

IBERIAN MULTINATIONALS DRIVING THE CRISIS RECOVERY



The 10th Iberian International Business Conference

Zaragoza, Spain, 26th and 27th September 2014



1542

**Universidad
Zaragoza**

Editors:

Marisa Ramírez-Alesón (Director)

Natalia Dejo-Oricain

Marta Fernández-Olmos

Jorge Fleta-Asín

Pedro Sánchez-Sellero

Title: *IBERIAN MULTINATIONALS DRIVING THE CRISIS RECOVERY*

September 2014

Cover Photo: Marisa Ramírez-Alesón

Editors: Marisa Ramírez-Alesón (Director); Natalia Dejo-Oricain; Marta Fernández-Olmos; Jorge Fleta-Asín; Pedro Sánchez-Sellero.

No responsibility is assumed by the Editors and Publishers for any injury and/or damage to persons or property as a matter of products liability, negligence or otherwise, or from any use or operation of any methods, products, instructions or ideas contained in the material herein.

ISBN: 978-84-697-1287-0

Sponsors: Universidad de Zaragoza, Regional Government of Aragón and FSE through the Compete Research Group (project S125).

©The Authors (text)

©The Editors (edition)

THE INFLUENCE OF INTERNAL AND EXTERNAL VARIABLES IN THE EXPORT PERFORMANCE

Mafalda Roxo ¹, Susana Costa e Silva ², Ana Lisboa ³

¹ Catholic University of Portugal, Rua Diogo Botelho, 1327, 4169-005 Porto, Portugal. (mafalda.telles.roxo@gmail.com)

² Catholic University of Portugal, Rua Diogo Botelho, 1327, 4169-005 Porto, Portugal. (ssilva@porto.ucp.pt)

³ Escola Superior de Tecnologia e Gestão de Leiria Morro do Lena - Alto do Vieiro, 2411-901 Leiria, Apartado 4163, Portugal (ana.lisboa@ipleiria.pt)

Abstract

Focusing on export performance and having as a starting point the resource- based view (RBV) and contingency theories, this paper intends to study the effect of both internal and external factors to a firm in the export venture performance.

As methodology, a qualitative study was developed – case study – using semi- structured interviews to two managers and one director of marketing and communication of one of the largest cork stoppers manufacturing firm in Portugal.

The major findings of this paper are that both internal and external factors have impact in both export marketing strategy adaptation and export venture performance. The more developed the internal resources are, the better is the export venture performance and export marketing adaptation. A better knowledge of external factors has the previously mentioned impact. Also, export marketing strategy adaptation has a positive influence on export venture performance.

This research provides a better comprehension of the phenomenon of export performance in a strict research setting (a firm from a small open economy and, only one product). To have a better export performance, managers should invest in their internal resources (such as market and international business knowledge).

This paper contributes to extant knowledge of the export performance, in the way that it sheds a light on export performance in small open economies, namely the factors which contributes to a better performance of a firm (within the research setting defined).

Keywords: Export performance; small open economies; emergent economies; Portugal; cork stoppers.

JEL:

1. Introduction

The exporting activity has a great importance in the field of international business (IB) because it represents a strategic option for firm to internationalise at a significantly low cost; as so, it remains the most frequent foreign market entry (Sousa, 2004; Zhao and Zou, 2002). Due to that fact, for over forty years, *export performance* has been a *hot topic* in the field of IB (Zou and Stan, 1998).

Exporting is an important phenomenon, when related to small open economies, which need to engage international trade, in order to maintain their standards of living (Baldauf *et al.*, 2000).

Notwithstanding the importance of exports in the global economy and specifically in the small open economies, there is no consensus regarding export performance conceptualisation and, consequently, its operationalization and measurement (Katsikeas *et al.* 2000; Sousa, 2004).

Despite the many attempts made by researchers, both through qualitative and quantitative studies, there is still a gap concerning the existence of a framework of reference (Katsikeas *et al.*, 2000). Concerning the qualitative research, there are the literature reviews/meta-analysis produced by Aaby and Slater (1989), Katsikeas *et al.*, (2000), Leonidou *et al.* (2002), Sousa (2004). Regarding the quantitative research, there is contribute from Cavusgil and Zou (1994), Shoham (1998), Lages and Lages (2004), Lages *et al.* (2005), Zou *et al.* (1998), and so forth. The extant lack of consensus results in the absence of a reference framework and in fragmented findings (Leonidou *et al.*, 2002).

Globalisation of trade and sales activities has intensified the need of companies to expand to new markets (Leonidou, *et al.*, 2002, Sousa, 2004, Sousa *et al.*, 2008). Despite the advances met in the field of international marketing, namely in high income, industrialised countries, there is still a flaw concerning the emergent economies, therefore research involving these economies should be done (Burgess and Steenkamp, 2006).

To fill the extant gaps, this paper had the objective of ascertaining the factors that contribute to the success of the export performance from Portugal to the Russian, Indian, and Chinese markets. The study sought to answer the main question about whether the model was fit for the research setting or not, mainly the contribution of both internal (RBV-related) and external (contingency theory-related) factors for a better performance. The model was tested through the use of the methodology of case study, involving three semi-structured interviews, as well as secondary data collected in websites (annual reports, sectorial studies).

This contribution of this study is threefold. Firstly, it combines both a RBV and contingency theories, in order to develop the research model (presented in figure 3). Secondly, it extends previous scientific knowledge concerning export performance involving emerging open economies. Finally, it sheds some light on the question of the performance of industries in small open economies.

2. Conceptual framework

Export performance is one of the most studied areas of International Marketing and IB. As Katsikeas *et al.* (2000, p. 493) state, “[e]xport performance is one of the most widely researched but least understood and most contentious areas of international marketing”. This fact is due to the rising tendency towards economic globalisation, the increasing liberalisation of the markets, the economic and monetary unions, and because a great number of countries rely on their export performance to achieve economic growth (Cavusgil and Zou, 1994). Thus, this field of management is very important not only for researchers, but also for managers and public policy makers (Katsikeas *et al.*, 2000; Sousa, 2004).

Despite being a deeply studied area, this issue is actually the subject of lack of consensus and synthesis concerning its conceptualisation, operationalization, methodology and also its determinants and performance measures (Cavusgil and Zou, 1994; Katsikeas *et al.*, 2000; Shoham, 1998; Sousa, 2004; Zou, *et al.*, 1998).

2.1. Attempts of definition of the concept

A pursuit for the comprehension of the phenomenon of export performance has been made for the last forty years (Diamantopoulos, 1998). The studies developed sought for “organizational, managerial, environmental, and strategic determinants of export performance” (Diamantopoulos and Kakkos, 2007).

Diamantopoulos (1998) states that export performance is the reflex of the results of export behaviour when exposed to different firm-specific and environment-specific circumstances. Cavusgil and Zou (1994, p.3) define export performance “as a strategic response by management to the interplay of internal and external forces”.

Shoham (1998, p.62) defends that “export performance is conceptualized as a composite outcome of a firm's international sales”.

Moreover, export performance is “multifaceted and cannot be captured by any single performance indicator” (Diamantopoulos, 1998, p.3), which reveals the need of following a multidimensional approach when defining the measurement for assessing export performance,

instead of using single-items measures, because they are insufficient for any solid assessment (Shoham, 1998).

All things considered, it can be assumed that export performance is an idiosyncratic concept for each conceptualisation, operationalization and measures' definition are tailored-made to the reality in study, the type of firm considered and its settings (Greve, 1998; Katsikeas *et al.*, 2000, Sousa, 2004).

2.2. Resource based-view and industrial organisation theories

Sousa *et al.* (2008), in their literature review, consider that the determinants of export performance can be classified using two different approaches: the **resource-based paradigm**, which is focused in the internal determinants of the firm, and the **contingency paradigm**, which is focused on the external ones.

The resource-based paradigm emphasises the creation of competitive advantage using a set of resources, i.e., all the “assets, capabilities, organizational processes, firm attributes, information, and knowledge, etc. controlled by a firm” (Barney, 1991, p. 101). In other words, what Barney (*Id.*, p. 116) sustains is that “sources of competitive advantage are firm resources that are valuable, rare, imperfectly imitable, and non-substitutable.” Dhanaraj and Beamish (2003) sustain that “superior performance results from acquiring and exploiting unique resources of the firm”, which, according to Sousa *et al.* (2008) represents the internal determinants of export performance.

The contingency theory approach is built on the proposition that environmental/ external factors to the firm affect its performance (Donaldson, 2001, Sousa *et al.*, 2008). It is supported by the structure-conduct-performance (SCP) of industrial organisation (IO), which posits that the competitive intensity of a firm is determined by the structural characteristics of the market, and that positional advantage can only be achieved and sustained if the competitive strategy plan is efficiently and effectively carried out (Morgan *et al.*, 2004; Sousa *et al.*, 2008).

Ruekert *et al.* (1985, p. 17) suggest that “the kind of performance that results from marketing activities is dependent upon the nature of the task, the way in which the task is organized, and the nature of its environment.” Robertson and Chetty (2000, p. 212) defend that “export performance is determined by the extent to which a firm’s behaviour matches or fits its internal and/or external context”.

2.2.1. Internal variables vs. External variables

The **internal variables** are the ones intrinsic to the variables that the firm may control (Sousa *et al.*, 2008). According to Katsikeas *et al.* (2000), Leonidou *et al.* (2002), and Sousa *et al.* (2008) they can be subdivided into:

- Managerial characteristics - concerning the decision-maker and his personality, level of education, behaviour, attitudes, (international) experience, innovativeness, international experience export commitment, and support, and other traits;
- Organisational characteristics - regarding the resources, capabilities, competencies, operations, and the company's goals;
- Targeting - which involves identification, selection and segmentation of international markets;
- Firm characteristics – size of the firm, ownership structure, firm capabilities and resources;
- Marketing-mix strategy - which are product, pricing, promotion, and distribution;
- Market orientation - it has been recently considered.

The **external variables** concern the environmental aspect, i.e., the ones that the firm cannot control and that shape the macro-environment of both the domestic and international markets (Sousa *et al.*, 2008).

According to Sousa *et al.* (2008), these variables may be divided into:

- Foreign market characteristics – including legal regulations, cultural (dis)similarity, local business conventions, channel accessibility and market competitiveness;
- Foreign environmental characteristics – like cultural (dis)similarity and political and legal aspects;
- Domestic market characteristics – like export assistance and environmental characteristics.
- Therefore, one may consider that export performance can be affected by both internal and external factors.

2.3. Objective vs. Subjective Measures

Regarding the dichotomy objective vs. subjective, it represents, according to Katsikeas *et al.* (2000) the mode of assessment of export performance, and for Sousa (2004), it is a way

of operationalizing the concept of export performance, which is complemented with economic, non-economic or generic measures.

Objective data is usually extracted from official sources, like the company financial statements and reports. Whereas objective assessment gives accurate information, especially when measuring short-term performance, objective data is not easily available, accessible, and easy to interpret, and managers do not separate domestic market information from international market data, nor grant information on single ventures. Objective data assessment is not uniform, depending on the homogeneity of accounting practices. Moreover, this kind of data do not allow generalizations across industries and countries, and they are not always willingly given (Katsikeas *et al.*, 2000; Lages and Lages, 2004; Sousa, 2004).

Subjective data is based on the personal experience of the respondent, and can be important when objective information is not accessible, available, or generalized. It is usually used to assess long-term performance, yet, when employed, it must be used the principle of parsimony. Moreover, not always the key informants - those who have the knowledge about the phenomenon in study, and who are willing to report on it (Campbell, 1995) - have the same reference point (Katsikeas *et al.*, 2000; Lages and Lages, 2004, and Sousa, 2004), which may create some bias on the results.

Using both types of data assessment is the ideal approach, because it increases the confidence on the reliability and validity of the measures and they complement one another (Katsikeas *et al.*, 2000, and Sousa, 2004). Several studies rely on both, such as Shoham (1998), Styles (1998), Zou *et al.* (1998), and so forth.

2.4. Economic, Non-economic, and Generic Measures

In the reviews of export performance made by Katsikeas *et al.* (2000) and Sousa (2004), the authors divide export performance measures into economic, non- economic, and generic ones, in order to operationalize the concept.

Katsikeas *et al.* (2000) defend that, regarding economic measures, they can be divided in sales-related, profit-related and market share-related. Sousa (2004), another author who had a similar approach to the topic, presented analogous lines of thought in a table where he considered the “[c]lassification and [f]requency of [a]pppearance of [e]xport [p]erformance [m]easures” (*Id.* p. 9).

Regarding **economic** measures, according to Katsikeas *et al.* (2000, p. 498), and Sousa (2004, pp. 9-10), they can be sales-related (e.g.: export sales growth, export sales volume); profit-

related (e.g.: export profitability, export profitability growth), and market share-related (e.g.: export market share, market diversification).

Concerning the **non-economic** measures, they can be split in product-related

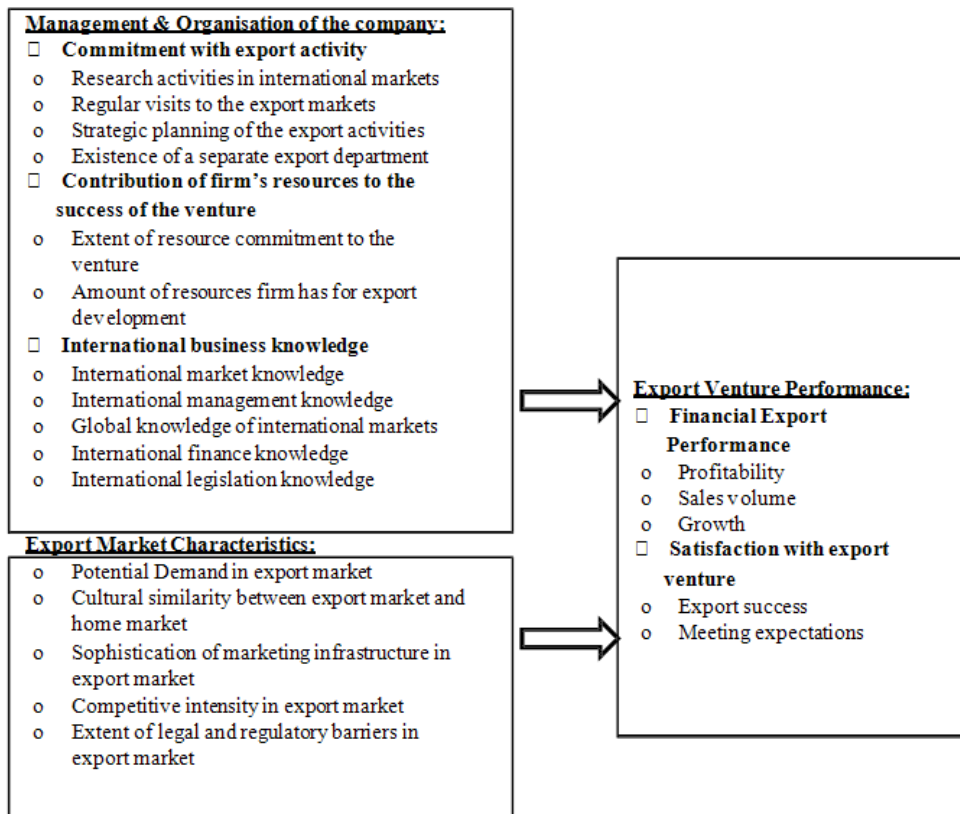
(when the focus is on export success reached through and efficient implementation and execution of a marketing strategy, like new products exported), market-related (such as export market penetration), and miscellaneous (like customer satisfaction).

Referring to the **generic** measures (e.g.: perceived export success, achievement with export objectives), Katsikeas *et al.* (2000, p. 499) consider it as a more collective approach to the measurement of export performance. These types of measures are related with the respondents' perceptions of attainment or failure of a determined goal/objective, in which results the success or failure of the export activity (Lages and Lages, 2004). Nevertheless, these are unrefined measures because they do not give the whole picture of the construct's domain (Katsikeas *et al.*, 2000).

Notwithstanding the existence of a plethora of measures (more than the few listed above), there has been a stream in the literature that defends the use of multiple measures, not only to complement each other, and provide a more accurate analysis, but also to capture different sides of the construct (Shoham, 1998; Sousa, 2004).

3. Research model and proposition

Figure 1: Conceptual model of assessment of export venture performance (developed model)



Source: Author, adapted from Cavusgil and Zou (1994), Katsikeas *et al.* (1996), Stoian *et al.* (2011), and Zou *et al.* (1998).

The framework above presented can be examined dividing it in three levels/layers. This research model inspired in the one developed by Cavusgil and Zou (1994) can be simplified by: internal and external factors to the firm have influence in the export venture performance. To develop the model, it was chosen constructs and items, which had already been tested by Cavusgil and Zou (1994), Katsikeas *et al.* (1996), Stoian *et al.* (2011), and Zou *et al.* (1998), that were joint together with the purpose of reaching a model that could be easily adapted to the case of a small open economy exporting to emergent economies.

The main goal of this work is only to apply this model to the export of cork stoppers to a single foreign market (Russia, India, and China), while conducting a study in the cork industry.

4. Methodology

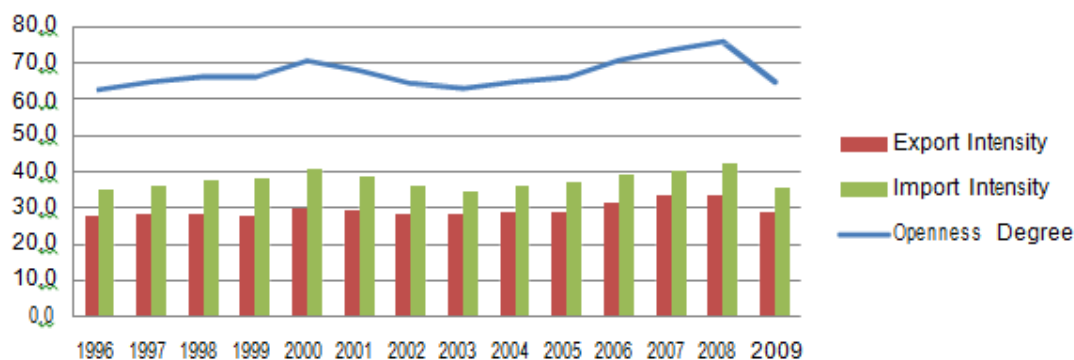
4.1. Research Setting

There are three main issues have not yet received a scientific attention: the export performance of small open economies, the cork industry, and the potential of the emergent economies as an export target.

Studies concerning Portuguese exports are common due to the level of openness degree of Portuguese economy (as it can be seen in the following figure), its high levels of export and import intensity, and also because Portugal is a small open economy. As such Portuguese export can be justified, according to Baldauf *et al.* (2000, p. 62), as a way “[t]o maintain the standard of living, these countries face the increasing challenge of establishing cross-border relationships”. As a matter of fact,

78% of Portugal GDP’s is obtained through the trade activity (World Bank, 2014).

Figure 2: Openness degree of Portuguese economy and respective values of export and import intensity from 1996 until 2009 (unit: Euro thousand)



Source: Ministério da Economia, da Inovação e do Desenvolvimento, 2011. GDP - Quarterly National Accounts (base 2006)

Concerning the emergent economies, Burgess and Steenkamp (2013, p. 1) affirm that “[t]heoretically, emerging markets present significant socioeconomic, cultural, and regulative departures from the institutional assumptions of Western countries”. As such, the theoretical/scientific background developed in Western countries should not be directly applied in emergent economies (*Ibid.*). A lot of research has yet to be carried out in order to allow academics to be able to do “the Holy Grail of marketing science — empirical generalizations” (*Ibid.*, 2006, p. 353). Yet, emergent markets can be used as kind of laboratory for testing and developing new theories (*Ibid.*).

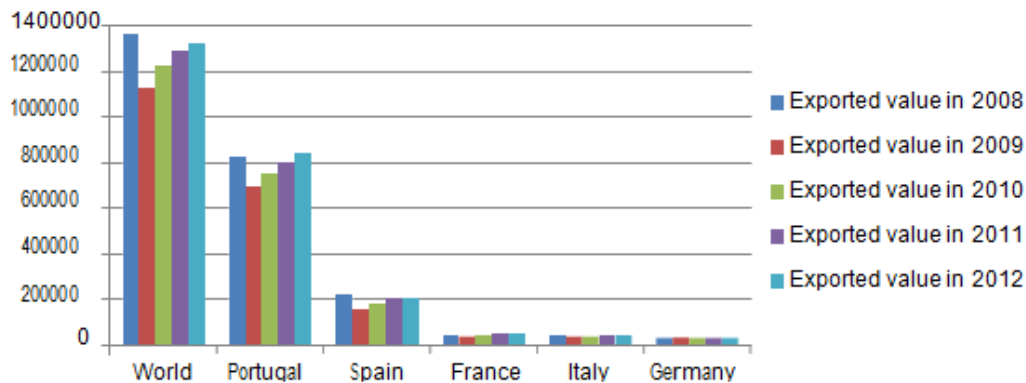
Furthermore, according to World Bank GDP ranking, PPP based (2014); China, India, and the Russian Federation are on the top 10 places of the ranking.

To sum up, the research setting for this study was the largest Portuguese cork stopper exporter, and its export to emergent economies like Russia, India and, China.

4.1.1. The importance of cork industry in Portugal

Portugal is the world leader in cork exports. Having an annual cork production of 100.000 tonnes (APCOR, 2013), Portugal is responsible for 49,6% of the world's total production. In 2012, Portugal achieved a country share of exports of 64,7%, followed by Spain, whose share was of 16% (ITC, 2013). The following graphic (figure 4) shows the evolution of cork exports and its comparison among other countries and the world values in thousands of Euro.

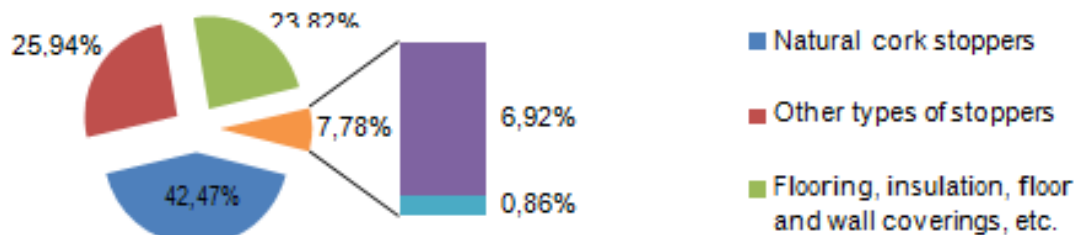
Figure 3: Evolution of cork exports from 2008 until 2012 - Portugal vs. world vs. other countries (unit: Euro thousand)



Source: International Trade Centre (ITC) calculations based on UN COMTRADE statistics, 2013

Concerning the structure of cork exports in Portugal per product type, it can be concluded that cork stoppers represented approximately 68% of cork exports back in 2012, which reflects its importance in Portuguese economy.

Figure 4: Structure of cork exports in Portugal per product type



Source: INE and APCOR, 2013

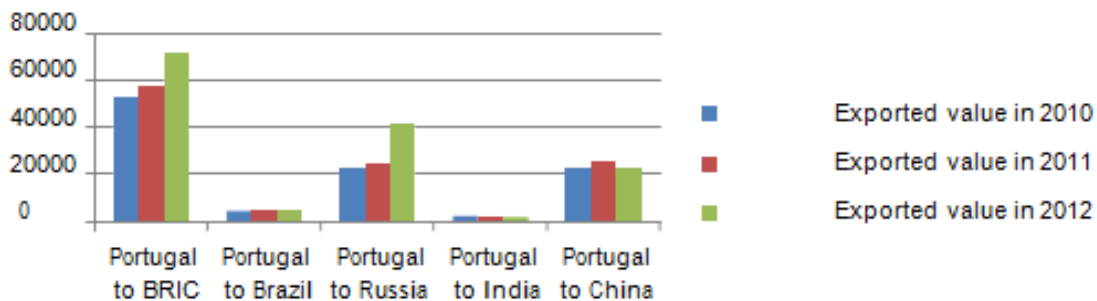
As it can be seen in the following graphic, wood and cork represent 3% of Portuguese total exports. Nevertheless, Portugal has the highest country share of cork exports in the world (ITC, 2013).

4.1.2. Exports Destinations

Concerning the main destinations of the cork exports, the main target of Portuguese exports is the European continent, namely countries like France, the USA, Spain, Italy, and Germany.

In recent years an increasing importance of the emergent economies has been noticed. As such, it can be found that Russia and China have a representativeness of 23,0% and 3,0%, respectively, in the cork exports in relation to total Portuguese exports (INE, 2012). It can also be noticed that only the exports to Russia faced a strong boost, while in India and China it can be ascertained a slight decrease (*cf.* Figure 8).

Figure 5: Cork exports from Portugal to the BRIC from 2010 until 2012



Source: ITC calculations based on UN COMTRADE statistics, 2013

4.2. Research design

The methodology adopted was “the representative or typical² case (...) [where] the objective is to capture the circumstances and conditions of an everyday or commonplace situation” and “[t]he lessons from these cases are assumed to be informative about the experiences of the (...) institution” (Yin, 2009, p. 48). Bryman names it as exemplifying³ case, because it “will provide a suitable context for certain research questions to be answered” (Bryman, 2012, p. 70).

Case studies are preferred when compared to other research methods because they have the competence of dealing with a wide range of evidence sources (from documents, to observations, interviews, and so forth, covering both qualitative and

quantitative data), which gives the in-depth knowledge of certain situation/phenomenon (Yin, 2009).

This research involved two types of data: primary and secondary data. The primary data consisted of semi-structured interviews were conducted to the Chief of Marketing and Communication and two Area Sales Manager for Eastern Europe & Asia. The use of this kind of interview reduces the risk of bias on the interviewee's answers, since it does not convey possible alternatives to them. The interviews were developed and applied in Portuguese, and then translated into English. The secondary data used in this research was gathered from official documents provided by the company (some of that not available for the public) and website information.

5. Case study

To develop this research we assume two main propositions:

P1: "Management & Organisation of the company" will affect the "Export venture performance".

P2: "Export Market Characteristics" will affect the "Export venture performance".

5.1. Management & Organisation

Management and organisational support are crucial for the success of the export activity. Having a good support and understanding from the higher ranks of the organisation might dictate whether an export venture is fruitful or not. This way, by scrutinising the commitment from the management to the export venture; the international business knowledge the managers in command have; and how much of the firm's resources are destined to the export activity; we can assess how it influences the export venture performance.

This analysis of the management & organisational contributions will rely on the semi-structured interviews conducted to Interviewee A, B, and C.

5.1.1. Commitment with Export Activity and Contribution of Firm's

Resources to the Success of the Venture

Amorim & Irmãos is a company that exports 95% of its production (AICEP – Portugal Global, 2013). Therefore, its whole strategy is designed for export activity. Also, the management gives full support to export development.

The company has an independent export department responsible for a tight and meticulous planning and control efforts developed for each export venture. Moreover, the venture planning is done well in advance, involving all sorts of data from the company's database, market research, future perspectives for the target market (that are assessed through visits), in order to reach the most advanced level of market knowledge. Furthermore, they have first-hand market knowledge due to their presence in those markets for over 30 years

When interviewing both Interviewee C and B, it was easily concluded that there are great efforts in order to achieve wide market knowledge, even when the market is still very young, which is the case of the Indian market.

In India's case, there is data on alcoholic beverages consumption, but the Indian population does not have yet relevant levels of alcohol consumptions. According to Interviewee B, it is due to its cultural and economic background.

Regarding the commitment with export activity and contribution of firm's resources to the success of the venture, Amorim & Irmãos tend to keep their strategy of allocating enough resources in order to bring return and growth.

Russia, India, and China are considered markets to invest in as a whole, but when analysing country by country, some adjustments are made, in order to reach each target/country needs.

5.1.2. International Business Knowledge

One of the most important aspects when considering a company, which relies on exports, is the international business knowledge of the senior managers of the company.

In Amorim & Irmãos, experience on international markets is a well-known practice.

Concerning the Area Sales Managers interviewed, both have 20 years or more of experience in the markets of Eastern Europe, Asia, and USA, which gave them a wide perspective on international market and management. This knowledge is shared with the other company's managers, so that all can have the same base of knowledge and be specialised in the markets where they operate.

Concerning the specifics of legal knowledge, it is a task of the legal department of the company, due to the legal instability of those countries.

5.2. Export Market Characteristics

Due to the decrease of wine consumption in the traditional markets, we can see Russia, India, and China as a potential market because these markets are believed to be fundamental to ensure the future growth of the world's economy. According to OIV, China is already the 5th largest wine producer in the world. This leads to some relocation, which is not exempt of geographical and physical barriers, implying alterations on the marketing strategy, on the product itself, and so forth.

Contrarily to China, Brazil and Russian Federation have met a decrease of their growth rate of wine production. Concerning India, it has a residual production, which might will be surpassed when the culture of alcohol consumption rise and when they develop a distribution network.

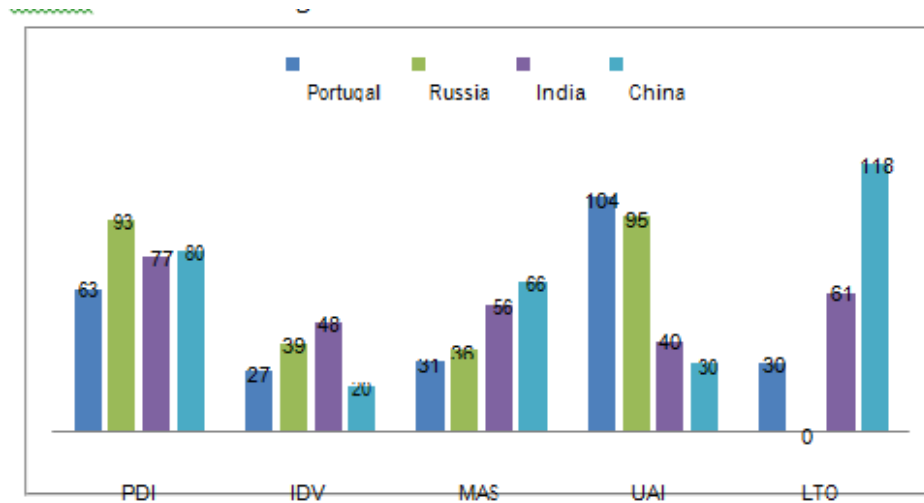
Regarding the **cultural similarities** between Portugal and Russia, India and China, they are very different countries. Each one has its own way of doing business, which is much different from the one used in the Western countries, which demand a high degree of adaptation.

Portugal can be compared to Russia, India, and China, using the tools provided by The Hofstede Centre. These tools compare both countries in terms of power distance (PDI), individualism (IDV), masculinity/femininity (MAS), uncertainty avoidance (UAI), and long-term orientation (LTO).

When comparing Portugal to the above-mentioned countries individually, the results are following:

It can be concluded that there are dissimilarities between Portugal and the considered countries, despite in some cases they are not very accentuated (e.g.: Portugal and Russia, concerning UAI, are similar, i.e., in both countries, ambiguity is not well tolerated). This favours a glocal approach from the company, concerning its communication

Figure 6: Comparison between Portugal and Russia, India and China of Hofstede 5 dimensions



Source: The Hofstede Centre (2013)

In relation to the **sophistication of the marketing infrastructures**, they are well developed in China (the company even has a subsidiary) and are well developed in Russia (nine main agents in Russia). India is the less developed market, having only two main agents.

Concerning the **competitive intensity** in those markets, the company faces the same competitors as in other markets, which are aluminium caps and synthetic stoppers, which have global market knowledge.

Regarding the **legal and regulatory barriers**, a great effort must be done in order to reduce the trade barriers, and, as it was said, homogenise the legislation.

Other small adaptations may be done due to the country weather conditions and the country infrastructures.

5.3. Analysis of Export Venture Performance

In this part, the financial export performance will be analysed, as well as the management satisfaction with the export venture.

5.3.1. Financial Export Performance

Concerning the perceptions on the financial performance of the export venture, both Area Sales Managers interviewed agree that the export venture for those countries is profitable, having obtained good results. Nevertheless, India is seen as a future investment that might bring high levels of return, when the cultural conditions change.

When asked about the sales volume, if considered the study regards emergent economies, and weighting its representativeness of the client portfolio of Amorim & Irmãos, the respondents considered that the export venture generated a considerable amount of sales, with exception of India.

Concerning the growth achieved by the venture, the opinions are slightly divided, because while one of the managers believes it has increased since 1989, the other defends that these markets are not mature enough. The venture's growth is one of the main issues, because these markets are believed to be fundamental to ensure the future growth of the world's economy. Despite only recently having been being recognised as a future important player, Corticeira Amorim has already had its presence there for about 30 years, accordingly to its strategy of the vision for the future.

5.3.2. Satisfaction with export venture

With regard to the satisfaction with the export venture, it will be examined how the managers perceive both the export success and whether the venture performance met their expectations.

In this case, all the interviewees passed the same general message that if one bears in mind the specifics of the countries, the results are worth, but all of them said that if their superior were asked the same questions, he will always demand better results.

This way, all three considered the export venture averagely satisfactory, having always the opportunity of being better.

When asked about its success, the answers were the same.

When speaking about the expectations, the answers were slightly different, because, despite some expectations were met, there were factors that influenced that result, for instance, one must bear in mind the specifics of these markets and also the fact expectations are always higher than the reality.

6. Discussion

As it could be seen the emergent economies are a target of utmost importance for any company who wants to be successful in the exports business. Not only have they concentrated 3 billion of world's populations, as well as they are the biggest emergent markets, having contributed to the majority of world's GDP. Another important fact is that the consumption rate of these countries is growing exponentially.

It was also concluded that India is still a complicated market, where marketing and business strategies must be carefully planned.

With this case study, we ascertain the influence that the management and organisational aspects of the company have on the export venture performance, verifying P1. If the concept is decomposed, one can conclude that the firm's commitment to the export activity, which in this case is almost 100%, is one of the crucial factors to the success of the exports. In addition, the international business knowledge, which was very high, due to the experience and practices of shared knowledge adopted by the firm also influence the export venture favourable outcome. Furthermore, it is concluded that a large investment of resources in the export activity, which is result of careful planning and high levels of control of the export activity, will lead to the creation of a better marketing strategy and increase the performance of the venture.

When analysing the export market characteristics, one might see that it influences the export venture performance, which corroborates P2. Evaluating item by item, the potential demand of the export market may influence the distribution network and as the same time as influences the outcome of the export venture. The cultural dissimilarity between Portugal and Russia, India and China, as well as that sophistication of the marketing infrastructures are some of the most important factors that highly influence the export venture performance. The competitive intensity influences the venture performance, in the financial achievement. Finally, the extent legal and regulatory barriers also influence the export venture performance.

To sum up, one might conclude that the model presented in figure 1 (p.8) can be an example of a way of assessing the export performance in the cork stoppers industry, when we observe the exports from Portugal to Russia, India and China.

7. Findings and implications

7.1. Theoretical findings

This study might not be the most innovative research in the field of International Marketing. Nevertheless, it is in a way pioneer one, because it not only analyse the reality of only one industry – the cork industry – as well as it studies the impact of export performance in the emergent economies, which, accordingly to Sousa *et al.* (2008) is a branch of knowledge which is not very much studied.

With this research, it is proposed that the application of the developed model is quite useful for a company whose goal is to internationalise/who are in an early stage of the process of

internationalisation, and for those who are already in the market, but whose performance does not fulfil expectations. Further empirical studies based on this model can provide with conformity that if it is equally useful for not only in LSE, but also for SME.

Furthermore, it was verified that export marketing strategy is linked to export venture performance, as well as a strategic planning and market knowledge.

7.2. Managerial findings and political implications

This research would like to shed light on the topic of the performance of cork exports, which is an industrial sector that has not been very much explored yet, and on which Portugal can rely to the success of its exports.

Managers, not only from the cork industry, might find this investigation interesting and useful because the constructs defined for the cork stoppers exports might as well be “exported” for other industries, like textile industry, the shoes industry, and so forth.

Other of the implications that should be taken from this research are the political implications, because if the government and associations like AICEP – Portugal Global join efforts in order to promote the image of our country and our products (like APCOR campaign), it would not only be useful for cork industry, but also for all the sectors of activity.

7.3. Limitations

As some of the main limitations of this study, it can be pointed that it is a very restricted research, having as a main focus the exports of a single business unit – cork stoppers – and consider only one company, which is the largest one in Portugal. These facts may create some bias on the study.

Other limitations that arise are the ones intrinsic to the methodology adopted. Being a case study there is some concern because they provide little basis for generalisation and replication of the study.

Another limitation was lack of set practices and established theories in the subject area, so the conceptual framework was built through the combination of different parts from different theories.

Some might say that the unit of analyse used, single venture, is not the adequate. It could be used a portfolio of exports, all of firm’s export, and so forth.

Another limitation that might be pointed out is the type of measures used: objective vs. subjective, and some kind of inclination from the part of the researched towards the use of subjective measures.

Other additional limitations that might be pointed out are the reduced number of interviews done, as well as the limited number of years (only one) assessed.

7.4. Future research

First of all, a study involving all cork stoppers exporters in Portugal should be conducted, including SMEs, and also to open the object of study to the sector of cork, and do not restrict it to cork stoppers.

Some quantitative analysis and longitudinal studies should be done, in order to verify whether the results gathered through qualitative research on a narrow scope study, match those from a wider scope and quantitative source.

A useful direction for further research is to use more objective data in order to grant a stronger reliability and validity to the research.

The research model could be replicated in other industries and involving more countries, for instance apply the research model to other small open economies, and compare the results from small open economies vs. larger economies.

It also might be useful to explore better the relationship between the export market characteristics and the export performance.

Other interesting variable that might be added to the model developed for this study could be adding the perspectives of the customers.

References

- Aaby, N. E., & Slater, S. F., 1989. Management influences on export performance: a review of the empirical literature 1978-1988. *International Marketing Review*, 6(4): 7-26.
- AICEP - Portugal Global. 2013. O salto das exportações para a internacionalização. Available in <http://www.portugalglobal.pt/PT/PortugalNews/RevistaImprensaNacional/AicepPortugalGlobal/Documentos> (2014/01/16; 15:30)
- APCOR. 2013. Yearbook. Available in http://www.apcor.pt/userfiles/File/Publicacoes/APCOR_ANUARIO_2013.pdf (2014/01/13; 10:30)
- Baldauf, A., Cravens, D. W., & Wagner, U., 2000. Examining determinants of export performance in small open economies. *Journal of World Business*, 35(1): 61–79.
- Barney, J. 1991. Firms Resources and Competitive Advantage. *Journal of Management*, 17(1): 99–120.
- Bryman, A. 2012. *Social research methods* (4th Ed.). New York: Oxford University Press.
- Burgess, S. M., & Steenkamp, J.-B. E. M., 2006. Marketing renaissance: How research in emerging markets advances marketing science and practice. *International Journal of Research in Marketing*, 23(4): 337–356.
- Campbell, D. T., 1955. The informant in quantitative research. *American Journal of Sociology*, 60(1): 339–342.

- Cavusgil, S., & Zou, S. 1994. Marketing strategy-performance relationship: an investigation of the empirical link in export market ventures. *The Journal of Marketing*, 58 (January): 1–21.
- Dhanaraj, C., & Beamish, P. W. 2003. A Resource-Based Approach to the Study of Export Performance. *Journal of Small Business Management*, 41(3): 242–261.
- Diamantopoulos, A. 1998. From the guest editor. *Journal of International Marketing*, 6(3): 3–6.
- Diamantopoulos, A., & Kakkos, N. 2007. Managerial Assessments of Export Performance□: Conceptual Framework. *Journal of International Marketing*, 15(3): 1–31.
- Donaldson, L. 2001. *The contingency theory of organizations*. London: Sage Publications Ltd.
- Greve, H. R. 1998. Performance, Aspirations, and Risky Change Organizational. *Administrative Science Quarterly*, 43(1): 58–86.
- INE. 2013. 2012 International Trade Statistics. Available on http://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine_publicacoes&PUBLICACOESpub_boui=153375426&PUBLICACOESmodo=2 (2014/01/11; 12:00)
- International Trade Centre. 2013. Exports 2001-2012: International Trade in Goods Statistics by Product Group. Available on <http://www.intracen.org/itc/market-info-tools/statistics-export-product-country/> (2014/01/11; 11:00)
- Katsikeas, C. S., Leonidou, L. C., & Morgan, N. A. 2000. Firm-Level Export Performance Assessment: Review, Evaluation, and Development. *Journal of the Academy of Marketing Science*, 28(4): 493–511.

- Lages, L. F., & Lages, C. R. 2004. The STEP Scale□: A Measure of Short-Term Export Performance. *Journal of International Marketing*, 12(1): 36–56.
- Lages, L., Lages, C., & Lages, C. 2005. Bringing export performance metrics into annual reports: the APEV scale and the PERFEX scorecard. *Journal of International Marketing*, 13(3): 79–104.
- Leonidou, L. C., Katsikeas, C. S., & Samiee, S. 2002. Marketing strategy determinants of export performance: a meta-analysis. *Journal of Business Research*, 55(1): 51–67.
- Ministério da Economia, da Inovação e do Desenvolvimento. 2011. Base de Dados do Grau de Abertura da Economia ao Exterior. Available on <http://www.gee.min-economia.pt/pagina.aspx?js=0&codigono=65226979AAAAAAAAAAAAAAAAAAAA&screenwidth=1600&mlkid=kz33e145e0drulmar3j0gxei&menucb=1&cn=65226979AAAAAAAAAAAAAAAAAAAA> (2014/03/10; 12:00)
- Morgan, N. A., Kaleka, A., & Katsikeas, C. S. 2004. Antecedents of Export Venture Performance: A Theoretical Model. *Journal of Marketing*, 68(January): 90–108.
- Robertson, C., & Chetty, S. K. (2000). A contingency-based approach to understanding export performance. *International Business Review*, 9(2), 211-235.
- Ruekert, R. W., Walker Jr., O. C., & Roering, K. J. 1985). The organization of marketing activities: a contingency theory of structure and performance. *The Journal of Marketing*, 49 (Winter): 13–25.
- Shoham, A. 1998. Export Performance: A Conceptualization and Empirical Assessment. *Journal of International Marketing*, 6(3): 59–81.
- Sousa, Carlos M P. 2004. Export Performance Measurement□: An Evaluation of the Empirical Research in the Literature Export Performance Measurement□:

- An Evaluation of the Empirical Research in the Literature. *Academy of Marketing Science Review*, 2004(09): 1–22.
- Sousa, Carlos M.P., Martínez-López, F. J., & Coelho, F. 2008. The determinants of export performance: A review of the research in the literature between 1998 and 2005. *International Journal of Management Reviews*, 10(4): 343–374.
 - Stoian, M.-C., Rialp, A., & Rialp, J. 2011. Export performance under the microscope: A glance through Spanish lenses. *International Business Review*, 20(2), 117–135.
 - Styles, C. 1998. Export performance measures in Australia and the United Kingdom. *Journal of International Marketing*, 6(3): 12–36.
 - The Hofstede Centre. 2013. Available in <http://geert-hofstede.com/countries.html> (2014/01/16; 15:00)
 - World Bank. 2014. Trade (% of GDP). Available on <http://data.worldbank.org/indicator/NE.TRD.GNFS.ZS> (2014/05/11; 11:00)
 - World Bank GDP ranking, PPP based. 2014. Available on <http://data.worldbank.org/data-catalog/GDP-PPP-based-table> (2014/05/11; 11:30)
 - Yin, R. K. 2009. *Case Study Research* (4th ed.). California: Sage Publications.
 - Zhao, H., & Zou, S., 2002. The Impact of Industry Concentration and Firm Location on Export Propensity and Intensity: An Empirical Analysis of Chinese Manufacturing Firms. *Journal of International Marketing*, 10(1): 52–71.
 - Zou, S., & Stan, S. 1998. The determinants of export performance: a review of the empirical literature between 1987 and 1997. *International Marketing Review*, 15(5): 333–356.
 - Zou, S., Taylor, C. R., & Osland, G. E. 1998. The EXPERF Scale: A Cross-National Generalized Export Performance Measure. *Journal of International Marketing*, 6(3): 37–59