export performance. Path coefficient of this hypothesis is -0.072, and the value of T is 5.928.

6.6.21 International Experience of Managers and Superior Export Performance

Hypothesis 10c states that in SMEs, the greater the international experience of the top manager the more favourable his attitude towards exporting and the firm will experience superior export performance. The hypothesis has been evaluated and found path coefficient to be -0.015 while the value of T is found to be 3.786. It implies that the international experience of managers plays a significant role in superior export performance.

6.6.22 Educational Level of Managers and International Marketing Strategies

To investigate the relationship between education level of managers and international marketing strategies, hypothesis 10d was formulated. The results of this research supported this relationship, as the hypothesis is supported and significant with path coefficient of 0.013 and t-value of 3.865. This implies that the higher the educational level of the top manager, the more favourable his export attitude to adopt international marketing strategies in South African SMEs.

6.6.23 Foreign Language Expertise and International Marketing Strategies

Hypothesis 10e is supported and significant, indicating a positive relationship between foreign language expertise of a manager and adoption of international marketing strategies. This is

evident with a path coefficient value of -0.017 and t-value 19.83. This means that the more foreign languages spoken by the top manager, the more favourable will be his export attitude to adopt international marketing strategies in SMEs.

6.6.24 International Experience and International Marketing Strategies

The relationship between international experience of managers and adoption of international marketing strategies is found to be significant. The data analysis showed the path coefficient value to be0.014 and t-value 6.052, meaning that the hypothesis is supported and significant. In the context of South African SMEs, it means that the greater the international experience of the top manager, the more favourable his attitude to adopt international marketing strategies.

6.6.25 Risk Taking Ability and Superior Export Performance

Hypothesis 11a has been formulated in order to evaluate and analyse the relationship between manager's risk-taking ability and the superior export performance of the firms. The path coefficient value of this notion is 0.602, on the other hand, the T-value is found to be 2.487. It implies that the hypothesis stating in SMEs, the greater the risk-taking of the top manager, the more favourable his export attitude and the firm will experience superior export performance is supported and significant.

6.6.26 Rigidness of Manager and Superior Export Performance

The rigidness of manager and its impact on the superior export performance have been evaluated in hypothesis 11b which states that In SMEs, the more rigid the top-level manager, the less favourable his export attitude and the firm will experience sub-optimal export performance. The hypothesis is found to be supported and significant with the T value of 2.765 and path coefficient value of 0.035.

6.6.27 Proactivity of Manager and Superior Export Performance

Hypothesis 11c indicates the significance of proactivity of manager as a contributing factor in superior export performance. The findings of this hypothesis indicate path coefficient value as 0.336 and the T value of 2.145. Therefore, it has been observed that the hypothesis which states that in SMEs, the more proactive the top line manager, the more favourable his export attitude is supported and significant.

6.6.28 Risk-Taking ability of Managers and International Marketing Strategies

Hypothesis 11d is indicating a positive association between risk-taking ability of managers and international marketing strategies adopted. This is evident from the data analysis, as it resulted in path coefficient value of 0.005 and t-value 4.591. Therefore, it can be concluded that the greater the risk-taking of the top manager, the more favourable his export attitude to adopt international marketing strategies.

6.6.29 Rigidness of Managers and International Marketing Strategies

Similarly, the results of H11e show that there is a significant relationship between rigidness of managers and adoption to international marketing strategies. The results showed that at a significance level of 5 percent, path coefficient value is 0.001 while t-value is 6.404. This implies that the more rigid the top-level managers, the less favourable his export attitude to adopt international marketing strategies in South African SMEs.

6.6.30 Proactive Approach of Manager and International Marketing Strategies

Hypothesis 11f is confirmed to be supported. The data analysis showed that there is a significant relationship between proactive approach of managers and their adoption to international marketing strategies. This is proved with a path coefficient value of 0.334 and t-value 2.437. This shows that the more proactive the top line manager, the more favourable his export attitude to adopt international marketing strategies.

6.6.31 Effective International Marketing Strategies and Superior Export Performance

Hypothesis 12a suggests that the effective and efficient international marketing strategy leads to superior export performance. Based on the findings of this research, it has been found that the coefficient of hypothesis has presented the path coefficient value as -0.015 and T value as 8.35. Hence, it can be observed that the hypothesis that has built the relationship between effective international marketing strategies and superior export performance has been supported and significant.

6.6.32 Export Performance and Product Adaptation

Hypothesis 12b evaluates the impact of product adaptation on optimal export performance of the firm. The findings of hypothesis coefficient indicate that the t-value is 2.56 and path coefficient value is 0.157. Therefore, the hypothesis12b, which states that export performance in an optimal export organisation is enhanced by the degree of product adaption, is supported and significant

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6.6.33 Export Performance and Promotion Adaption

The hypothesis 12c aims to establish a relationship between promotion adaption and optimal export performance. As indicated by the hypothesis coefficient, the path coefficient and t-value found for this relationship are 0.300 and 1.852, respectively. Therefore, the hypothesis which states that the optimal export performance in an export organisation is enhanced by the degree of promotion adaptation is supported but show non-significant relationship.

6.6.35 Export Performance and Price Competition

The research has aimed to analyse the relationship between the level of price competition and optimal export performance. The hypothesis coefficient results that the path coefficient value and t-value of these variables are 0.334 and 3.69, respectively. Hence, it can be concluded that H12d that states that optimal export performance in an export organisation is enhanced by increase in the level of price competition is supported and significant.

6.6.36 Export Performance and Foreign Subsidiary/Distributor Support

The hypothesis 12e focuses on the impact of foreign subsidiary/distributor support on optimal export performance of a firm. The findings of this research present hypothesis coefficients indicating the path coefficient to be 0.204 and t-value to be 4.36. It implies that the hypothesis stating that optimal export performance in an export organisation is enhanced by increase in exporting firm's support to foreign subsidiary/distributor is supported and significant.

6.7 Summary

The fundamental aim of this section is to represent the results that have been attained for this research through survey questionnaire. The section elaborates the outcomes of pilot study, which are then followed by the demographic description and charts of the participants. In addition to this, the results of measurement items and statistics are discussed elaborately to ensure that each of the hypotheses has been tested and evaluated. Following the descriptive statistics, the section has presented results and analysis of the survey responses in which each of the independent variables are tested in relation with the dependent variable.

In this research, the independent variables were mainly concerned with firms characteristics, firms export competencies, manager's characteristics, and environmental factors. In contrast, the dependent variables are international marketing strategies and export performance. Therefore, to fully understand the association between independent and dependent variables, mediators and the conceptual framework has been evaluated through structural model. Moreover, this section provides the summary of results drawn from the statistical representation of responses. The next chapter is based on the discussion and conclusion that has been formulated as a result of the responses. Also, the last section also covers direction for future research alongside the limitations.

CHAPTER SEVEN (7): CONCLUSIONS AND DISCUSSION

7.1 Introduction

The purpose of this chapter is to offer a critical overview of findings and results that have been obtained in the context of this research. It includes the elaborated discussion on the findings of this research in contrast and comparison with the literature that has been discussed in previous chapters. In addition to this, this section of the research also offers implications of the findings as well as the contributions it is likely to make in the field. Furthermore, this section also holds recommendation for the practitioners and future researchers through reflecting the results. Lastly, this chapter also includes experienced limitations that are associated with the research and maybe addressed in future studies concerning the same topic and research.

7.2 Main findings

The fundamental aim of this research was to find the relationship between different characteristics of firms and their impact on international marketing strategies and export performance in SMEs of South Africa. As mentioned earlier, the primary aim of this chapter is to give details on the results of this research and to compare and contrast it with the literature that has been previously discussed. Following is the table to illustrate the summary of findings that have been obtained in the context of this research.

Table 7.1: Research Summary

Relationships	Hypothesis	Results
Firm of Older Age > International Marketing Strategies	H1a	Supported and significant
Firm at Early Age >International Marketing Strategies	H1b	Supported and not significant
Firm Size > International Marketing Strategies	H2a	Supported and

		significant
Firm Size >Optimal Export Performance	H2b	Supported and significant
Higher Educated Employees > International Marketing Strategies	H3a	Supported and significant
Higher Educated Employees >Optimal Export Performance	H3b	Supported and significant
International Experience > International Marketing Strategies	H4a	Supported and significant
International Experience >Optimal Export Performance	H4b	Supported and significant
Market Knowledge > International Marketing Strategies	H5a	Supported and significant
Market Knowledge >Optimal Export Performance	H5b	Supported and significant
Innovation > International Marketing Strategies	H6a	Supported and significant
Innovation >Optimal Export Performance	H6b	Supported and significant
Committed Firms > International Marketing Strategies	H7a	Supported and significant
Committed Firms > Optimal Export Performance	H7a	Supported and significant
Psychic Distance > International Marketing	H8a	Supported and significant

Strategies		
Psychic Distance >Optimal Export Performance	H8b	Supported and significant
Culture Specificity > International Marketing Strategies	H9a	Supported and significant
Culture Specificity > Superior Export Performance	H9b	Supported and not significant
Higher Educational Level of Manager > Superior Export Performance	H10a	Supported and not significant
Foreign Language Expertise >Superior Export Performance	H10b	Supported and significant
International Experience of Manager > Superior Export Performance	H10c	Supported and significant
Risk Taking Ability Superior Export Performance	11a	Supported and significant
Rigidness of Manager > Optimal Export Performance	11b	Supported and significant
Proactive Approach of Manager > Superior Export Performance	11c	Supported and significant
Effective International Marketing Strategies >Superior Export Performance	12a	Supported and significant
Optimal Export Performance > Product Adaptation	12b	Supported and significant
Optimal Export Performance > Promotion Adaptation	12c	Supported and not significant

Optimal Export Performance > Price Competition	12d	Supported and significant
Optimal Export Performance > Foreign Subsidiary/Distribution	12e	Supported and significant

Source: Compiled by researcher (2020)

7.2.1 Firm Old Age and International Marketing Strategies

In accordance with hypothesis 1a that has been developed for this research, a relationship between firm's age and its impact on the adaptation of international marketing strategies has been proposed. It proposes that firms that are older in age are better in adopting different suitable marketing strategies when it comes to internationalisation. Since the results of the research support this hypothesis significantly, it can be observed that South African firms that are older in age are comparatively better in adopting suitable international marketing strategies than those who are younger and newer.

The results of this research are aligned with Atkin, Khandelwal and Osman (2017) which indicated that it is essential for the decision makers to determine the relative importance of characteristics of the firms such as size in order to determine its ability to perform in the market. Moreover, Kim and Hemmert (2016) signify the ability of older firms to sustain in tough competition and difficult environments as compared to those who are relatively young. It has further been emphasised through Love, Roper and Zhuo (2016) that older firms are inclined towards stable approaches and maturity which enables them to sustain in highly competitive markets in internationalisation.

It can be concluded through the findings of this research as well as the evident support from literature that there exists a significant relationship between firm's age and the international marketing strategies. It has been found that older firms are more likely to adopt international strategies as compared to newer and younger companies. It is due to the fact that older firms have the experience to sustain in a competitive atmosphere and have passed through the tough

times in order to achieve stability. Hence, these are the factors that are required to be considered while opting for any marketing strategies for internationalisation.

7.2.2 Firm Early Age and International Marketing Strategies

Hypothesis 1b indicates that firms that are at their early ages are better in adopting marketing strategies for internationalisation. The findings of this research supported the hypothesis non-significantly and conclude that firms at an early age are not better in adopting international marketing strategies, indicating that firms that are new must develop their business and expand their infrastructure to penetrate in a new market. However, it has been in contrast with the literature that suggests otherwise.

According to Sui, Baum and Malhotra (2018) firms that are young are adaptable and flexible to the changing environment as compared to the older firms that experience domestic inertia. Furthermore, it has been argued in Himersson and Johanson (2016) that there are many features of firms at early age that makes them adaptable to the new environment as compared to the firms that are old. These features include greater volatility and efficiency of operations. It has also been found through Cavusgil and Knight (2015) that firms that are young tend to have an intense process of selecting international marketing strategies and are witnessed to have a greater success rate in increasing the sales. On the other hand, Dogan (2013) complies with the findings of this research suggesting that the early age of the firm has no significant impact on the performance or selection of the firm's international marketing strategies.

Therefore, it can be determined that even though firms have tendency to accelerate the sales and growth in international market through selecting appropriate method of entry and adapting to the new atmosphere, the findings of this research indicate that the relationship between firm's early age and international marketing strategies is insignificant. It also implies that there are various stages through which the firms pass in a life cycle, and each of these phases project different forms of opportunities that they can take advantage from. Moreover, firms that delay their process of internationalisation fall into the phase of domestic inertia that makes it difficult for them to expand into a new market and adapt its environment efficiently.

7.2.3 Firm Size and International Marketing Strategies

In agreement with the findings of this research, it has been observed that the hypothesis 2a, indicating a relationship between firm size and firm's marketing strategies for internationalisation, is supported significantly. The hypothesis indicates that large firms have a better tendency or ability to adopt international marketing strategies, implying that the size of a firm is an important characteristic which plays a role in developing successful marketing strategies. It has been signified in Uwuigbe et al. (2015) that firm size is one of the key characteristics that indicate a firm's behaviour and strategic decisions.

However, Johnson (2016) has concluded that in the context of internationalisation, there is no significant impact on the firm's size. It has further been endorsed through Hagsten and Kotnik (2017) that the size of the firm is irrelevant to the compound that results in the successful internationalisation. However, Siedschlag and Zhang (2015) indicate that there is a considerable difference between the behaviour and performance of companies that are small and the large ones. There are several reasons for the same as discussed in the literature of firms' size in this research. One of the prime reasons behind larger firms being able to adapt international marketing strategies is that larger firms have better capacity to produce and develop for the economies, distinct from home market. Moreover, it has been found in Guo, Huy and Xiao (2017) that it is easier for larger firms to take risk and invest in new markets, unlike small and medium businesses that may or may not be able to cater the new market demands.

In conclusion, it has been found through the results of this hypothesis that larger firms are better at adopting international marketing strategies. In addition to this, the research has found that larger firms have added benefits such as stability, experience, and capacity for major production as compared to SMEs, making them better in developing international marketing strategies and succeeding.

7.2.4 Firm Size and Optimal Export Performance

Hypothesis 2b discussed the relationship between size of the firm and its optimal export performance. According to the hypothesis, optimal export performance can be achieved easily by the large firms. The research exhibits that the hypothesis is supported significantly and further depicts that the larger firms in South Africa have better ability and success rates pertaining to optimal export performance, as compared to the SMEs.

The findings of this research are aligned with the literature that covers subject of SMEs and their export performances. It has been highlighted in Siedschlag and Zhang (2015) that the success rate or the performance of export tends to increase with the increasing size of the firms, as the firms that are larger in size are able to deliver more as compared to small companies. In accordance with Ren, Eisingerich and Tsai (2015), it has been found that SMEs fail to deliver the exports as their resources are scarce or insufficient. Even though there are many researchers like Ansoff et al. (2018) who signify that smaller firms are able to gain competitive edge because of their flexible nature and behaviour to adapt the atmosphere; there are many studies in literature like Tidd and Bessant (2018) that suggest larger companies to have ability in achieving success through standardizing their market strategies for each of the potential market.

In conclusion, this research establishes that the firms which are larger in size are more likely to have optimal export performance which is supported by the aforementioned literature. Moreover, it implies that size of the firm has a significant role in achieving optimal export performance in South Africa, as it is directly related to the fulfilment of expectations and gaining the competitive advantage in a new market as well.

7.2.5 Higher Educated Employees and International Marketing Strategies

H3a states that firms with more educated employees are more likely to adopt international marketing strategies. This research concludes that the mentioned hypothesis has been supported significantly indicating that firm size to be one of the core characteristics that contribute to the optimal export performance. The research implies that education level of employees holds great

significance in developing and implementing international marketing strategies. It is so because higher educational level of employees adds value to the employee's ability to perform in difficult situations.

The results of this hypothesis are aligned with Fernandez-Ortiz et al. (2015), which suggests that formal education provides ability to the employees to solve problems at different levels. Problem solving ability is essential in expanding the business into new markets and hence requires high levels of cognitive abilities that have previously been achieved through formal education. In addition to this, employees that have received higher education are better in processing information efficiently and have multiple traits that favour success in internationalisation (Hwang, Hwang and Dong, 2015). Noe et al. (2017) signify that educated employees have greater influence on their peers and subordinates which forms a learning environment and can be beneficial in achieving targets for internationalisation. Furthermore, higher education of employees is also essential as it adds flexibility in their performance and decision making ability, which is the basic requirement of international marketing strategy.

To summarize, the findings of this study indicate that firms with more educated employees are more likely to adopt international marketing strategies. It implies that educated employees are flexible in adapting to new environment, which contributes to the consistent productivity towards the successful implementation of international marketing strategies.

7.2.6 Higher Educated Employees and Optimal Export Performance

Hypothesis 3b of this research is supported significantly and it states that firms with more educated employees are more likely to have optimal export performance. It specifies that higher level of education of employees working in a firm adds value to the employees work performance, which further contributes to the optimal export performance.

The results of this hypothesis are complied with Fernandez-Ortiz et al. (2015), which concluded that expanding the business to a new market through internationalisation or export activities requires employees to be able to handle complex situations. The employees are required to take

spontaneous decisions that call for high cognitive skills, as highlighted in Hamlin and Patel (2017). On the other hand, Noe et al. (2017) concluded that managers that possess high qualification and education tend to lead their subordinates with patience and positive attitude. Moreover, it has been found through De Vito et al. (2018) that employees with higher education are likely to make effective decisions in complex situations because of their prior knowledge about the subject.

In conclusion, it has been observed that higher education level of employees has a direct impact on the export performance. The rational reason is employees that possess higher level of education have more knowledge and they can implement strategies that are aligned with optimal performance of their export activities. Moreover, employees with higher education tend to think out of the box, implementing non-traditional strategies to achieve targeted success for the firm.

7.2.7 International Experience and International Marketing Strategies

In this research, hypothesis 4a discusses the significance of international experience of the firm for its ability to adopt international marketing strategies. It states that firms with more international experience are more likely to adopt international marketing strategies. The findings of this research supported the hypothesis significantly, presenting international experience as one of the most essential tools that enable entrepreneurs to make a sound decision when they have prior knowledge and experience of internationalisation and targeted market.

The results are also aligned with the literature of Piercy (2014) that illustrate past experiences of internationalisation as the baseline for future decisions concerning the same venture. In addition to this, Johanson and Mattson (2015) conclude that firms at early ages of internationalisation can make the best use of learnt tactics for influencing the market and achieving competitive advantage. In addition to this, Naude (2014) suggested that international experience of the firm has a major role to play in the process of selecting mode of entry, which is one of the most essential elements of internationalisation. On the other hand, it has been observed by Cagno and Trianni (2013) that firms that do not have adequate amount of international experience tend to face numerous difficulties and often face lack of sufficient resources because of their naivety.

In summary, it has been made evident, through the findings of this research as well as the literature on the subject, that firms with higher level of international experience are more likely to adopt international marketing strategies. This is so because the decision makers are confident with their actions and strategies that have been further strengthened with their previous experiences in expanding their businesses to foreign market.

7.2.8 International Experience and Optimal Export Performance

Hypothesis 4b of this research investigates the relationship between international experience of the firm and its impact on the optimal export performance. The hypothesis stating that Firms with more international experience are more likely to have optimal export performance is supported significantly. The said conclusion indicates that firms having higher international experience are better in dealing with the operations related to their export activities. Hence, as a result, the firm achieves optimal performance in the same area.

The literature concerning export activities and export performance also aligns with the results of this research, indicating that firms having higher international experience often require to dominate control and hence select exporting as the mode of entry in foreign market (Stoain, Rialp and Dimitratos, 2017). In addition to this, doing so gives the parent company full charge over the activities that have been carried out during the process of internationalisation, which further contributes to the growth and maximization of sales. On the other hand, it has been found by Rosson and Ford (2016) that firms with international experience tend to look for markets that are similar in nature in order to implement learning's from previous experience and achieve optimal export performance.

In summary, it can be concluded that the high level of international experience of the firm directly impacts the decision a company makes. Moreover, it adds to the confidence of decision maker due to their previous experience in similar international markets. Hence, the hypothesis of this research goes along with the literature on exports confirms that higher international experience of firms is likely to achieve optimal export performance.

7.2.9 Market Knowledge and International Marketing Strategies

Hypothesis 5a of this research reflects on the competency of firms through analysing the impact of market knowledge and research on adoption of international marketing strategies. The hypothesis states that firms with more market knowledge and research are more likely to adopt international marketing strategies. The results indicate that the hypothesis is supported significantly and is aligned with the literature discussed and included in this research as well.

According to Khalid and Bhatti (2015) concludes that one of the firm's greatest resources is its market knowledge and research. Moreover, it reflects on the firm's understanding about cultural distance, demands, and socio-economic conditions of the market. In addition to this, Denicolai, Zucchella and Strange (2014) suggest that firms with greater knowledge about the market tend to make decisions on the basis of targeted market and home market conditions. It also includes decision making based on the need of the market as well as the firm's competency to fulfil the demand. Similarly, Mefika Sithole et al. (2013) conclude that market knowledge makes firm aware of their position and ability to enter foreign or market. Adequate market knowledge bestows the firms with power to make informed decisions about internationalisation.

In conclusion, the research supported the hypothesis significantly suggesting that firms having higher market knowledge are more likely to adopt international marketing strategies. It has also been compared with the literature that suggests the same and concludes that firms possessing more knowledge about the market are more confident to penetrate in the said market in order to gain competitive advantage through appropriate international marketing strategies.

7.2.10 Market Knowledge and Optimal Export Performance

The hypothesis 5b reflects on the relationship between market knowledge and research with the optimal export performance of the firm. The hypothesis states that firms with more market knowledge and research are more likely to have optimal export performance. Based on the results and evidences observed in this research, it can be postulated that the hypothesis is not only supported significantly but is also aligned with the literature on same subject.

Based on Khalid and Bhatti (2015), market knowledge has been characterised as one of the most crucial elements, contributing towards the success or failure of a business when it expands in an international or foreign market. On the other hand, Mefika Sithole et al. (2013) has highlighted that market knowledge depicts the understanding of managers as well as the firm's competence towards the foreign market hand, hence, enables decision makers to aim for success. However, Tan and Sousa (2015) emphasised that the internationalisation process tends to incorporate the market knowledge of a firm about the difference existing between domestic and the international market. It has also been concluded in Atkin, Khandelwal and Osman (2017) that market knowledge application helps the firm to fight through fierce competition that prevails in the foreign market.

Hence it has been evident that this research supported the hypothesis stating more market knowledge and research is more likely to have optimal export performance. It implies that a firm that has more knowledge concerning the foreign market tends to implement better strategies for prevailing in the market against the international competition.

7.2.11 Innovation and International Marketing Strategies

The hypothesis 6a of this research investigates the relationship between a firm's innovation and its impact on the international marketing strategies. The hypothesis in consideration states that firms applying more innovation are more likely to adopt international marketing strategies.

Piercy (2014) has similar conclusions in his research that indicates that innovation leads to the economic growth, specifically for the SMEs. Also, there are various aspects in which innovation helps firms in decision making process, such as adding flexibility and responsiveness. In addition to this, Fernandez-Mesa and Alegre (2015) considered innovation as one of the biggest contributing elements in achieving advantage over competitors. However, it has been made evident in Marandu (2015) that SMEs are likely to adopt innovation and hence, are likely to enter into the foreign market as compared to their larger counterparts. Also, the concept of

innovation includes technical advances and product differentiation which mostly gets in the way of SMEs because of their lack of adequate resources.

In conclusion, it has been observed through literature and the findings of this research that the relationship between innovation and international marketing strategies is positive and significant. It also implies that higher level of innovation has better chances for the firms to be successful in achieving competitive advantage over their rival companies in international market. Lastly, innovation in SMEs leads to opportunities with optimized results.

7.2.12 Innovation and Optimal Export Performance

In this research, the hypothesis has been developed to investigate the relationship between innovation and optimal export performance. In order to do so, the hypothesis 6b states that the firms applying more innovation are more likely to have optimal export performance. As evident through the findings of this research, the hypothesis indicating a relationship between innovation and optimal export performance has been supported and significant.

In accordance with Villar, Alegre and PlaBarber (2014), innovation plays a huge role in capturing market attention when a small and medium sized firm attempts to make its place in the foreign market. However, it aligns with the findings observed in this research. Moreover, Laufs and Schwens (2014) indicate that innovation is a process that equips businesses with ideas, concepts, tools and even designs which can further be implemented to expand businesses in international market. However, Marundu (2015) concluded that the ability of a firm to excel in foreign market is based on its competence to use tools that make it stand exceptionally against the rival companies.

Therefore, it can be concluded that the relationship between innovation and optimal export performance does exist significantly. However, there can be a positive impact observed on optimal export performance through innovation if the decision makers of the firm make best use of tools and opportunities that come their way.

7.2.13 Committed Firms and International Marketing Strategies

The research has aimed to develop and explore the relationship between firms that are committed and its impacts on its international marketing strategies. For this purpose, the hypothesis H7a has been developed, which states that more committed firms are more likely to adopt international marketing strategies. The implications of this statement indicates that firm's commitment towards internationalisation leads to better development of international marketing strategies, and thus, provides better results. The results of this study are aligned with the literature that has been included and suggests that the hypothesis is supported significantly.

Based on Geldres-Weiss et al. (2016), commitment of a firm compels it to focus on the requirement and optimized way to fulfil them. The consistent efforts and focus then produce results, required for internationalization. Moreover, the research if Lin, Huang, and Peng (2014) have also signified the importance of commitment when it comes to internationalization, indicating that commitment plays a key role in formulating the appropriate strategies through focus and observation on the foreign market.

Hence, it has been concluded that firms that are more committed than others are far more likely to adopt international marketing strategies. This is so because their observation and strategies are optimized in accordance with the international market requirements, which is further escalated due to their consistent efforts.

7.2.14 Committed Firms and Optimal Export Performance

While discussing the impact of committed firms on optimal export performance, it is essential to analyse the relationship between these two variables. Therefore, the hypothesis 7b has been established which states that more committed firms are likely to have optimal export performance. This notion has also been evidently discussed and accepted in literature of this subject. Moreover, the findings of this research have also supported the relationship between higher commitments of the firm with optimal export performance significantly.

As discussed earlier, the impact of committed firms on internationalization is found to be positive. Similarly, Villar, Alegre and PlaBarber (2014) have indicated that committed firms are likely to have an optimal export performance because such firms have greater ability to allocate resources. On the other hand, it has been found by Khalid and Bhatti (2015) that committed firms are often governed by decision makers who excel in facilitating the process of export through appropriate strategies and intensive marketing activities. In addition to this, the marketing strategies devised for export activities are inclined towards the benefit of the firm, making it reap profits and succeed.

Therefore, the research concludes that firm that are more committed are likely to have optimal performance in their export activities than in comparison to the firms that are not committed or less committed towards their goals.

7.2.15 Psychic Distances and International Marketing Strategies

This research has aimed to investigate the relationship that exists between psychic distances and international marketing strategies. In order to do so, the hypothesis 8a has been developed which states that higher psychic distances negatively impact on firm's international marketing strategies. In accordance with the findings of this research, it has been observed that the hypothesis is supported significantly and can be found aligned with the literature that has previously been presented on this subject.

According to Hutzschenreuter Kleindienst and Lange (2016), psychic distance is one of the most crucial elements that are often considered while intending to opt for internationalization. It is further signified in Ojala (2015) suggesting that psychic distance contributes to the selection of foreign marketplace as well as the mode of internationalization. In addition to this, Brunswicker and Vanhaverbeke (2015) have concluded in their research that psychic distance is the subjective perception that firms have in regards with the difference in domestic and international market. Therefore, higher psychic distance causes firms to reconsider their decision to expand. Moreover, higher psychic distance often results in unsuccessful international marketing

strategies, as most firms do not take account of the distinction of market conditions in their targeted location.

In conclusion, it has been evident through the findings of this research as well as the literature discussed on this subject, that higher psychic distance has a negative impact on firm's international marketing strategies.

7.2.16 Psychic Distance and Optimal Export Performance

In an attempt to evaluate the relationship between psychic distance and export performance of a firm, the research has developed a hypothesis 8b, which states that higher psychic distances negatively impact the firm's export performance. This indicates that the higher psychic distance is more likely to result in decreased and declined export performance of a firm. Based on the evidences provided in this research through findings and literature, it can be considered that the hypothesis is supported significantly.

It has been highlighted by Dubihlela and Dhurup (2013) that psychic distance refers to the gap of market knowledge and applications between the domestic market and the international market. Therefore, the increase of psychic distance results in the failure of applied strategies and increased level of uncertainties on the part of firm. In addition to this, Puthusserry, Child and Rodrigues (2014) suggest that these differences can be political or economic and therefore, have a direct impact on firm's successful internationalisation through export strategies. Also, Ojala (2015) suggests that firms should aim for international markets that are similar in regards to the market condition and target audience, in order to optimise their export performance.

In conclusion, it has been found that the higher psychic distance is negatively associated with the firm's optimal export performance. It is also implied that the international market the firm chooses for export activities must be similar in terms of political, economic, cultural, and social conditions

7.2.17 Culture Specificity and International Marketing Strategies

This research has made an attempt to form a relationship with firms that offer highly culture-specific products and their international marketing strategies in comparison with the firms that offer products that are non-specific in cultures. The hypothesis 9a states that firms having highly culture-specific products are more likely to adopt international marketing strategies than firms with products that are not culture-specific. The findings of this research have supported the hypothesis significantly, implying that firms with culture specificity in their products are more likely to adopt internationalization as compared to the other counterparts.

In literature, there are various studies like Brunswicker and Vanhaverbeke (2015) that indicate mass marketing strategies to be the key player in successful internationalization of SMEs. It has been noted in Coccia (2016) that products specific to culture tend to favour stage internationalisation as well as fast internationalisation globally on the very opposite extreme. Moreover, the marketing strategies for internationalisation for highly culture-specific products are designed to encourage the buying of such products rather than using the general marketing principles of products, which audience cannot relate properly.

Therefore, the emphasis on internationalisation of cultural or culture specific products leads to aggressive marketing strategies for penetration and hence, produces better results than the firms marketing less culturally or culture specific products.

7.2.18 Culture Specificity and Superior Export Performance

The research has established a relationship between cultural specificity of the products offered by a firm and its superior export performance. The hypothesis 9b states that highly culture-specific products tend to have less difficulty in selling to a culturally different international market than products that are not culture-specific resulting in superior export performance. The hypothesis under consideration is supported non-significantly by the evidences found for this research.

Urbancova (2013) considers culture as one of the greatest elements representing the values and beliefs of each individual in this world. Similarly, the perceptions are shaped in accordance with the surrounding environment and cultural values. Therefore, it is essential for the firm owners or decision makers to value the importance of cultural differences and specificity to enhance their global performance. Furthermore, it has been highlighted in Henmart (2014) that culture is a significant feature which can either make or break the brand image of any firm and can potentially impact it for a larger period of time. Hence, it is essential for the strategists to ensure that products with cultural specificity are dealt with utmost care. On the other hand, Brunswicker and Vanhaverbeke (2015) concluded that culturally specific products tend to fail in export performance as they possess minimal understanding regarding culture and make mistakes.

The research concludes that the hypothesis suggesting highly culture-specific products tend to have less difficulty in selling to a culturally different international market than products that are not culture-specific, thus the hypothesis regarding superior export performance is rejected. This is due to the fact that the businesses fail to understand the importance of sentiments attached with the cultural specific products, resulting in the failure of exporting performance.

7.2.19 Higher Education of Managers and Superior Export Performance

The relationship between educational levels of top managers has been evaluated in regards to its impact on the export attitude and superior export performance. The hypothesis states that in SMEs, the higher the educational level of the top manager, the more favourable his export attitude and the firm will experience superior export performance. On contrary to the literature discussed in this research, the findings non-significantly supported the said hypothesis. The logical reason may be that some businesses may not requires complex skills to operate and deploy its resources.

In accordance with Li, Vertinsky and Zhang (2013), the educational level and background of a manager can be reflected on his ability to understand market conditions and to develop strategies required for effective management. Moreover, Andersson and Evers (2015) suggest that a higher education enables a manager to understand the difference between local and international

market. Furthermore, Adu-Gyamfi and Korneliussen (2013) indicate that education enables the manager to take decisions that are risky, difficult, complex and often spontaneous.

Therefore, it can be concluded that the relationship between higher educational level of manager and superior export performance does not exist. Even though significant number of the scholars in literature support that high education of managers results in better managerial methods and implication of appropriate strategies.

7.2.20 Foreign Language Expertise of Manager and Superior Export Performance

The research indicates that there is a positive relationship between expertise of managers over foreign language and the superior performance of the firm's export activities. In order to investigate the said relationship hypothesis 10b has been developed, which states that in SMEs, the more foreign languages spoken by the top manager the more favourable will be his export attitude and the firm will experience superior export performance. The hypothesis has been supported significantly by the findings of this research as well as the literature on the subjects.

Based on the conclusions drawn in research of Laufs and Schwens (2014), foreign language can be considered as one of the greatest tools in building relationships with foreign investors and businessmen. Moreover, the adequate expertise in foreign language helps managers establish good relationship with people associated with the business. The findings are further supported by Li, Vertinsky and Zhang (2013), Francioni, Musso and Cioppi (2015), which considered foreign language expertise as a tool for managers aiding them to understand the culture of international market beneficial for devising strategies accordingly.

Hence, it can be concluded that in order to yield a superior export performance, it is advisable for the managers to possess foreign language expertise. In other words, managers who possess expertise in foreign language often lead the firm towards deep understanding of foreign culture and relations with people associated with the business.

7.2.21 International Experience of Managers and Superior Export Performance

In this research, superior export performance has been evaluated through the impact it endures from international experience of managers. The relationship has been developed through forming a hypothesis H10c that states that in SMEs, the greater the international experience of the top manager the more favourable his attitude towards exporting and the firm will experience superior export performance. It implies that the international experience contributes in creating a favourable attitude of managers towards exporting activities which later result in superior export performance of the firm. The hypothesis has been supported significantly by the findings of this research.

It has been found by Sala and Yalcin (2015) that manager's having higher international experience possess greater knowledge about different cultures, foreign market, and foreign firms. It has also been highlighted by Chong (2014) that market awareness brings in the optimistic perception towards international market and exporting activities. Furthermore, it relates to the application of knowledge that can likely increase the chances of success of firms in that specific international market. Managers with greater international experience can lead firm with positive and optimistic approach as they are confident about their knowledge in the area of internationalisation.

7.2.22 Educational Level of Managers and International Marketing Strategies

The research has attempted to find the relationship between education level of managers and international marketing strategies. The hypothesis 10d states that the higher the educational level of the top manager, the more favourable his export attitude to adopt international marketing strategies. These research findings established that this relationship is supported and significant implying that the higher the educational level of the top manager positively affects the international marketing strategies adoption in South African SMEs.

The result of this hypothesis is supported by the previous literature. Sala and Yalcin (2015) stated that if the managers are highly educated, they possess the skills to engage efficiently in

decision making processes and take decision strategically for the betterment of the organisation in international market. Similarly, Francioni, Musso, and Cioppi (2015), Maitland and Sammartino (2015) highlighted that higher education level of managers helps in rational decision-making process. Thus, managers with high education level effectively adopt international strategies. On the contrary, Laufs and Schwens (2014) oppose the result of this research and stated that it is not essential that a highly educated manager has the capability of making appropriate decisions. This means that it is not essential for a good manager to be highly qualified and educated.

In conclusion, similar to the pertinent literature, there is a positive relationship between the education level of a manager and the adoption of international marketing strategies. Majority of the literature is in the support of this finding. This research implies that a manager with higher education levels tends to adopt decisions relevant to international marketing strategies.

7.2.23 Foreign Language Expertise and International Marketing Strategies

The 10e hypothesis of the conceptual framework proposed a positive relationship between foreign language expertise of a manager and adoption of international marketing strategies. This relationship was found to be supported and significant, indicating that knowledge of foreign languages results in greater adoption of international marketing strategies. In the context of this research, it has been illustrated that the more foreign languages spoken by the top manager, the more favourable will be his export attitude to adopt international marketing strategies in South African SMEs.

This relationship is established in the literature and supported by Sala and Yalcin (2015) and Beleska-Spasova (2014). Though they applied in different situations as compared to the context of this study, a positive relationship is identified between foreign language expertise and adoption of international marketing strategies. Sala and Yalcin (2015) proposed that knowledge possessed by managers related to foreign language have the tendency to benefit international strategies adoption positively. Furthermore, Beleska-Spasova (2014) highlights that the foreign language knowledge assists the manager to develop relationships in a foreign country. Therefore,

they have the ability to understand the demands of the international companies that are focusing on implementing international marketing strategies. It is easier for firm to attract new consumers in the foreign market, and it also helps in understanding the culture that can be incorporated with the firm's commercial regulations.

In summary, it can be stated that if a manager has expertise in foreign language, it can be beneficial for adoption of international marketing strategies. Concerning this study, it is found that the more foreign languages spoken by the top manager, the more favourable his export attitude will be in adoption of international marketing strategies in South African SMEs.

7.2.24 International Experience and International Marketing Strategies

The relationship between international experience of managers and adoption of international marketing strategies is found to be supported and significant in hypothesis 10f.In the context of South African SMEs, it means that the greater the international experience of the top manager, the more favourable his attitude to adopt international marketing strategies.

The support of this hypothesis is present in the literature and seems to be in line with pertinent studies. Previous studies strongly support that international experience of managers assists in adoption of international marketing strategies. Literature focusing on internationalisation such as Naude (2014), Cagno and Trianni (2013), and Beleska-Spasova (2014) supported the proposed association between international experience and international marketing strategies adoption. Naude (2014) stated that there is a significant relationship between international experience level and the selection of strategies to enter the foreign market. Similar to that, Cagno and Trianni (2013) claimed that firms with lower levels of international experience usually face difficulties to enter a foreign market and adopt international marketing strategies, as they do not have enough knowledge regarding the benefits of entering into global market and excelling in it. Furthermore, Beleska-Spasova (2014) also stated that awareness and knowledge of the firms, information about the values, norms, rules and behaviour, and knowledge of foreign market help in adopting international marketing strategies.

Given the results of this study and the previous literature, it can be concluded that international experience of managers has a positive impact on the adoption of international marketing strategies. Related to this research, it means that greater the international experience of the top manager, higher will be the inclination towards adoption of international marketing strategies in South African SMEs.

7.2.25 Risk Taking Ability and Superior Export Performance

Risk taking ability of the managers of a firm has been significant in determining the export performance of that firm. In order to understand the relationship between risk taking ability of manager and the superior export performance of the firm, hypothesis 11a has been developed. It states that in SMEs, the greater the risk-taking of the top manager, the more favourable his export attitude and the firm will experience superior export performance. The hypothesis has been supported significantly by the findings of this research as well as the literature that has contributed to the subject.

Based on Beleska-Spasova (2014), managers with higher qualification are found to be better in analysing risks and threats and therefore, their decisions are based on rationality. Moreover, Minetti, Murro and Zhu (2015) also indicate that such managers often perceive the future of business on a large scale, which helps them face challenges associated with the risk. However, the findings of this research are contrary to the evidences and findings presented in Mitter et al. (2014), which implied that the success rate of export performance is negatively associated with the adverse risk.

In conclusion, managers who possess higher level of risk-taking abilities often perform well as they are prepared for the challenges and consequences associated with the risks. Also, these managers tend to perceive risk as opportunity for business to grow and expand, which results in gaining the competitive edge over rivals as well.

7.2.26 Rigidness of Manager and Superior Export Performance

In order to evaluate the relationship between rigidness of manager and superior export performance, the research has developed hypothesis H11b, which states that in SMEs, the more rigid the top level manager, the less favourable his export attitude and the firm will experience sub-optimal export performance. The results obtained through survey questionnaire in this research have approved the hypothesis suggesting significant relationship between rigidness of manager and the export performance of the firm.

As evident through Manfredi Latilla et al. (2018) rigidness of manager has often been linked with the stable and progressive growth of an organisation. Manager's rigidness leads the organisation towards adversity of threats and reduces the fear of consistent change and evolution in the organisational structure and environment. However, Holling (2017) indicates that in order to be a successful export firm, top level managers are required to have flexibility in their attitude to adapt to the environment of a foreign market. On the other hand, Carson et al. (2016) suggest that rigid behaviour of managers in their firm's export activities is associated with the standardized rules and practices, creating the least ambiguity amongst workers and consequently yielding maximized performance.

In conclusion, it has been made evident through this research that the relationship between manger's rigid behaviour and superior export performance is significant. It implies that in cases where the manager has less rigid attitude, the employees tend to perform in clear direction. It creates a stable and more secure environment that is free from unnecessary fluctuations, which results in superior export performance of the firm in international market.

7.2.27 Proactivity of Manager and Superior Export Performance

The research has aimed to investigate the impact of proactivity of manager on the export performance of the firm. Therefore, the hypothesis 11c has been formulated stating, the more proactive the top line manager in SME's, the more favourable will be his export attitude. It

implies that manager's proactivity leads to superior export performance of the firm. The research has found this hypothesis in compliance with the literature on export performance.

It has been found in Munawer et al. (2019) that proactive approach of managers is directly associated with superior export performance, as proactive managers tend to consistently strategize their plans, in order to yield better results each time. Furthermore, it has been noted in Brege and Kindstrom (2017) that proactive managers are aware of their environmental performance and threats and therefore, are prepared to counter the risks that are expected to create barriers in their export activities. In addition to this, Ribau, Moreira and Raposo (2017) conclude that managers that are proactive have a better and more stable approach towards risks and threats, as compared to the managers that are reactive to situations, which further results in superior export performance.

Therefore, it can be concluded that proactive managers can directly and positively influence the superior export performance of a firm.

7.6.28 Risk-Taking ability of Managers and International Marketing Strategies

Hypothesis 11d proposed a positive association between risk-taking ability of managers and international marketing strategies adopted. This relationship was found to be supported and strongly significant, meaning risk-taking ability of manager increases the probability of adoption of international marketing strategies. Regarding this study, it can be stated that the greater the risk-taking of the top manager, the more favourable his export attitude to adopt international marketing strategies in South African SMEs.

The literature supports the findings of this research, such as Fernandez-Mesa and Alegre (2015) stated that there are several risks associated with entering into export market as compared to other operations of the firm. Therefore, a manager who has the ability to strategically measure the pros and cons of a decision and take a risk has the ability to enter foreign market. In similar context, Mitter et al. (2014) stated that risk perception of internationalisation has an impact on its adoption. Hence, a manager with risk-taking attitude tries to enter new market and adopt

international marketing strategies. Additionally, Liesch, Welch, and Buckley (2014) proposed that managers with risk-taking attitude are likely to enter export market. This implies that risk-taking managers are more likely to adopt international marketing strategies.

Therefore, it can be concluded in the light of the previous studies and the results of this research that risk-taking ability of managers has a positive impact on the adoption of international marketing strategies. Concerning this study, the greater risk-taking ability of manager, it results in adopting international marketing strategies in South African SMEs.

7.6.29 Rigidness of Managers and International Marketing Strategies

H11e stated that there is a relationship between rigidness of managers and adoption to international marketing strategies. The results supported the hypothesis significantly, which means that rigidness of managers negatively affect adaption to international marketing strategies. In the context of this research, this implies that the more rigid the top-level managers, the less favourable their export attitude to adopt international marketing strategies in South African SMEs.

The relationship between rigidness of managers and adoption of international marketing strategies is discussed in the literature similar to the results of this study. Ng and Feldman (2014) identified that majority of the exporting activities are related to perception and attitude of managers. Rigidness of managers negatively affects the ability of internationalisation. This implies that if a manager shows rigidness in his attitude then it would be difficult to adopt international marketing strategies. Similarly, Imran et al. (2018) discussed the association between export attitude and export performance in relation to internationalisation and supported the results of this study by stressing that negative attitude can decrease the probability of adopting international marketing strategies. Katsikea et al. (2015) in this context claimed that rigid managers are not open to discussion and reduce the chances of adopting export attitude.

In conclusion, it can be said that rigidness of the managers negatively affects the adoption of international strategies. This is supported by the previous studies and with the results of this

study as well. Thus, it is identified that rigidness of a top-level manager tends to reduce the likelihood of adopting international marketing strategies in South African SMEs.

7.6.30 Proactive Approach of Manager and International Marketing Strategies

The final hypothesis regarding the characteristics of a manager concentrates on the relationship between proactive approach of managers and adoption of international marketing strategies. This association in hypothesis 11f is supported and found to be significant. This shows that the more proactive the top line manager, the more favourable his export attitude to adopt international marketing strategies.

It is one of the most common traits discussed in literature of international marketing. The literature supported this hypothesis such as Demeulemeester et al. (2015) stated that managers having proactive approach consider foreign market to be the natural market, assisting them to opt for adoption of international strategies. Similarly, Brush (2013) claimed that the concept of aggression and proactivity represents the anticipation level. Therefore, it positively affects the activities of internationalisation.

In summary, there is a strong relationship between proactive approach of a manager and the adoption of international marketing strategies. In the context of this study, more proactive approach of manager means more likelihood of adoption of international strategies.

7.2.31 Effective International Marketing Strategies and Superior Export Performance

In this research, the relationship between effective international marketing strategies with superior export performance has been discussed. In order to analyse the impact of effective international marketing strategies on superior export performance, hypothesis 12a was developed which states that an effective and efficient international marketing strategy leads to superior export performance. The hypothesis has been supported significantly by the result analysis of this research and is fully aligned with the literature found on the subject of internationalisation and export performance.

Koo, Kim, and Kim (2016) highlights that firms which are able to devise effective strategies for their export activities tend to experience better results, as these strategies are developed in accordance to the environment and market conditions of the selected foreign market. Moreover, there are many factors such as cultural specificity and psychic distance which are essential to be considered in order to formulate effective international marketing strategies (Tan, Sousa, CM, 2015). On the other hand, Chung and Kuo (2018) concluded that firms that do not put intensive considerations in developing effective strategies for internationalisation through export mode of entry often result in failure and bear huge losses.

Therefore, it has been concluded through this research that there are many factors contributing to make effective international marketing strategies, in order to aid the firm to experience superior export performance.

7.2.32 Optimal Export Performance and Product Adaptation

In an attempt to devise the relationship between product adaptation and export performance, the research has developed a hypothesis 12b, which states that optimal export performance in an export organisation is enhanced by the degree of product adaption. As evident through the findings of this research and the literature on this subject, it has been found that the hypothesis is approved. It indicates that there is a positive impact of product adaptation on the export performance of the firm.

As concluded in Rosson and Ford (2016), product adaptation reflects the ability of a firm to adapt to the market needs and comply with it. Moreover, product adaption includes modification of products offer that is tailored in accordance with the market conditions and economic needs of foreign country. On the other hand, Sui and Baum (2014) concluded that in order to penetrate in a culturally diverse foreign market, it is essential for the firm to make the best use of product adaptation. Moreover, Sleuwaegen and Onkelinx (2014) indicate that the degree of product adaptation is considered to be one of the most effective strategies that contribute in making or breaking the brand image.

Hence, it can be concluded that product adaptation plays a huge role in determining the extent to which people embrace a new brand in market. Moreover, the product adaptation should be aligned with the core values of the people in foreign market, in order to have optimal export performance.

7.2.33 Optimal Export Performance and Promotion Adaption

In this research, export performance has been discussed in the context of multiple international marketing strategies, including promotion adoption. Therefore, the research has aimed to discuss the relationship between promotion adaption and optimal export performance. In order to do so, hypothesis 12c is developed which states that the export performance in an export organisation is enhanced by the degree of promotion adaptation. The findings of this research non-significantly supported the hypothesis, which is contrary to the literature included in similar contexts.

There has been a debate in literature that includes a conflict of integrating promotion adaption and standardized promotion in the case of export activities. Chen, Sousa and He (2016) is inclined towards the benefits of standard promotion on export performance, while Griffith et al. (2014) have emphasised on the importance of promotion adaption on export performance as one of the greatest tools. Moreover, Charoensukmongkol (2016) has highlighted that promotion adaption helps firms in building stronger communication with the targeted audience as well as the people associated with marketplace. One of the biggest contributing factors regarding promotion is that it helps a firm in achieving competitive advantage over rival companies in the foreign market (Oura, Zilber and Lopes, 2016). Moreover, it has been discussed in Chen, Sousa and He (2016) that promotion adaption is significantly associated with the export performance of a firm irrespective of the marketplace or the time of penetration in the foreign market.

The findings of this research are in contrast with the evidences witnessed in literature, regarding optimal export performance and promotion adaption. It implies that promotion might not plays a significant role in manipulating the performance of export, and in some cases, poor promotion may have negatively contributed to the success of export performance.

7.2.34 Optimal Export Performance and Price Competition

In this research, export performance has been analysed in the context of price competition. Therefore, in order to understand the impact of price competition on export performance, hypothesis 12d has been formulated, which states that the export performance in an export organisation is enhanced by increase in the level of price competition.

As observed through Martin and Javalgi (2016), price optimisation is one of the most significant tools contributing in the export performance of the firm, as it impacts directly on its profitability and volume of sales. In addition to this, pricing is regarded as an element with flexible and adaptive properties, which makes it even more important for the firm to consider in order to optimise its performance through export activities. On the other hand, McCombie and Thirlwall (2016), price influences the marketing efficiencies as well as the strategies that are designed for the same. It further contributes in shaping the purchase behaviour of targeted audience, which can also influence the audience domestically as well as internationally. Esteves and Rua (2015) also conclude that it is essential for the firms to optimise their pricing strategies, in order to gain competitive advantage over their rivals in the foreign market.

Hence, it can be concluded that the slightest changing in pricing can significantly influence the export performance of a firm in an international market. Also, it can help the firm in increasing its revenue and profitability in the long run.

7.2.35 Optimal Export Performance and Foreign Subsidiary/Distributor Support

The hypothesis 12e has been developed in order to evaluate the impact of foreign subsidiary or distributor support on export performance. In order to understand the relationship between these variables, the hypothesis has been analysed, which states that export performance in an export organisation is enhanced by increase in exporting firm's support to foreign subsidiary/distributor. In this research, the hypothesis has been supported significantly and is found to be compliant with the literature on subject of foreign subsidiary/distributor support.

According to Toulova, Votoupalova and Kubickova (2015), the relationship between export performance and distribution strategy of the firm is negative. However, it is in contrast with the studies like Stoian, Rialp and Dimitratos (2017) which evidently conclude that collaboration with the foreign representative results in the optimal success of export performance. It has been further endorsed by Rosson and Ford (2016) that the impact of distributor support on export performance of a firm also depends on the intensity at which the distributor is integrated into the whole process of export and internationalisation.

In conclusion, the relationship between distributor support and export performance is undeniable. Furthermore, it has been found that the intensity of this relationship between variables is significantly dependent on the level of involvement of foreign market's representative or distributor.

7.2.36 Summary of Main Findings

The research has analysed findings from 350 individuals belonging to different organisations of South Africa, in order to understand the impact of firm level characteristics on international marketing strategies and export performance of the firms in that region. In order to do so, certain characteristics have been discussed in the context of their impact on international marketing and export performance. Findings of this research have inferred that most of the characteristics impact significantly on the success of a firm in international or foreign markets as all hypotheses was accepted excluding 1b, 9b, 10a, and 12c as they were rejected. Furthermore, the results indicate that firm's age contributes significantly to the firm's ability of adopting international marketing strategies, thus hypothesis 1a has been accepted. Moreover, hypothesis 1b suggesting early age firms being better in adopting international marketing strategies was rejected. The study also concludes that large firms are better in adopting international marketing strategies and achieve optimal export performance, as hypothesis 2a and 2b are accepted.

Firm's export competencies have also been discussed in this research which identifies that firms with international experience, more market knowledge, more commitment and innovation are more likely to adopt international marketing strategies and have optimal export performance.

Hypothesis 3a, 3b, 4a, 4b, 5a, 5b, 6a, and 6b have been approved in this research. In addition to this, hypothesis 8a and 8b which indicates that higher psychic distances negatively impact on firm's international marketing strategies and firm's export performance are accepted. Hypothesis 9a was accepted while 9b was rejected, suggesting that firms with highly culture-specific products are more likely to adopt international marketing strategies and have more difficulty in selling to international market.

The research also discussed manager's characteristics and their impact on the firm's export performance in international market considering export activities. The findings indicate that educated employees do not perform better in adopting international marketing strategies but in achieving optimal export performance, as hypothesis 10a is rejected. Similarly, managers with more foreign language expertise, greater international experience, proactivity and greater risk-taking ability tend to have favourable attitudes and better export performances, as hypothesis 10b, 10c, 11a and 11c are accepted. Acceptance of 11b hypothesis indicates that rigidness of top-level managers creates least favourable export attitude that leads the firm to sub optimal export performance.

Hypothesis 12a, 12b, 12d and 12e have been accepted which indicates that effective international marketing strategy, degree of product adaption, level of price adaption, and support to foreign subsidiary/distributor positively impacts the export performance of the firm. However, the degree of promotion adaption does not contribute in enhancing the export performance of firms.

7.3 Conclusion

The aim of this research was to evaluate the impact of firm level characteristics of SMEs in South Africa on their international marketing strategies and export performances. The world economy is evolving and becoming more open as a result of technological progress, specifically in the field of transport and communications leading to change in the competitive environment (Khurshid et al., 2013). Concerning internationalization of business and further integration within the market, South African companies are subjected to experience more competition from foreign companies than before (George, Corbishley, Khayesi, Haas, & Tihanyi, 2016).

Therefore, it is necessary that South African companies find ways to use their competitive advantages and reduce their competitive disadvantages. Inadequate consumer data is available due to limited research conducted in African market. Hence, this study focuses on South Africa in particular.

For this purpose, different variables were discussed, including firm's characteristics, market competence, environmental factors, managerial characteristics, international marketing strategies and their impact on export performance of South African SMEs. The research has focused on the firm characteristics using age, size and educational level of employees as elements of consideration, while market competency factors included international experience, market knowledge, innovation and commitment of the firms. Managerial characteristics such as higher education, international experience, proactivity, rigidness, and risk-taking ability were also considered evaluating the abilities of managers to make the export successful. Lastly, the research has also emphasized on different elements of international marketing strategies such as price competitiveness, promotion adaptation, product adaptation, and foreign distribution in the context of export performance. The research has found that these features have significant impact on the export performance of SMEs in South Africa. However, it has been found in Bercicci (2013) that the region of South Africa still experiences lack of innovative ideas and skilled and qualified workers.

In conclusion, the descriptive statistics illustrate that majority of the employees possess high qualifications as 61% respondents have postgraduate education. Moreover, 78% participants indicated that they have travelled to foreign countries for business purposes, while 30% can speak foreign languages. Moreover, the descriptive statistics showed that international marketing strategies, characteristics of managers, and firm experience have a substantial effect on the export performance of SMEs. These findings are similar to the quantitative results. All the hypotheses were found to be significant except hypotheses 1b, 9b, 10a, and 12c. The strongest relationship was between risk-taking ability of the top manager and superior export performance. This is followed by the relationship between firm of older age and international marketing strategies, firm size and international marketing strategies, firm size and optimal export performance, higher educated employees and international marketing strategies, higher educated

employees and optimal export performance, international experience and international marketing strategies, international experience and optimal export performance, market knowledge and international marketing strategies, market knowledge and optimal export performance, innovation and international marketing strategies, innovation and optimal export performance, committed firms and international marketing strategies, committed firms and optimal export performance, psychic distance and international marketing strategies, psychic distance and optimal export performance, culture specificity and international marketing strategies, foreign language expertise and superior export performance, international experience of manager and superior export performance, risk taking ability superior export performance, rigidness of manager and optimal export performance, proactive approach of manager and superior export performance, effective international marketing strategies and superior export performance, optimal export performance and product adaptation, optimal export performance and price competition, optimal export performance and foreign subsidiary/distribution. The weakest relationships found were between firm at early age and international marketing strategies, culture specificity and superior export performance, higher educational level of manager and superior export performance, and optimal export performance and promotion adaptation.

For SMEs, the strength of these relationships indicates that firm's age plays a significant role in shaping the international marketing strategies, larger firms tend to easily adopt international marketing strategies and achieve optimal export performance. Moreover, level of education of employees is a significant contributor to optimal export performance and adoption of international marketing strategies. The research also concludes that market knowledge, research, innovation, and commitment to export are impactful variables for international marketing strategies as well as the optimal export performance. Higher psychic distance was found to have a negative impact on the international marketing strategies of the firm and also on the export performance of the firm. Moreover, highly cultural-specific products are more likely to adopt international marketing strategies than firms with products that are not culture-specific. Additionally, higher educational level, expertise on foreign languages, greater international experience, proactivity, and risk-taking abilities of the top manager significantly impact export performance and adoption to international marketing strategies.

Lastly, the research discussed the relationship between international marketing strategies and export performance indicating that effective and efficient international marketing strategy leads to superior export performance. On the other hand, the degree of product adaption, price competition, and support to foreign subsidiary/distributor significantly and positively contribute to the export performance of the firm. However, the results also indicate the degree of promotion adaptation negatively impacts export performance of the firm.

7.4 Contributions

This research has made several contributions to the literature on export performance and international marketing strategies. These contributions are mainly divided on the basis of their contextual contribution, theoretical contribution, and practical contribution. Considering the notion of contextual and theoretical contribution, the research adds more value to the literature and knowledge of firm level characteristics which impact SMEs international marketing strategies, more specifically export performance. In addition to this, the practical and managerial contribution of this research reflects on the practices that firms of smaller size can opt in order to make their international activities stronger and more successful.

7.4.1 Contextual Contribution

This research contributes to a wide array of literature that is based on export organisations and international marketing strategies in the context of South African SMEs. The contextual contribution can be further observed through the conceptual framework as provided in the earlier chapters. The purpose of this research is to add value to the literature of South African SMEs in the light of internationalisation and export activities. This research primarily focused on the firm level characteristics of exporting organisations in order to evaluate its impact on export performance adaptation of international marketing strategies. While there are many business categories in South Africa (Asah, Fatoki, and Rungani, 2015), the prime emphasis of this research is on the struggling SMEs. In past, the researchers have focused on the characteristics of firms regarding international marketing strategies (Sraha, 2015) and firm's characteristics on export performance (Odoo, Akaba and Worwui-Brown, 2014). However, this research includes

various other aspects of firm level characteristics, such as environmental elements that contribute in adapting to the international marketing strategies such as psychic distance and cultural specificity; managerial characteristics such as favourable attitude and proactivity; and the impact of international marketing strategies on export performance. This research contributes to a comprehensive evaluation of different aspects and features that positively and negatively impact the way these SMEs behave in international market. Moreover, the information is essential for the decision makers of such organisations to consider and expand to foreign markets accordingly. Furthermore, as indicated through Love, Roper and Zhou (2016), the SMEs of South Africa have not received much attention in literature as compared to those belonging to the developed countries. Enhancing the export performance of South African SMEs, even more, will contribute to the economic situation of the country.

7.4.1.1 The Context of South African SMEs

The findings of this research have contributed significantly to the literature concerning SMEs of South Africa. It has been found that the South African SMEs contribute approximately 55% of the entire countries' employment (Mpofu, Milne and Watkins-mathys, 2013).While it has been made evident that these firms have huge potential to expand their roots in international market through export activities, Asah, Fatoki, and Rungani (2015) highlights that it is essential for South Africa to assist these SMEs, as they directly contribute to the development of economy. Moreover, Fatoki (2014) indicates that aggressive approach towards the international expansion of South African SMEs is likely to escalate its development.

In addition to this, Mukumba (2014) suggests that most of the SMEs in South Africa tend to face challenges in regards to the inexperienced staff, which looks after the crucial areas such as Research and Development departments. It has been noted that innovations occur because of the tactful implementation of resources on the projects for better growth. These strategies and tactics are learnt by the workers after investing years in the services of their particular interest. However, in the case of South Africa, it has been noted that the workers in technical departments do not engage with the same firm for longer period of time, or the companies do not complete

enough tenure to acquire knowledge or skills about the industry. It collaboratively contributes in the lack of research, market competences, and innovation.

7.4.1.2 Limited Research Export Performance of SMEs

The lack of research on the export performance of SMEs has slowed the growth of its industry. As evident through this research, SMEs of South Africa accounts for its economic growth. Conducting more research on its characteristics and performance will probably increase its chances to perform on an optimum scale in international marketing. It has been noted in Obeng, Robson and Haugh (2014) that South Africa requires to establish a facilitating environment for SMEs, where the characteristics of export are incorporated in the organisations that have higher levels of TFP. On the contrary, it has been observed that the large enterprise already accumulates high level of export characteristics, which may exist since the time of their struggle to stay competitive. In addition to this, the larger firms tend to project administrative structures that facilitate them more in tracking their exports. Moreover, the ability to absorb the risk of non-payment is higher in the larger firms along with the variability of exchange rate as well as the ability to absorb uncertainties associated with the practices of exporting. It has been noted in the report of World Bank (2012) that the relationship between firms and financial institutes facilitates them in financing the exports. Therefore, it can be said that SMEs are required to adopt exporting practices at their earliest to attempt internationalisation through export capability curve.

Moreover, the organisations that are based on advancement of technology and innovation have yielded a platform for not only international growth but for regional and local growth as well. The international platform also includes countries other countries of BRICS (Brazil, Russia, India, China, and South Africa). In other words, the SMEs of South Africa is regarded as most efficient and effective contributor in minimizing the rate of unemployment, while boosting the economic growth of the nation. However, the region has not been discovered and focussed enough for its capabilities and competencies. The research contributes to highlight the significance of South Africa as a region full of opportunities and potential to escalate as a developing nation.

7.4.2 Theoretical Contribution

There are many ways in which a research contributes theoretically on the desired subject area. The first and most primary contribution of this research is highlighting the current situation of the South African economy as well as the contribution of SMEs on that economy. Furthermore, it has significantly made prominent the role of SMEs in escalating the success of this developing country. Theoretically, the research has also identified several firm level characteristics that potentially contribute in developing an effective and efficient international marketing strategy as well as increasing export performance, confirming arguements provided by RBV and DCV theories. In addition to this, the research has also pointed out the challenges faced by SMEs of South Africa. Lastly, the findings of this research have provided a framework for the firms in terms of recommendations that they can adopt to experience successful internationalisation.

7.4.2.1 Contributions Regarding the Conceptual Framework

As evident through the conceptual framework, this research significantly contributes to the SME sector of the South African business market. The conceptual framework illustrates the foundation of this research indicating the relationship between different elements of firm and internationalisation. The elements discussed in this research were firm characteristics, firm competencies, managerial characteristics, environmental characteristics, and international marketing strategies. These elements were further categorized under variables in order to evaluate their impact on the international marketing strategies, which posed as a mediator. The dependent variable in this research is export performance, which is then evaluated by the elements of international marketing strategies: product adaptation, promotion adaptation, price competition, and distributor support. Each relationship built is investigated on the basis of its significance and impact on the mediator and dependent variable.

7.4.2.1.1 Firm Characteristics

Similar to the previous studies like Johl, Kaur and Cooper (2015), this research has emphasised heavily on the structural elements that project firm's characteristics as it has a considerable

impact on the performance of organisations as compared to the other aspects of it. According to Boermans and Roelfsema (2016), the time and age of firm in regards to the market entry and internationalisation are essential in the context of SMEs. Niresh and Thirunavukkarasu (2014) suggested that the difference between large and small enterprise can be found in their scale of operations, scope, ownership, independence, and their managerial style. In addition to this, the response in situations of crisis is different along with the decision-making process that takes place in accordance with the atmosphere. In comparison with their larger counterparts, SMEs are known to overcome difficult situations by making the best use of their skills and expertise in a market that is specific to their audience. This research contributes to the significance of firm's characteristics in the context of international marketing strategies and export performance. It also highlights that the impact of firm's age and size has a significant impact on the firms' ability to expand its business in foreign country.

7.4.2.1.2 Environmental Factors

As highlighted in Navarro-Garcia et al. (2016) environmental factors are essential for firms to consider in order to implement a successful strategy for internationalization. Furthermore, Mitter et al. (2014) indicate that psychic distance can only be measured through the perspective of one individual. In accordance with the perspective of Urbancova (2013) culture is the fundamental element that reflects on world of each individual. Simultaneously, each person perceives culture in a different way depending on their surrounding environment.

7.4.2.1.3 Managerial Characteristics

Managerial characteristics encompass a wide array of different aspects which a manager possesses and is helpful for the firm to succeed in their strategies. According to Mitter et al. (2014) firms that are smaller in size tend to work hard in order to work through strategies, without incorporating plans of human resource development. One of the reasons behind the rationale is the lack of resources in the said department, therefore, firms perceive hiring a specialist to perform such duties as a waste of human resource. As a consequence, firms that are smaller in size often do not have a good manager that could lead them towards substantial

success in internationalisation. However, it has been noted in Wynarczyk et al. (2016) that the notion of training has received much popularity in last few decades. The primary focus of these programs is set on SMEs that motivate workers to undertake training in order to be more productive. It implies that manager with higher level of formal education has better and larger information processing capacity.

As it has been pointed out in Li, Vertinsky and Zhang (2013) that manager's experience in international markets, formal education and knowledge about the industry, overall attitude towards export activities, and their interest in the international affair can contribute significantly to the success of firms' export performance. In addition to this, Beleska-Spasova (2014) highlights that the knowledge of foreign language helps the manager to build connections in the host country; it is easier for him to attract new consumers in the foreign market, and it helps him in understanding the culture that can be incorporated in the firms' commercial regulations.

Furthermore, Sala and Yalcin (2015) have highlighted exporting as a form of practical learning that uses perceptions to project better performance. Hence, it can be said that the experience of decision maker or the manager can determine or favour the success of firms in international market. Moreover, managers that possess risk-tolerance traits tend to benefit the company while entering into the new market or when dealing with foreign consumers. In addition to this, export attitude is the term often discussed in literature to investigate the export performance of the organisation through managerial perspective.

According to Mitter et al. (2014), aggressiveness can be reflected through determination of a manager along with his capacity and desire to achieve success in exporting the goods for firm. This research has expanded the literature on significance of managerial characteristics as it is concerned with the notion of internationalisation and export activities. The findings of this research elaborate on different characteristics such as proactivity, rigidness, risk taking ability, high educational level and foreign language expertise to determine their impact on internationalisation of the firm.

7.4.2.1.4 International Marketing Strategies

Brouthers, Nakos and Dimitratos (2015) highlight international marketing strategy as a result of the impact of forces that exist in the market. There are many different marketing strategies that companies can adapt to in accordance with their needs. Examples of such strategies include product strategies, in which the company offers warranties and innovative product design; place strategy that high emphasises on the distribution of the product; promotion strategy that encourages consumer through its performance; and price strategy that is set according to the demands of consumers. Moreover, Love and Roper (2015) suggested that the firms potentially contributing to increase level of export tend to lack optimisation while experiencing international trade. On the other hand, the literature on marketing has focused on the relationship that exists between the strategies of marketing used by firms and their performance, which is even more specific in the case of domestic marketing (Boso et al., 2013).

7.4.3 Practical Contribution and Managerial Implications

In section 1, the practical and theoretical contributions have been briefly discussed. This part of the research covers a wider array of practical contributions as well as the managerial implications associated with it. Since the research has covered wide variety of firm level characteristics to evaluate the success of international marketing strategies and export performance of the firm, there are several managerial implications entailed with it. Based on the reports of Collier and Dercon (2014) the global economy has improved since the great recession period, however, the challenges in relation to the fiscal position still exist. These challenges contribute to the deceleration of economic growth in nations like South Africa. However, the increasing exports of the businesses in South Africa have contributed significantly in the increase of stability of its economic conditions.

Based on the findings of Gunasekaran et al. (2015) there are several advantages and benefits associated with the notion of exporting goods and services from home country to the host country which includes increased life span of the product, increased experience and knowledge, vast consumer base and expanded potential, opportunities in accordance with the seasonal

change and demands, increased market share globally, and the high competition across world. It has been noted in Laufs and Schwens (2014) that most of the goods and services can be presented in countries where they have not been introduced before, as doing so will increase the chances of its exposure and success in the given market. Therefore, the research highlights the importance of managerial characteristics such as market knowledge, international experience, expertise of foreign languages and risk-taking ability on export performance success.

In addition to this, the findings of Gubik and Karajz (2014) indicate that increased knowledge base along with experience helps the organisations in making strategies complied with the international competition. It not only enables them to acquire the foreign market share but also to align their domestic strategies accordingly. According to Fabling and Sanderson (2013), once the company has acquired certain percentage of the market share in host country, it implies that the organisation has entered in the global competition and has captured some amount of global market share as well. Hence, it is essential for the managers to implement their market knowledge and international experience in the perspective to lead the firm towards successful export performance.

Rosson and Ford (2016) signified the importance of most similarities in between domestic market and the foreign market so that the degree of adaption of any sort is at lowest and serves additional purpose to the export activities. Furthermore, it has been highlighted by Fernandez-Mesa and Alegre (2015) that the product adaption in the context of export activities can be assumed as the firm's compliance to the need of its consumers in the foreign market. This adds further to the notion of psychic distance and culture specificity, which are subjective elements and are mostly based on perception of the decision makers. The research contributes that inappropriate judgement in the case of cultural specificity and psychic distance is likely to pose a negative impact on export performance of the firm.

Lastly, in the world of globalisation, export marketing strategies are most often associated with the competitive advantage, which can be considered as one of the most crucial indicators of export performance. A good strategy can be formulated by a firm that has the ability to adjust in accordance with the marketing mix of foreign market, based on distribution, promotion, price

and product. According to Piercy (2014), an appropriate strategy is the one through which the firm can make the best use of either adaptation or standardization to ensure high export performance. Therefore, it is essential for the managers to derive strategies that are tailored in accordance with the need of the firm and its future endeavours.

7.5 Recommendations

In regards to the findings of this research, it can be evidently observed that there is an immense room for improvement for the South African firms in the context of export performance of SMEs. These recommendations are based on the firm level characteristics that were diagnosed in this research, including firm characteristics, environmental characteristics, managerial characteristics and firm export market competence.

Since it has been established that the older firms are better in performing well in internationalisation due to their stability and maturity (Atkin, Khandelwal and Osman, 2017), therefore it is recommended for the older firms to make the best of their resources in expanding their businesses in international platforms. Moreover, Hwang, Hwang and Dong, (2015) have significantly emphasised that younger firms experience ease in adapting to strategies in an international market. Therefore, young firms are recommended to step forward towards expansion as their risk-taking ability is higher than the older firms.

In addition to this, the findings in this research have evidently proved effectiveness of educated employees in international marketing and for the firm's export performance (Hwang, Hwang and Dong, 2015). Therefore, it is recommended for the human resource departments to recruit individuals who not only have significant amount of international experience but also possess higher education and market knowledge of international market.

While innovation majorly relates to the technological advances a company adapts, it has been found that firms that implement more innovation are likely to perform more efficiently, making it easier to adapt international marketing strategy (Marandu, 2015),and thus, have optimal export

performance. Therefore, it is recommended for the firms to implement more innovation and move forward with commitment to succeed and sustain in a highly competitive global market.

The research has found that psychic distance and cultural specificity are the two subjective matters that have the potential to negatively impact the firm's international marketing strategy and export performance (Brunswicker and Vanhaverbeke, 2015). In order to overcome the hurdles, it is essential for the manager or the decision maker to expand their business in markets that are closer and culturally more alike.

Managerial characteristics play a key role in firm's accomplishment. As evident through the findings of this research, it is recommended for the firm's manager to possess higher level of education, have ample amount of international experience, expertise in foreign language, risk taking ability, and proactivity (Chong, 2014). However, it has been noted that rigidness does not always favour the export performance of the firm, as it neglects the notion of flexibility and adapting to the change.

While the research indicates that there are certain characteristics which help businesses flourish in foreign markets, it is recommended for the firms to have international marketing strategies, tailored to their needs and requirements (Koo, Kim and Kim, 2016). In order to do so, it is recommended for the firm to make the best use of foreign subsidiary support, price competition, promotion adaptation, and product adaptation.

7.6 Limitations and Directions for Future Research

This section elaborates on the limitations of the present study and provides directions for future research.

7.6.1 Limitations

There were several limitations experienced while executing this research, which include time constraints and minimal budget to carry the research. The sample size was restricted to 350

individuals in order to efficiently use the time and resources and to be able to analyse the data within a specific time scale. Moreover, the individuals were selected through convenience sampling method in order to make the best use of resources, responses and time. Interviews were excluded from the part of research as scheduling appointment with the individuals of sample size was difficult. This was so because some of the individuals were appointed as manager and they found it difficult to manage their daily operations and take time out of their busy schedules.
In addition to this, the responses were collected using survey questionnaire which was sent over electronic mediums such as survey questionnaire in order to eliminate the cost of printing and additional time to reach out to each individual from sample size. Moreover, it helped the researcher in analysing the results quickly as compared to the manual, hand printed survey questionnaire. The data has been analysed using statistical software in order to avoid biases and potential human error.

7.6.2 Future Research

As discussed earlier, the research is based on the SMEs of South Africa in regards to the impact of firm level characteristics on the export performance and international marketing strategies of the firm. The future research can be based on the outcome of this research, considering the limitations that were experienced throughout the process of this research. The most significant element to consider is that the research has been carried out focussing the region of South Africa, which is a developing country. The future research could attempt to understand the same characteristics in regards to the SMEs in different developing country, such as Ghana, Nigeria, India or Bangladesh. Moreover, the future research could also attempt to investigate the same characteristics for the SMEs in fully developed country or the first world countries.

This research has been solely based on the investigation of firm level characteristics of SMEs. However, the future researches could be based on the micro and macroeconomic element in the foreign market. The comparison could be based on the difference of approach between SMEs and large corporation towards export activities. Lastly, the future researches can be based on a larger sample size to obtain more accurate and elaborated results.

7.7 Summary

The findings of this research have provided a significant amount of literature concerning the factors that impact on international marketing strategies and export performance of South African SMEs. The conclusions drawn in this research can significantly add value to the studies and knowledge decision makers have regarding the process of internationalisation and export activities. The research concludes that majority of the hypothesis are accepted, which further implies that the firm characteristics, managerial characteristics, environmental characteristics, and international marketing strategies have significant impact on the export performance of the firms. The research has been solely based on the SMEs of South Africa; thus, it is recommended for the future researchers to study further about different macro and microeconomic factors that may contribute in firms export performance.

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APPENDICES

1. Respondent information

1A. Participation letter

University of the Witwatersrand

School of Business Science

Date: 20th of August, 2018

Dear possible participant,

My name is Ammar Siddiqui, and I am a PhD student at the University of the Witwatersrand, Johannesburg. I am conducting research on the impact of firm level characterstics and international marketing strategies on export performance of SME's in South Africa. Due to the globalisation, South African SME's are trying to explore international marketplace, by following international consumer's needs and trends which will help to grow firms globally.

As a managerial staff member, you are invited to take part of this survey. This survey aims to determine which factors play a key role, and which factors determine the export performance of SME's in South Africa. The result of the study will be a PhD dissertation, and will become available online after completion of the research.

Your response is highly important for my study, and there is no right or wrong answers. This survey is confidential and anonymous, which are both guaranteed by no need to enter your name

on the questionnaire. The participants' involvement is solely answering the questionnaire, and participation does not involve any risk or loss of benefits whether or not you participate, neither when ambiguity arises, nor does the research does not under any circumstance involve payment. In addition, your participation is completely voluntary, which implies that you are able withdraw from the study at any stage. The collected data will only be used for research purposes. Also, the research is completely anonymous and confidential, and the survey will not ask for your details in any way.

The first part of the survey comprises demographic data, at which you can tick the boxes that are applicable. The second part of the survey comprises 95 statements, at which you can indicate the extent to which you agree with each statement, by ticking in the appropriate box. Completing the survey will take a maximum of 15-20 minutes.

Thank you for considering participation. Should you have any questions, or should you wish to obtain a copy of the results of the survey, please contact me via email at 1259143@students.wits.ac.za. My supervisor's name and contact details are: Dr Norman Chiliya– to reach at norman.chiliya@wits.ac.za

Kind regards,

Ammar Siddiqui
PhD student
School of Business Sciences
University of the Witwatersrand, Johannesburg

If you decide to participate in the survey (and click on below on "start"), you acknowledge the following:

- ☐ I agree to participate in this research project.

- I have read the participant information sheet.
- I agree to my responses being used for education and research on condition that my privacy is respected, subject to the following:
  - I understand that my personal details will not include in the research, so that I will not be personally identifiable.
  - I understand that I am under no obligation to take part in this project.
  - I understand I have the right to withdraw from this project at any stage.

If you decide to participate, you may now click "start" on the button below to start the questionnaire.

Kind regards,

Ammar Siddiqui

1B: Questionnaire

SECTION A- BACKGROUND INFORMATION ABOUT YOUR FIRM

INSTRUCTION: Please, tick the right box (es) that best answer(s) the stated information about yourself.

1. How many years has your company been in the export business? (Please tick ONLY ONE box)

a)	Less than 1 year.	
b)	Less than 2 years.	
c)	3- 4 years	
d)	5-6 years.	
e)	7-8 years.	
f)	9-10 years	
g)	10 years and over	

2. How many employees work in your firm? (Please tick ONLY ONE box)

a)	1-5 employees	
b)	6-29 employees	
c)	30-99 employees	
d)	Over 100 employees	

3. Your main industry sector is (Please tick ONLY ONE box)

a)	Mining and quarrying	
b)	Manufacturing	
c)	Electricity, gas and water	
d)	Construction	
e)	Agriculture	
f)	Information Technology	
g)	Other (Specify)……	

4. Kindly specify the form of ownership of your firm. (Please tick ONLY ONE box)

a)	South African owned.	
b)	Joint Foreign and South African Owned	
c)	Foreign Owned subsidiary	
d)	Other Specify Please….....	

5. Please select the region(s) in which you are doing business. Among the selected region(s), please indicate number 1 for the most important region.

a)	Europe	
b)	Asia	
c)	Middle East	
d)	America	
e)	North Africa	
f)	ECOWAS Region	
g)	Other, please add	

SECTION B- RESPONDENT'S PROFILE

INSTRUCTION: Please, tick the right box (s) that best answer(s) the stated information about yourself.

6. What is your age? (Please tick ONLY ONE box)

a)	21-30	
b)	31-40	
c)	41-50	
d)	51-60	
e)	61 and over	

7. What is your gender? (Please tick ONLY ONE box)

h)	Male	
i)	Female	

8. Kindly indicate your position in the company (Please tick)

a)	Owner/ Manager	

b)	Export Manager	
c)	Chief Executive Officer	
d)	Marketing Manager	
e)	Operations Manager	
f)	Other Specify Please	

9. What is the highest level of education you have attained (Please tick ONLY ONE box)

a)	Apprenticeship/Qualification/Diploma.	
b)	University degree (Undergraduate)	
c)	Postgraduate Qualification	
d)	Professional Qualification	

10. Have you lived abroad in the last 10 years?

a)	No	
b)	Yes	
c)	If yes, for how many (years)?	

11. Do you speak any foreign language other than English?

a)	No	
b)	Yes	
c)	If yes, list the foreign language(s) you speak…	

12. How often did you travel abroad in the last 3 years? Please TICK as appropriate

a)	None	
b)	Once	
c)	1-3 times	
d)	4-6 times	

e) 7-9 times

f) 10 or more times

13. How long (in y e a r s) have you been involved in exporting business?

a) Less than 1

b) 1-3 years

c) 4-6 years

d) 7-9 years

e) 10 or more years

f) Less than 1

SECTION C – FIRM CHARACTERISTICS

In terms of firm characteristics by size, age, education of the employee of the firm, to what extent would you agree or disagree with the following statements?

1 = strongly disagree 2 = disagree, 3= neutral, 4 = agree, 5 = strongly agree

	Firm Size	1	2	3	4	5
12.	The larger firms tend to have different strategies of exporting					
13.	Larger size tend to perform better than the smaller ones					
14.	Large organizations have clear demarcation					
15.	Large organizations lead to transparency					
	Older age Firm	1	2	3	4	5
16.	Efficiency of old firms selections is based on surviving through maturity					
17.	Older age firm tend to have greater chances in surviving					
18.	Older age firm achieve stability in employment					
	Early age Firm	1	2	3	4	5
19.	The firms which were not too old were comparatively more active					

20.	Firms that are young project greater volatility					
21.	New firm establish inter-firm networks and going international					
	Education	1	2	3	4	5
22.	Educated employees are important in internationalisation					
23.	Individuals with high education are likely to be open for complex methodologies					
24.	Higher level of education of top manager offers better results					
25.	Better outcome when it comes to the export performance of the firm					

SECTION D– INTERNATIONAL MARKETING STRATEGIES

Note: A product may be marketed in a SIMILAR OR DIFFERENT way in the South African market and in the export market with regard to product features, promotion, pricing and distribution.

Considering your export activity at the firm level, to what extent have you adapted the following in your major foreign markets?

1 = not at all adapted, 2 = somewhat adapted, 3= moderately adapted, 4 = adapted to a greater extent, 5 = fully adapted.

	Extent of Product Adaptation	1	2	3	4	5
26.	Product brand name					
27	Product design/style					
28	Product labelling					
29.	Variety of the main exporting product line					
30.	Product quality					
31.	Features and characteristics.					
32.	Packaging					
	Extent of Promotion Adaptation	1	2	3	4	5
33.	Advertising theme					
34.	Media channels for advertising					
35.	Promotion objectives					
36.	Budget for promotion					
37.	Direct Marketing					
38.	Sales promotion					
39.	Personal selling					

	Extent of Price Adaptation	1	2	3	4	5
40.	Determination of pricing strategy					

42.	Concession of credit					
43.	Price discount policy					
44.	Retail price					
45.	Price margins					
	Extent of Place/Distribution Adaptation	1	2	3	4	5
46.	Criteria of selection					
47.	Transport strategy					
48.	Distribution budget					
49.	Distribution network					
50.	Type of middlemen					
51.	Control over distribution channels					

SECTION E – MANAGER CHARACTERISTICS AND EXPERIENCE

How would you rate the manager characteristics and experience in your firm's export business based on the following statements?

1 = none 2 = only slightly substantial, 3= somewhat substantial, 4 = definitely substantial,

5 = extremely substantial.

	Educational level	1	2	3	4	5
52.	Educated manager handled the situations that are not only complex and difficult					
53.	Higher level of education possessed by the manager of the firm leads to better export performance					
	International experience	1	2	3	4	5
54.	Degree of training in international business e.g. attended formal export courses					
55.	Ability to follow up on trade leads in the main exporting market					
	Foreign languages	1	2	3	4	5
56.	language of foreign market tends to benefit the export					

	performance					
57.	Knowledge of foreign language helps the manager to build connections in the host country					
	Risk Taking Ability	1	2	3	4	5
58	High risk-tolerant ability of the manager					
59	Entry to new markets able to increase trade with foreign customers					
	Rigidness	1	2	3	4	5
60	Degree of favourable consideration of new markets					
61	Inhibit favourable consideration of new customer					
	Proactive approach	1	2	3	4	5
62	Ability to perceive international markets as natural markets for firms in open economies					
63	More favourable attitude towards exporting					

SECTION F – FIRM EXPORT MARKET COMPETENCE

In terms of Export commitment by management, International competencies, market knowledge, Production/Manufacturing/service Innovation of the firm, to what extent would you agree or disagree with the following statements?

1 = strongly disagree 2 = disagree, 3= neutral, 4 = agree, 5 = strongly agree

	Commitment	1	2	3	4	5
64.	The firm has an appropriate organisational structure to deal with all export activities.					
65.	Firm executives travel frequently to export markets					
66.	The firm sets aside adequate funds to develop overseas markets					
67.	Learning about export procedure and documentation is a high priority in this firm					
68.	Exporting is a high priority activity in the firm					
	International experience	1	2	3	4	5

69.	Understanding overseas customer requirements					
70.	Establishing and maintaining close supplier relationships					
71.	Establishing and maintaining close overseas distributor relationships					
72.	Identification of prospective customers					
73.	Capturing important market information					
74.	Acquiring export-market related information					
75.	Making contact in the export market					
76.	Monitoring competitive products in the export market					
	Market knowledge	1	2	3	4	5
77.	Export pricing abilities					
78.	Managing export distribution channels					
79.	Abilities in managing export marketing communications					
80.	Capabilities of the firm's export sales force					
81.	Export market research skills					
82.	Export marketing planning skills					
83.	Export marketing implementation skills					
	Innovation	1	2	3	4	5
84.	Quality control process					
85.	Development of new products for export customers					
86.	Range of products offered on the export market					
87.	Developing products according to customers specifications					
88.	Product quality					
89.	Product uniqueness					
90.	Warranty and service arrangements					

SECTION E-ENVIRONMENTAL FACTORS

The following statements refer to environmental factors that influenced the approach to your firm's export marketing strategy. Please indicate the level of importance your firm places on each of them. CIRCLE the number that corresponds to your opinion using the key below.

1=Not important 2=Somewhat important 3=Important 4 =Very important

	Psychic Distance	1	2	3	4	5
91.	The distance between the home market and a foreign market					
92.	Difference in the degree of separation between the company's home market and a foreign export market					
93	Environmental uncertainty/ Volatility					
94	Similarity between the company's home market and a foreign export market					
	Cultural Specificity					
95.	Similarity between the company's home market and a foreign export market					
96.	Culture distance(difference) between the company's home market and a foreign export market					
97.	Make culture specific product which enjoys a degree of patent protection over competing products					

SECTION F –EXPORT PROPENSITY

The following could be some of the reasons for your firm's involvement in exporting. Please indicate the level of importance your firm places on each of them. CIRCLE the number that corresponds to your opinion using the key below.

1=Not important 2=somewhat important 3=Important 4 =Very important

5=extremely important

	Optimal Export performance	1	2	3	4	5
98.	Increasing yearly sales					
99.	Increasing the growth of the firm					

100.	Having a larger market					
101.	Making greater profits					
102.	To take advantage of government incentives for exporting Keeping pace with local competition.					
	Superior Export Performance					
103.	Overcoming competition in the local market					
104.	Competitive price advantage.					
105.	Preventing dependence on local market for sales.					
106.	Product uniqueness.					
107.	Production efficiency.					
108.	Management commitment to exporting.					

THE END---THANK YOU

Appendix B: Results

2. Pilot study results

2A. Cronbach's Alpha

N=20

Firm Size.	Cronbach's Alpha: 0.810	Promotion Adaptation	Cronbach's Alpha: 0.882
Firm Early Age.	Cronbach's Alpha: 0.831	Education Level	Cronbach's Alpha: 0.909
Firm older Age.	Cronbach's Alpha: 0.853	International Experience.	Cronbach's Alpha: 0.929
Education .	Cronbach's Alpha: 0.788	Foreign Language	Cronbach's Alpha: 0.871
Product Adaptation .	Cronbach's Alpha: 0.883		
Price Adaptation.	Cronbach's Alpha: 0.801	Risk taking.	Cronbach's Alpha: 0.919
Place Adaptation.	Cronbach's Alpha: 0.863	Rigidness.	Cronbach's Alpha: 0.939

Proactive Approach.	Cronbach's Alpha	International Experience	Cronbach's Alpha
	0.788		0.881

Commitment.	Cronbach's Alpha
	0.893

Market Knowledge.	Cronbach's Alpha	Psychic Distant.	Cronbach's Alpha
	0.901		0.819
Innovation.	Cronbach's Alpha	Cultural Specificity.	Cronbach's Alpha
	0.813		0.839
Optimal Export Performance.	Cronbach's Alpha	Superior Export Performance.	Cronbach's Alpha
	0.803		0.911

2B. Composite Reliability

	N=20		
Firm Size	Composite Reliability	Promotion Adaptatio.	Composite Reliability
	0.781		0.825
Firm Early age	Composite Reliability	Education Level	Composite Reliability
	0.951		0.948
Firm Older age.	Composite Reliability	International Experience	Composite Reliability
	0.806		0.950
Education	Composite Reliability	Foreign Language	Composite Reliability
	0.854		0.817
Product Adaptation	Composite Reliability		
	0.926		
Price Adaptation	Composite Reliability	Risk taking	Composite Reliability
	0.851		0.948

	Composite Reliability
Place Adaptation	0.906

	Composite Reliability
Rigidness	0.950

	Composite Reliability
Proactive Approach	0.874

	Composite Reliability
International Experience	0.917

	Composite Reliability
Commitment	0.926

	Composite Reliability
Market Knowledge	0.701

	Composite Reliability
Psychic Distance	0.909

	Composite Reliability
Innovation	0.863

	Composite Reliability
Cultural Specificity	0.929

	Composite Reliability
Optimal Export Performance	0.763

	Composite Reliability
Superior Export Performance	0.839

2C. Average Variance Extracted

	N=20		
Firm Size	AVE	Promotion Adaptation	AVE
	0.625		0.756
Firm Early Age	AVE	Education Level	AVE
	0.798		0.760
Firm Older Age	AVE	International Experience	AVE
	0.808		0.862
Education .	AVE	Foreign Language	AVE
	0.604		0.548
Purchase Intention	AVE		
	0.758		
Product Adaptation	AVE	Risk taking	AVE
	0.598		0.860
Price Adaptation	AVE	Rigidness	AVE
	0.708		0.762

Optimal Export Performance	AVE
	0.663

Superior Export Performance	AVE
	0.739

Proactive Approach.	AVE
	0.704

International Experience	AVE
	0.648

Commitment	AVE
	0.758

Market Knowledge	AVE
	0.501

Psychic Distance	AVE
	0.619

Innovation	AVE
	0.563

Cultural Specificity	AVE
	0.639

		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
1	Commitment																						
2	Cultural Specificity	0.614																					
3	Early age Firm	0.729	0.739																				
4	Education	0.662	0.733	0.610																			
5	Educational level	0.800	0.685	0.846	0.604																		
6	Firm Size	0.623	0.741	0.763	0.687	0.825																	
7	Foreign languages	0.620	0.671	0.696	0.622	0.636	0.852																
8	Innovation	0.692	0.862	0.854	0.774	0.738	0.656	0.826															
9	International Marketing Strategy	0.861	0.849	0.896	0.896	0.834	0.801	0.849	0.840														
10	International experience	0.618	0.750	0.850	0.799	0.746	0.803	0.834	0.623	0.787													
11	Market knowledge	0.710	0.655	0.633	0.884	0.809	0.827	0.851	0.875	0.884	0.678												
12	Older age Firm	0.611	0.736	0.630	0.667	0.782	0.701	0.786	0.878	0.850	0.754	0.713											
13	Optimal Export performance	0.793	0.799	0.839	0.821	0.895	0.841	0.739	0.645	0.787	0.680	0.842	0.694										
14	Place/Distribution Adaptation	0.624	0.862	0.707	0.649	0.830	0.885	0.750	0.845	0.676	0.835	0.782	0.681	0.699									
15	Price Adaptation	0.769	0.750	0.718	0.739	0.806	0.753	0.771	0.803	0.798	0.647	0.722	0.664	0.891	0.727								
16	Proactive approach	0.691	0.766	0.676	0.653	0.634	0.850	0.654	0.748	0.683	0.610	0.797	0.825	0.818	0.709	0.793							
17	Product Adaptation	0.834	0.797	0.880	0.621	0.716	0.890	0.736	0.728	0.652	0.759	0.898	0.765	0.818	0.883	0.828	0.604						
18	Promotion Adaptation	0.616	0.875	0.877	0.843	0.700	0.884	0.622	0.842	0.649	0.707	0.718	0.730	0.675	0.660	0.652	0.746	0.643					
19	Psychic Distance	0.65	0.80	0.87	0.61	0.75	0.72	0.71	0.64	0.72	0.84	0.62	0.64	0.71	0.82	0.78	0.82	0.85	0.85				

		8	8	7	6	4	2	6	7	6	8	6	7	0	2	4	6	4	7			
20	Rigidness	0.891	0.705	0.710	0.708	0.881	0.831	0.850	0.722	0.816	0.839	0.715	0.779	0.683	0.718	0.653	0.895	0.803	0.601	0.731			
21	Risk Taking Ability	0.884	0.665	0.740	0.775	0.869	0.861	0.656	0.729	0.766	0.658	0.646	0.729	0.769	0.725	0.702	0.795	0.620	0.783	0.605	0.829		
22	Superior Export performance	0.627	0.768	0.757	0.612	0.702	0.615	0.645	0.852	0.819	0.792	0.884	0.714	0.850	0.772	0.821	0.800	0.769	0.718	0.690	0.798	0.751	

Column1	Saturated Model	Estimated Model
SRMR	0.044	0.079
d_ULS	0.228	0.75
d_G1	0.371	0.449
d_G2	0.242	0.303
Chi-Square	362.112	429.659
NFI	0.914	0.898

Column1	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Commitment -> International Marketing Strategy	0.567	0.013	0.220	2.590	0.010
Commitment -> Optimal Export performance	0.920	-0.364	0.240	3.469	0.001
Cultural Specificity -> International Marketing Strategy	0.624	0.007	0.230	2.720	0.007
Cultural Specificity -> Superior Export performance	0.414	0.254	0.785	0.932	0.098
Early age Firm -> Optimal Export performance	0.942	-0.194	0.250	0.694	0.310
Education -> International Marketing Strategy	0.928	0.004	0.195	4.763	0.000
Education -> Optimal Export performance	0.900	0.155	0.099	9.246	0.000
Educational level -> International	0.809	0.013	0.210	3.865	0.000

Marketing Strategy					
Educational level -> Superior Export performance	0.941	0.384	0.792	0.626	0.117
Firm Size -> International Marketing Strategy	0.882	0.019	0.128	6.910	0.000
Firm Size -> Optimal Export performance	0.655	0.282	0.193	3.676	0.000
Foreign languages -> International Marketing Strategy	0.794	-0.017	0.040	19.833	0.000
Foreign languages -> Superior Export performance	0.774	-0.072	0.129	5.928	0.000
Innovation -> International Marketing Strategy	0.918	0.024	0.169	5.456	0.000
Innovation -> Optimal Export performance	0.913	-0.241	0.187	4.641	0.000
International experience -> International Marketing Strategy	0.948	0.014	0.157	6.052	0.000
International experience -> Optimal Export performance	0.638	-0.208	0.236	2.495	0.013
International experience of Manager -> Superior Export performance	0.813	-0.015	0.224	3.786	0.000
International experience of Manager -> International Marketing Strategy	0.723	0.014	0.087	6.052	0.000
International Marketing Strategy -> Superior Export performance	0.844	-0.015	0.084	8.35	0.050
Market knowledge -> International Marketing Strategy	0.650	0.017	0.197	3.316	0.001
Market knowledge -> Optimal Export performance	0.594	0.103	0.154	3.960	0.000
Older age Firm -> International Marketing Strategy	0.853	0.030	0.267	3.225	0.001
Place/Distribution Adaptation -> Optimal Export performance	0.207	0.204	0.022	4.36	0.006
Price Competition -> Optimal Export performance	0.332	0.334	0.029	3.69	0.005
Proactive approach -> International Marketing Strategy	0.534	0.334	0.220	2.437	0.000
Proactive approach ->Superior Export performance	0.336	0.336	0.310	2.145	0.000
Product Adaptation -> Optimal Export performance	0.161	0.157	0.023	2.56	0.030
Promotion Adaptation -> Optimal Export performance	0.298	0.300	0.022	1.852	0.070
Psychic Distance -> International Marketing Strategy	0.718	-0.014	0.135	5.305	0.000

Psychic Distance -> Optimal Export performance	0.383	0.380	0.118	3.243	0.001
Rigidness -> International Marketing Strategy	0.546	0.001	0.045	6.404	0.030
Rigidness ->Optimal Export performance	0.650	0.035	0.325	2.765	0.006
Risk Taking Ability -> International Marketing Strategy	0.908	0.005	0.198	4.591	0.000
Risk Taking Ability -> Superior Export performance	0.752	0.602	0.399	2.487	0.013

Column1	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Commitment	0.873	0.799	0.708
Cultural Specificity	0.702	0.771	0.617
Early age Firm	0.781	0.743	0.686
Education	0.736	0.711	0.674
Educational level	0.782	0.765	0.674
Firm Size	0.775	0.726	0.677
Foreign languages	0.732	0.707	0.689
Innovation	0.846	0.7	0.641
International Marketing Strategy	0.763	0.755	0.689
International experience	0.743	0.799	0.683
Market knowledge	0.768	0.707	0.625
Older age Firm	0.891	0.816	0.668
Optimal Export performance	0.879	0.785	0.637
Place/Distribution Adaptation	0.778	0.752	0.668
Price Adaptation	0.89	0.804	0.668
Proactive approach	0.877	0.79	0.628
Product Adaptation	0.831	0.716	0.638
Promotion Adaptation	0.821	0.75	0.707
Psychic Distance	0.755	0.705	0.611
Rigidness	0.755	0.799	0.654
Risk Taking Ability	0.769	0.802	0.683
Superior Export performance	0.734	0.816	0.66