

Understanding pre-export behaviour of small and medium-sized firms in
New Zealand: Towards a model of export readiness

Stephan Gerschewski
Victoria University of Wellington
PO Box 600, Wellington, New Zealand
Tel: +64 4 463 9784, Fax: +64 4 463 5231
Email: stephan.gerschewski@vuw.ac.nz

Elizabeth L. Rose
Victoria University of Wellington and University of Hawai'i at Manoa
PO Box 600, Wellington, New Zealand
Tel: +64 4 463 6912, Fax: +64 4 463 5231
Email: elizabeth.rose@vuw.ac.nz

Joanna Scott-Kennel
Victoria University of Wellington
PO Box 600, Wellington, New Zealand
Tel: +64 4 463 6913, Fax: +64 4 463 5231
Email: joanna.scott-kennel@vuw.ac.nz

Abstract

Relatively few studies have examined internationalisation readiness, especially the export readiness of firms. In this paper, we examine the pre-export behaviour of small and medium-sized enterprises (SMEs), developing a conceptual framework for export readiness. The framework integrates several strands of literature by incorporating a consideration of export stimuli, information and planning, firm strategy; and network relationships. We develop hypotheses associated with the framework, and test them on a sample of 96 manufacturing SMEs in New Zealand.

Our results reinforce the notion that export readiness is a multi-faceted construct. We find that proactive export stimuli are especially relevant for our understanding of export readiness. Moreover, we find strong support for a positive relationship between export readiness and export performance. Our study suggests that traditional concepts of the internationalisation process, such as domestic expansion prior to exporting, are not necessarily required for being “export ready”.

Keywords:

Pre-export behaviour; Export readiness; SME; Export performance;
Internationalisation

1. Introduction

Small and medium-sized enterprises (SMEs) have become increasingly relevant players in international trade (Knight, 2001), currently accounting for about 25- 35% of world exports of manufactured goods and a small, but increasing, share of foreign direct investment (FDI) (OECD, 2000). Globalisation processes, such as advances in technology, communication and transportation, and a shift in global value chains, have led to new perceptions of the world as borderless and a “global village” (Ohmae, 1990). As a result, an increasing number of firms has started to internationalise their activities. Many SMEs have opted to internationalise by exporting, as it involves lower risk, less commitment of resources and greater flexibility (Leonidou and Katsikeas, 1996).

As a small and geographically isolated country, exporting has important implications for New Zealand’s economic development, as demonstrated by recent government initiatives, such as Export Year 2007, aimed at enhancing the country’s international competitiveness (Ministry of Economic Development, New Zealand, 2007). Exporting and SMEs have also received attention in the academic literature, including the export development process (Johanson and Vahlne, 1977), export stimuli (Katsikeas and Piercy, 1993), export barriers (Leonidou, 2004) and determinants of export performance (Zou and Stan, 1998).

One area that has received less attention is the pre-export behaviour of firms, which involves the actions of the firm prior to realising its first export sale (Olson and Wiedersheim-Paul, 1978). Morgan and Katsikeas (1997, pp. 677-678) argued that there is a “lacuna of knowledge” as far as pre-export behaviour is concerned, and concluded that “limited conceptual and empirical insights exist that explain the phenomena underlying pre-export decision making and behaviour”. The pre-export period is a critical time, as it can determine whether exporting is successful, or whether the planned exporting venture fails or the firm opts out of exporting (Welch and Wiedersheim-Paul, 1980). Thus, a firm’s pre-export behaviour is important for its subsequent internationalisation.

The purpose of our study is to examine SMEs' pre-export behaviour by developing a conceptual framework for export readiness, which we define as the state of export preparedness that is a function of firm, managerial and environmental characteristics and evolves through a range of activities that occur prior to the commencement of export activity. Drawing on several strands of literature, including exporting, international entrepreneurship, strategic management and networks, we develop a model for analysing export readiness. The framework incorporates export stimuli, information and planning; firm strategy; and network relationships. In addition, we examine the relationship between export readiness and export performance. Our approach is in line with the holistic one advocated by Coviello and McAuley (1999) in their review of different schools of internationalisation. Hypotheses are developed, based on the framework, and tested using firm-level data from a sample of 96 manufacturing SMEs in New Zealand.

The article is structured as follows. In the next section, we provide a review of the literature and develop our hypotheses. Then, we present the research methodology, followed by the results section. Finally, we discuss our findings and conclude by stating the limitations of the study and offering some potential avenues for future research.

2. Overview of the literature and hypotheses

2.1 Export readiness

The notion of "export readiness" has received less attention than issues such as export development processes (e.g. Crick, 1995), export stimuli (e.g. Francis and Collins-Dodd, 2000) and export barriers (e.g. Leonidou, 2004). This may be related to some of the difficulties associated with conceptualising and defining the notion itself. Although there are limited direct references to export readiness, as such, valuable insights into this topic can be obtained from the existing literature.

One study that explicitly investigated the internationalisation readiness of firms is Cavusgil (1990), which developed software (CORE: Company Readiness to Export) that evaluates a firm's export readiness. Cavusgil (1990) differentiated readiness to export into two key dimensions: organisational and product. Organisational readiness involves top management commitment, the availability of human and financial resources, and the soundness of the organisational structure. Product readiness relates to product adaptation, design, and positioning.

Liesch and Knight (1999) also considered the issue of readiness, looking at the role of information internalisation in the internationalisation process of SMEs, and defining internationalisation readiness as “being a function of its state of informedness on foreign market(s) and the means for entering them” (Liesch and Knight, 1999, p. 386). This definition implies that the availability of information and knowledge about foreign markets is crucial for a firm's preparedness for internationalisation.

Although not explicitly considering export readiness, several strands of literature shed light on this topic. In the following sections, we review this literature.

2.2 Pre-export behaviour of the firm

Pre-export behaviour can be defined as the activities of the firm in the period “until the firm realises its first export sale” (Olson and Wiedersheim-Paul, 1978, p. 284). Welch and Wiedersheim-Paul (1980) noted that this pre-export period is particularly important, as it is during this stage that failure or withdrawal from exporting is most likely to occur.

Wiedersheim-Paul et al. (1978) looked specifically at the pre-export stage. Developing a model that incorporates export stimuli, firm characteristics, and decision-maker characteristics, they found that, in addition to decision-maker and product characteristics, the history of the firm, as expressed in “domestic internationalisation” (i.e. prior domestic extraregional expansion), influences its pre-export behaviour. Caughey and Chetty (1994)

found support for the Wiedersheim-Paul et al. (1978) framework, and suggested five new variables of interest, including size of the firm, management's education and export barriers. Building on previous studies, Hollensen (2004) incorporated export motives, export barriers, internal and external export triggers, and export information in a model of pre-internationalisation, arguing that information may be the most critical resource for the initiation of the internationalisation process in SMEs.

2.3 Export stimuli

Export stimuli are crucial for explaining why firms engage, and flourish, in exporting (Leonidou 1995b). It has been argued that export stimuli represent the driving force behind a firm's internationalisation path (Wiedersheim-Paul et al., 1978). Most studies of export stimulation have been undertaken in the context of SMEs. Yet, the literature about export stimuli is rather scattered and not completely integrated (Katsikeas and Piercy, 1993).

Export stimuli can be internal or external (Wiedersheim-Paul et al., 1978). Internal stimuli are influences that arise from a firm's corporate environment, such as a desire for economies of scale. External stimuli originate from the outside environment – domestic or foreign – of the firm; a key example is unsolicited orders from abroad (Morgan, 1999). Furthermore, export stimuli can be categorised as proactive and reactive. Proactive stimuli are factors that exploit the firm's unique internal competencies, whereas reactive stimuli result in export initiation as a response to environmental pressures (Morgan, 1999). Proactive stimuli can be defined as the seeking of export markets and opportunities, ranging from “entrepreneurial” (Yeoh and Jeong, 1995) to “active” (Piercy, 1981). On the other hand, firms that do not actively seek new export opportunities are described using terms such as “passive” (Yeoh and Jeong, 1995).

Reactive stimuli have generally been found to be more important than proactive stimuli for export initiation in the context of SMEs. Reviewing the export stimulation

literature, Leonidou (1995b) found that the receipt of unsolicited orders from abroad constituted the most crucial export stimulus, followed by utilisation of excess capacity, and saturation/shrinkage of the domestic market. All of these are classified as reactive stimuli.

It can be argued that the prevalence of reactive stimuli as motivation suggests that many firms maintain a rather passive and non-planned approach to exporting. However, proactive export behaviour has been shown to be positively associated with performance in foreign markets (Francis and Collins-Dodd, 2000; Dean et al. 2000). Under the assumption that behaviour and readiness are positively related, we hypothesise:

Hypothesis 1: The presence of proactive export stimuli is positively associated with export readiness.

2.4 Foreign networks

The traditional view perceives internationalisation as an outward process that starts via a low resource commitment mode, such as exporting (Johanson and Vahlne, 1977). However, this process view does not account for the inward aspect of internationalisation, such as importing and subcontracting as instigators of international expansion. Welch and Luostarinen (1993) noted a crucial link between inward and outward internationalisation, in that the effectiveness of internationalisation can depend on the development of inward activities, finding that Australian wine companies started to internationalise by being first franchisees and subsequently becoming franchisers in later stages of internationalisation. The firms benefited from inward connections as antecedents of outward internationalisation, in that they were able to gain experiential knowledge as well as take advantage of their foreign suppliers' networks. As a result, Welch and Luostarinen (1993) concluded that inward activities can play an important preparatory role for outward internationalisation; this was also supported by Korhonen et al. (1996).

Networks may play an important role in the internationalisation process. Johanson and Mattson (1995) considered business networks to be the relationships firms have with their customers, suppliers, distributors, competitors and government, and suggested that successful internationalisation is dependent more on a firm's networks in a foreign market than on the ownership-or location-specific advantages proposed by the eclectic paradigm and internalisation theory (e.g., Dunning, 1993). An important characteristic of networks is the interdependence of the involved actors (Johanson and Mattson, 1995). The use of networks can allow SMEs to overcome deficiencies in their resource bases and achieve complementary assets that are necessary for internationalising (Oviatt and McDougall, 1994). Elango and Pattnaik (2007) examined how parental and foreign networks may support the development of a firm's capabilities for internationalisation. They argued that local firms may develop networks by forming "bridging ties" with foreign firms who then assume an ownership interest in the local firm, allowing the local firm access to the foreign partner's larger global network. The authors found support for a positive relationship between the extents of foreign partner ownership and local firm internationalisation.

Based on the existing literature, we hypothesise:

Hypothesis 2: The usage of foreign networks is positively associated with export readiness.

Hypothesis 3: Importing prior to export initiation is positively associated with export readiness.

2.5 Export strategy

Strategy development is crucial for a successful start into exporting. The export strategy literature includes key aspects, such as generic strategy options (Porter, 1980), international market selection (Koch, 2001), and market entry modes (Delios and Henisz, 2003). We focus on generic strategic options in this study.

Porter (1980) developed a set of generic strategies that includes low cost leadership, product differentiation, and focus strategy to achieve competitive advantage. Of particular relevance to SMEs is the use of niche strategies for overcoming resource constraints (Dana et al. 2004), which is similar to Porter's (1980) focus strategy with differentiation. For example, many "born globals" are able to compete against large MNEs in specific fields, due to their focus on small, niche markets (Knight and Cavusgil, 1996). Etemad et al. (2001) also suggested the use of niche strategies for SMEs, arguing that they can improve their global competitiveness by co-operating with large MNEs, and that symbiotic relationships between SMEs and MNEs should result in mutual benefits for both parties. By specialising on one product or service, SMEs may be able to meet the specific needs of multiple MNEs (Etemad et al. 2001).

Thus, we hypothesise that pursuit of a niche strategy and co-operation with MNEs are positively associated with export readiness. Specifically:

Hypothesis 4a: The extent of product specialisation is positively associated with export readiness.

Hypothesis 4b: The extent of integration into MNE value chains is positively associated with export readiness.

2.6 Export information

The need for export information arises prior to a firm's export engagement, particularly with respect to the identification of foreign market opportunities (Wiedersheim-Paul et al., 1978). Souchon and Diamantopoulos (1999) categorised information acquisition modes into three dimensions: formal marketing research; export assistance (e.g., banks, government departments); and export market intelligence, which includes visits to overseas customers and agents. Calof (1997) found that personal contacts were the most important source of information, followed by associates, and foreign clients. Leonidou (1997) also

stressed the importance of informal measures, noting that firms gather information via such approaches as foreign market visits, overseas agents and personal contacts. McAuley (1993) obtained similar results, finding overseas agents to be the most frequent source of information.

A striking feature of these results is the importance of personal contacts in obtaining export information. This implies that a network of personal contacts may be helpful, in order for SMEs to build up export readiness. Souchon and Diamantopoulos (1999) explained the preference of informal sources over formal ones on the basis that such information comes from people who are actually doing business in the same area as the exporters. Following from this discussion, we hypothesise:

Hypothesis 5: The availability of information acquired through informal measures (i.e., via overseas visits to customers and personal contacts) is positively associated with export readiness.

2.7 Export planning

We classify export planning into three areas: export preparation, formalisation of export activities, and domestic expansion prior to exporting.

2.7.1 Export preparation

A rational approach to dealing with exporting has been advocated in the literature. For example, Cavusgil (1990) mentioned that prior planning is crucial when starting exporting. Similarly, noting that foreign market opportunities are often identified in a reactive way, stemming from unsolicited orders from abroad, Leonidou (2004, p. 287) argued that reliance on reaction leaves the firm “unprepared and ill-equipped” for exporting.

Furthermore, several studies (e.g., Bijmolt and Zwart, 1994) have implied that formal export planning is associated with better export performance. The Uppsala School (Wiedersheim-Paul et al. 1978) suggested that firms should expand domestically prior to

exporting. The assumption that domestic expansion may serve as a means to prepare for exporting, leads to the following hypothesis:

Hypothesis 6: The length of the export preparation process is positively associated with export readiness.

2.7.2 Formalisation of export activities

The firm's organisational structure is very relevant to export readiness. Cavusgil (1990) noted that organisational readiness, including an appropriate organisational structure, is a key factor associated with readiness to export.

Donthu and Kim (1993, pp. 51-52) defined export commitment as “a general willingness by management to devote adequate financial and/or managerial and human resources to export-related activities”. The formalisation of export activities through an export department is one manifestation of managerial commitment to exporting. Several studies have examined the relationship between the presence of an export department and export behaviour. Koh (1991) found that export performance (i.e., perceived export profitability) is significantly related to an export channel strategy that includes a separate export unit. Beamish et al. (1999) and Ali (2004) confirmed the positive relationship between an export department and export performance. Accordingly, we hypothesise:

Hypothesis 7: The formalisation of export activities within a firm, as expressed in a specific export department and/or role dedicated to managing export activities, is positively associated with export readiness.

2.7.3 Domestic expansion prior to exporting

Another important construct for analysing export readiness is the firm's behaviour in its domestic market. It has been argued that the domestic market environment influences pre-export behaviour (Wiedersheim-Paul et al., 1978).

The findings in the literature concerning the role of domestic market behaviour for internationalisation are mixed. On the one hand, some researchers argue that a strong domestic base is a prerequisite for internationalisation. For example, Cavusgil (1990) notes that companies that have expanded at home prior to entering a foreign market are much more likely to succeed in the global market place than local companies that directly enter foreign markets without prior domestic expansion. Through expansion in the home market, the firm is able to develop its organisational structure, as well as the marketing expertise that is key in international markets (Cavusgil, 1990). Porter (1990) underlines the importance of a strong domestic market in the “diamond model”, which posits that a strong domestic base represents the foundation of competitive advantage of a firm, making it an important prerequisite for internationalisation. Other studies that support the notion of a strong domestic base as a requirement for successful internationalisation are from the Uppsala School (e.g., Johanson and Vahlne, 1977).

On the other hand, there are also arguments that refute the idea that a strong domestic base is a requirement for subsequent internationalisation, as evidenced by the emergence of “born globals” or “international new ventures”. An international new venture is a “business organization that, from inception, seeks to derive significant competitive advantage from the use of resources and the sale of outputs in multiple countries” (Oviatt and McDougall, 1994, p. 49). Thus, international new ventures do not necessarily have strong domestic bases when expanding internationally. Bell (1995) suggested that “born globals” may have no domestic market at all. Noting that firms that internationalise earlier are more likely to grow faster, both in the foreign market and overall, Autio et al. (2000) argued that these early internationalising firms do not have to overcome the barriers of domestic orientation and decision-making inertia, unlike firms that focus first on expanding within their home market. It may be that early internationalising firms, absent established routines, are in a better position to learn

more quickly about the foreign environment. As a result, the liability of newness (Stinchcombe, 1965) can be turned into “learning advantages of newness” (Autio et al., 2000, p. 919)

Despite the specialised examples associated with born global firms, we expect that most firms will benefit from a strong domestic base prior to exporting. Therefore, we hypothesise:

Hypothesis 8: Domestic expansion prior to export initiation (i.e. up to three years before exporting) is positively associated with export readiness.

2.8 Export readiness and export performance

Some studies (e.g. Knight, 2001; Solberg, 1997) have found international preparation to be positively related to international performance. Specific to the context of this study, we expect that export readiness will have a positive relationship with the export performance of the SME. Export performance can be defined in various ways, both objective and subjective. Financial measures, such as international sales, profit, market share and growth, are obvious objective measures. In addition, there are non-financial measures, including management satisfaction with exporting and goal achievement (Zou and Stan, 1998); these subjective measures are based on managerial perceptions of export performance. Sapienza et al. (1988) argued that subjective performance measures are more useful when studying SMEs, as small firms may often be uncomfortable about providing objective performance measures.

Building on the existing literature, regardless of the approach used to measure performance, we hypothesise:

Hypothesis 9: Export readiness is positively associated with export performance.

2.9 Framework of the study

The hypotheses describe a number of factors that are assumed to be related to the export readiness of SMEs; the full model is shown in Figure 1. In this study, export readiness is treated as a multi-item construct that involves both internal and external factors.

3. Methodology

3.1 Data

We test the hypotheses using a sample of manufacturing-sector SMEs based in New Zealand. Four criteria were used to develop the sampling frame. First, firms with up to 100 employees were identified, following the Cameron and Massey (1999) definition of SMEs. Second, manufacturing firms, according to the Australia and New Zealand Standard Industry Classification (ANZSIC) code C, were selected. Third, we chose only firms that are based in New Zealand (with no regional distinction) and, fourth, we selected firms that have their own websites, providing the opportunity to verify their contact details.

After employing the New Zealand Kompass database to identify the sampling frame, a questionnaire was posted to top management (i.e. Managing Director, CEO, or Director) of 1,000 randomly-selected firms that fulfilled the four criteria. With 15 surveys returned due to a change of address, our total sample consisted of 96 usable surveys, for a net response rate of 9.6%.

3.2 Variables

3.2.1 Dependent variables

We employ four dependent variables: three related to export readiness and one related to export performance. Each of the dependent variables consists of a multi-item factor, constructed as a summated scale, based on questionnaire items consisting of seven-point Likert scales, where 1 represents strong disagreement/not important at all/not ready at all, and 7 represents strong agreement/extremely important/perfectly ready. Applicable items and

scale reliabilities, based on Cronbach's α , are shown in Table 1. The Cronbach's α values range from 0.66 and 0.87, indicating acceptable internal consistency for the scales employed in the analysis.

Export readiness

As discussed earlier, the literature on export readiness is not well-developed, so there is no single, widely-accepted measure for this dependent variable. In this study, we employ three measures of export readiness, all of which are associated with the absence of export barriers; this follows the logic that the less export barriers prevail, the more ready a firm is for exporting. Building on the export barriers literature (e.g. Leonidou, 1995c), export readiness is represented using three measures: marketing/operational export readiness (e.g., Leonidou, 1995c), functional factors for export readiness (e.g., Suarez-Ortega, 2003) and managerial commitment export readiness (e.g., Nummela et al., 2004). Conceptually, marketing/operational and functional readiness can be classified as "physical" or "hard" forms, while managerial commitment readiness is more of a "soft" or "psychological" type of export readiness. Details regarding these three constructs are displayed in Table 1. The export readiness factors are developed by considering both the level of readiness and its perceived relative importance for the firm. The level and importance responses are multiplied, with the product used to create a summated scale for each aspect of export readiness (Spector, 1992). The notion of jointly considering importance and level/satisfaction is well established, and is viewed as providing richer information, by weighting performance by importance.

Export performance

As noted earlier, export performance can be measured both objectively and subjectively. Several studies have highlighted challenges associated with reliance on objective performance data. Robertson and Chetty (2000) noted that objective data are not publicly available for small firms, effectively preventing the verification of self-reported information.

Lee and Griffith (2004) argued that behavioural measures of export performance (e.g., perceived success or satisfaction with export performance) offer a strategic dimension that is omitted from strictly economic measures (e.g., export intensity). Mindful of this argument, we employ subjective performance measures for this study. Our approach involves the use of seven indicators of export performance, building on the scales developed by Gupta and Govindarajan (1984) by adding two “soft” performance criteria (“contribution to overall firm reputation” and “firm learning”). Our indicators of export performance are all measured for the first three years following the firm’s initial export venture, to incorporate an assessment of sustained export performance.

3.2.2 Explanatory variables

The explanatory variables used in our study are developed using reliability analysis, building on conceptually logical groupings of questionnaire items. Many of the resulting variables are multi-item constructs, with some other questionnaire items used as standalone variables, as suggested by iterative reliability analysis using Cronbach’s α .

Proactive export stimuli: Our operationalisation of export stimuli is based largely on Leonidou (1995b) and Katsikeas and Piercy (1993), and includes items such as the importance of the potential for extra sales in export market(s) and the firm’s stated intention with respect to achieving economies of scale.

Foreign networks: For this study, foreign networks are represented by the extent of business networks with customers, suppliers, distributors, competitors, and government agencies, following Johanson and Mattson (1995). In addition, respondents were asked to indicate whether or not they had been importers prior to their commencing exporting, to reflect inward activities associated with internationalisation.

Export strategy: Given the SME context of our study, we focus heavily on the use of niche strategies (Oviatt and McDougall, 1994). Three separate items are used to reflect export

strategy. The first pertains to the presence of a specialised or customised product as a basis of competitive advantage, the second relates to the target market in the export country and the third deals with the undertaking of supply activities to MNEs through exporting (Dana et al. 2004).

Informal information acquisition: Two separate items are used to represent the informal acquisition of export information: the extent to which respondents utilise personal contacts and foreign market visits (Leonidou, 1997; Calof, 1997).

Export planning: Reliability analysis yielded three distinct items for export planning. The first reflects the length of the export preparation process. The second incorporates information regarding the formalisation of export activities, in terms of the existence of an export department/manager or another role dedicated to export activities. The third pertains to domestic expansion prior to exporting, as a measure of export planning.

3.2.3 Control variables

To facilitate accurate testing of Hypothesis 9, we control for several firm attributes that are expected to be related to export performance, based on the extant literature. (It should be noted that some variables are explanatory variables when modelling readiness, and control variables in the analysis of performance.) Based on previous findings of a positive relationship between proactive export stimuli and export performance (e.g., Francis and Collins-Dodd, 2000), we control for this aspect when specifying models used to test Hypothesis 9. In addition, proactive strategic export objectives are broadly assumed to be associated with stronger export performance (e.g., Verdin and Van Heck, 2001); in this study, we employ measures based on Cavusgil and Zou (1994). Similarly, given the Johanson and Mattson (1995) assertion that successful internationalisation may depend on the establishment of networks in foreign markets, we control for firms' usage of foreign networks (which includes the usage of networks with foreign distributors as a separate control variable) and

importing prior to exporting (e.g., Welch and Luostarinen, 1993). We also control for the formalisation of export activities, based on prior observations of a positive relationship with export performance (e.g., Koh, 1991).

Following suggestions, building on the stages model, that prior domestic internationalisation has positive spinoffs for internationalisation (e.g., Wiedersheim-Paul et al., 1978), we control for domestic expansion prior to exporting, the age of the company at the time of its first exporting venture and the reported length of the export preparation process. More generally, we control for the firm's export experience, operationalised as the number of years it has been involved in exporting (e.g., Francis and Collins-Dodd, 2000). Finally, we control for firm size, operationalised as annual sales.

4. Analysis and Results

4.1 The sample

Our sample consists of 96 manufacturing-sector SMEs in New Zealand. Median categories for the sample are 15-22 years of age for the company, 11-20 employees, NZ\$5-10 million in annual sales and 5-15 years of export experience. Not surprisingly, given the New Zealand context, more than half (56.8%) of the respondent firms had selected Australia for their first export market, followed by the US (10.8%) and the UK (5.3%). In terms of exporting mode, 57.4% of the sample firms have employed foreign agents and/or distributors, while 21.3% export directly to their customer or client.

4.2 Hypothesis testing

We employ ordinary least squares (OLS) regression modelling to test the hypotheses. Residual analysis revealed no problems with heteroscedasticity in any of the models. The correlation matrix for the variables used in the regression models is shown in Table 2; despite some correlations that differ significantly to zero, examination of variance inflation factors

indicates that multicollinearity is not affecting any of the models. Tables 3 and 4 show the results for the models of export readiness and export performance, respectively.

Hypothesis 1 predicts a positive relationship between proactive export stimuli and export readiness. We find mixed support for this hypothesis. The estimated coefficients associated with the summated factor representing proactive export stimuli are positive and significant ($p < 0.01$) in the models for marketing/operational and managerial commitment readiness (Models 1 and 3), and the variable representing demand for products and services in export markets demonstrates a positive relationship with functional readiness ($p < 0.10$), after controlling for the other variables in the model. Thus, our modelling provides support for Hypothesis 1, with different aspects of proactive export stimuli apparently associated with different aspects of readiness.

Hypothesis 2, regarding networks, receives limited support, with a marginally significant positive relationship ($p < 0.10$) between the firm's usage of foreign networks and managerial commitment readiness, in Model 3. Hypothesis 3, which pertains to importing prior to export initiation, is not supported in our sample.

In Hypotheses 4a and 4b, we predict that product specialisation and integration into MNE value chains are positively associated with export readiness. We find no support for either of these hypotheses, and contradiction for Hypothesis 4b ($p < 0.10$) with respect to marketing/operational readiness.

Hypothesis 5 suggests a positive relationship between information acquisition through informal measures and export readiness. This hypothesis is only partially supported, with a positive and significant ($p < 0.10$) estimated coefficient associated with the usage of foreign market visits in the model for functional readiness (Model 2). Our sample provides no empirical support for Hypothesis 6, regarding the length of the export preparation process

In Hypothesis 7, we predict a positive relationship between export readiness and the formalisation of export activities within the firm. We find support for this hypothesised relationship with respect to both marketing/operational readiness ($p<0.05$) and managerial commitment readiness ($p<0.10$). Hypothesis 8 suggests a positive relationship between domestic expansion prior to exporting and export readiness. Our empirical analysis provides no support for this relationship, and contradiction ($p<0.05$) for it, marginal to the other variables, for marketing/operational readiness.

Table 4 summarises the regression results for modelling the relationship between export readiness and export performance, which Hypothesis 9 posits to be positive. Models 4, 6 and 8 show performance modelled as a function of the control variables, while Models 5, 7 and 9 each includes one of the export readiness measures. Among the control variables, high levels of reported proactive strategic export objectives are consistently associated with better performance ($p<0.05$), across all six models, and more extensive usage of foreign networks is positively (at least $p<0.10$) related to performance in five of the six models. Hypothesis 9 receives strong support, as the coefficient associated with each of the three aspects of export readiness is positive and significant ($p<0.05$).

5. Discussion

We have developed a framework for export readiness, and examined the relationship between export readiness and export performance. A key finding of our study is that export readiness is a multi-faceted construct. As shown in Table 3, different sets of variables serve as effective predictors for each of the three identified types of export readiness. For instance, the formalisation of export activities is found to be positively related to marketing/operational and managerial commitment readiness, but not significantly associated with functional readiness, after accounting for the other variables in each of the models. Similar results are observed for

proactive export stimuli, which is consistent with previous studies (e.g. Leonidou, 1995a), and emphasises the importance of the motivation to commence exporting.

With regard to foreign networks, there is little support for the hypothesised positive association with export readiness. This finding contrasts with previous suggestions that internationalisation may depend on the development of networks in the foreign market (Johanson and Mattson, 1995). The lack of support for our hypothesis may be explained by the relative difficulty that SMEs have in accessing foreign networks. It may also be that these small and medium-sized firms do not perceive foreign networks as essential for being export ready.

In addition, we find no marginal support for the hypothesised positive relationship between export readiness and having been involved in importing prior to exporting. This contradicts some earlier studies that proposed inward internationalisation as an important first step (Welch and Luostarinen, 1993). A potential explanation for the lack of support for this hypothesis is that small firms may have neither the time nor the ability to undertake importing prior to starting exporting.

Contrary to our expectations, there is no support for a positive relationship between the use of a niche strategy and export readiness. Other studies have suggested that niche strategies are especially efficient for small and medium-sized firms that are trying to increase their international competitiveness (Etemad et al., 2001). However, the empirical findings suggest that the firms in our sample may be pursuing other strategies. It may be that other factors are simply more important for these New Zealand firms than the identification of a niche strategy for determining export readiness. Similarly, there is little support for the hypothesised positive relationship between export readiness and informal export information acquisition, in contrast with the findings in the literature that advocates the importance of

personal contacts and foreign market visits in order to obtain information from current players in the field of interest (e.g., Souchon and Diamantopoulos, 1999; Calof, 1997).

In terms of the length of the export preparation process, our study suggests that the firms in our sample do not necessarily view a lengthy preparation as a requirement for export readiness. It may be that the quality of export preparation is more important than the duration, in terms of readiness for exporting. Additionally, the born global phenomenon (e.g., Knight and Cavusgil, 1996) may be an important factor in the New Zealand context. In contrast, we observe fairly strong support for the hypothesised positive relationship between the formalisation of export activities and export readiness, particularly with respect to marketing/operational readiness and managerial commitment readiness. It should be noted that the direction of causality for this relationship may be reversed, e.g., firms that are high on managerial commitment and marketing/operational readiness may have been more likely to have established a separate export department or manager, in order to better structure their export activities.

Interestingly, we find no support for the hypothesis that domestic expansion prior to exporting is positively associated with export readiness. This finding challenges some existing literature (e.g., Wiedersheim-Paul et al., 1978), while, on the other hand, supporting the notion of born global firms that start to internationalise early in their histories, without necessarily expanding domestically (e.g., Knight and Cavusgil, 1996; Bell, 1995). In the current technological environment, small firms may be more export-ready, absent prior domestic expansion, especially in the context of a relatively small home market.

Lastly, our empirical results provide strong support for a positive relationship between export readiness and export performance. This finding implies that better readiness is associated with better performance, and suggests that the concept of export readiness should not be looked at in isolation, but in the context of its wider implications.

6. Limitations and future research

There are, of course, limitations of this study. In addition to the fact that our sample consists of only New Zealand firms, non-exporters are not included in the analysis, which poses a constraint in two respects. Firstly, firms that were ready to export, but had not yet started at the time of the survey, are not included in the sample. Such firms may provide valuable insights into the notion of export readiness, especially to the extent that non-exporters perceive export readiness differently to exporters (Shaw and Darroch, 2004). Secondly, firms that have exported in the past, but have stopped exporting, are not included in our study. The insights from firms in this category could also be of considerable interest.

Another limitation of the study pertains to the fact that the data are based on events in the past (pre-export), meaning that there is a possibility that events might not be remembered correctly, creating some degree of bias. The accuracy of the data is dependent on the recollection of the managers of the firms. Moreover, the study focuses strictly on the manufacturing sector; the generalisability of the results to other industries and sectors may be limited.

Our findings give rise to future research possibilities. As our enquiry is introductory in nature, replication in different settings will be necessary to test the robustness of the proposed framework. It would be of interest to include non-exporters in future studies, in order to compare their perceptions of export readiness with those of current exporters. In addition, we suggest that the relationship between export readiness and export performance be explored more deeply in future research. Our study has highlighted the implications of export readiness for export performance; future studies might investigate factors that moderate the relationship between export readiness and export performance. Moreover, we suggest that future research examine the issue of quality, in the context of the export preparation process. This could shed light on our finding that the length of the preparation process does not demonstrate a significant marginal relationship with export readiness. Finally, longitudinal studies should

advance our understanding of export readiness. For example, it would be interesting to examine whether – and how – the level of export readiness changes over time, and to assess how learning from exporting experience affects a firm's readiness to engage in exporting.

In this paper, we have attempted to contribute to the literature related to the pre-export behaviour of firms, by looking at the concept of export readiness. Given the introductory nature of this study, additional research is necessary to advance our understanding of export readiness.

References

- Ali, M. J. (2004). Impact of firm and management related factors on firm export performance, *Journal of Asia Pacific Marketing*, 3/2, 5-20.
- Autio, E., Sapienza, H. and Almeida, J. (2000). Effects of age at entry, knowledge intensity, and limitability on international growth, *Academy of Management Journal*, 43/5, 909-924.
- Beamish, R. W., Karavis, L. and Georzen, A. (1999). The relationship between organizational structure and export performance, *Management International Review*, 39/1, 37-54.
- Bell, J. (1995). The internationalisation of small computer software firms-A further challenge to 'stage theories', *European Journal of Marketing*, 29/8, 60-75.
- Bijmolt, T. H. A. and Zwart, P. S. (1994). The impact of internal factors on the export success of Dutch small and medium-sized firms, *Journal of Small Business Management*, 32/2, 69-83.
- Calof, J. L. (1997). So you want to go international? What information do you need and where will you get it?, *Competitive Intelligence Review*, 8/4, 19-27.
- Cameron, A. and Massey, C. (1999) *Small and medium-sized enterprises: A New Zealand perspective*. Auckland: Addison Wesley Longman.
- Caughey, M. and Chetty, S. (1994). Pre-export behaviour of small manufacturing firms in New Zealand, *International Small Business Journal*, 12/3, 62-68.
- Cavusgil, S. T. (1990). Assessment of company readiness to export. In H. B. Thorelli, & S. T. Cavusgil (eds.), *International Marketing Strategy*, Oxford: Pergamon Press.
- Cavusgil, S. T. and Zou, S. M. (1994). Marketing strategy-performance relationship: An investigation of the empirical link in export ventures, *Journal of Marketing*, 58/1, 1-21.
- Coviello, N. and McAuley, A. (1999). Internationalisation and the smaller firm: A review of contemporary empirical research, *Management International Review*, 39/3, 223-256.
- Crick, D. (1995). An investigation into the targeting of UK export assistance, *European Journal of Marketing*, 29/8, 76-86.
- Dana, L. P., Etemad, H. and Wright, R. W. (2004). Back to the future: International entrepreneurship in the new economy. In M. V. Jones, & P. Dimitratos (eds.), *Emerging paradigms in international entrepreneurship*, Cheltenham: Edward Elgar.
- Dean, D. L., Menguac, B. and Myers, C. P. (2000). Revisiting firm characteristics, strategy, and export performance relationship: A survey of the literature and an investigation of New Zealand small manufacturing firms, *Industrial Marketing Management*, 29/5, 461-477.
- Delios, A. and Henisz, W. J. (2003). Political hazard, experience, and sequential entry strategies: The international expansion of Japanese firms, 1980-1998, *Strategic Management Journal*, 24/11, 1153-1164.
- Donthu, N. and Kim, H. S. (1993). Implications of firm controllable factors on export growth, *Journal of Global Marketing*, 7/1, 47-63.
- Dunning, J. H. (1993). Trade, Location of economic activity and the multinational enterprise: A search for an eclectic approach. In J. H. Dunning (ed.), *The theory of transnational corporations*, London and New York: The United Nations Library on Transnational Corporations, Routledge.
- Elango, B. and Pattnaik, C. (2007). Building capabilities for international operations through networks: A study of Indian firms, *Journal of International Business Studies*, 38/4, 541-555.

- Etemad, H., Wright, R. and Dana, L. P. (2001). Symbiotic international business networks: Collaboration between small and large firms, *Thunderbird International Review*, 43/4, 481-499.
- Francis, J. and Collins-Dodd, C. (2000). The impact of firms' export orientation on the export performance of high-tech small and medium-sized enterprises, *Journal of International Marketing*, 8/3, 84-103.
- Gupta, A. K. and Govindarajan, V. (1984). Business unit strategy, managerial characteristics, and business unit effectiveness at strategy implementation, *Academy of Management Journal*, 27, 25-41.
- Hollensen, S. (2004). *Global marketing: A decision-oriented approach*. Essex: Pearson Education Ltd.
- Johanson, J. and Vahlne, J.-E. (1977). The internationalization process of the firm- a model of knowledge development and increasing foreign market commitments, *Journal of International Business Studies*, 8/1, 23-32.
- Johanson, J. and Mattson, L.-G. (1995). International marketing and internationalization approach. In S. J. Paliwoda, & J. K. Ryan (eds.), *International marketing reader*, London: Routledge.
- Katsikeas, C. S. and Piercy, N. F. (1993). Long-term export stimuli and firm characteristics in a European LDC, *Journal of International Marketing*, 1/3, 23-47.
- Knight, G. A. and Cavusgil, S. T. (1996). The born global firm: a challenge to traditional internationalization theory. In C. N. Axinn (ed.), *Advances in International Marketing*, London: JAI Press.
- Knight, G. A. (2001). Entrepreneurship and strategy in the international SME, *Journal of International Management*, 7/3, 155-171.
- Koch, A. J. (2001). Selecting overseas markets and entry modes: Two decision processes or one? *Marketing Intelligence & Planning*, 19/1, 65-75.
- Koh, A. C. (1991). Relationships among organisational characteristics, marketing strategy and export performance, *International Marketing Review*, 8/3, 46-60.
- Korhonen, H., Luostarinen, R. and Welch, L. (1996). Internationalization of SMEs- Inward-outward patterns and government policy, *Management International Review*, 36/4, 315-329.
- Lee, C. and Griffith, D. A. (2004). The marketing strategy-performance relationship in an export-driven developing economy: A Korean illustration, *International Marketing Review*, 21/3, 321-334.
- Leonidou, L. C. (1995a). Export stimulation: A non-exporter's perspective, *European Journal of Marketing*, 29/8, 18-35.
- Leonidou, L. C. (1995b). Export stimulation research: Review, evaluation and integration, *International Business Review*, 4/2, 133-156.
- Leonidou, L. C. (1995c). Export barriers: Non-exporters' perceptions, *International Marketing Review*, 12/1, 4-25.
- Leonidou, L. C. and Katsikeas, C. S. (1996). The export development process: An integrative review of empirical models, *Journal of International Business Studies*, 27/3, 517-551.
- Leonidou, L. C. (1997). Finding the right information mix for the export manager, *Long Range Planning*, 30/4, 572-584.
- Leonidou, L. C. (2004). An analysis of the barriers hindering small business export development, *Journal of Small Business Management*, 42/3, 279-302.
- Liesch, P. and Knight, G. A. (1999). Information internalization and hurdle rates in small and medium enterprises internationalization, *Journal of International Business Studies*, 30/1, 383-394.

- McAuley, A. (1993). The perceived usefulness of export information sources, *European Journal of Marketing*, 27/10, 52-64.
- Ministry of Economic Development, New Zealand (2007). *Export Year 2007*. Retrieved October 13, 2007, from <http://www.exportyear.co.nz>
- Morgan, R. E. and Katsikeas, C. S. (1997). Obstacles to export initiation and expansion, *Omega*, 25/6, 677-690.
- Morgan, R. E. (1999). Environmental determinants of export decision making: Conceptual issues regarding the domestic market, *European Business Review*, 99/5, 323-331.
- Nummela, N., Saarenketo, S. and Puumalainen, K. (2004). A global mindset- A prerequisite for successful internationalization? *Canadian Journal of Administrative Sciences*, 21/1, 51-64.
- OECD (2000). *Small and medium-sized firms: Local strength, global reach*. Paris: Organisation for Economic Cooperation and Development.
- Ohmae, K. (1990). *The borderless world: Power and strategy in the interlinked economy*. New York: HarperCollins.
- Olson, H. C. and Wiedersheim-Paul, F. (1978). Factors affecting the pre-export behavior of nonexporting firms. In M. Ghertman and J. Leontiades (eds.), *European research in international business*, Amsterdam: North- Holland.
- Oviatt, B. and McDougall, P. (1994). Toward a theory of international new ventures, *Journal of International Business Studies*, 25/1, 45-64.
- Piercy, N. (1981). Company internationalization: Active and reactive exporting, *European Journal of Marketing*, 15/3, 26-40.
- Porter, M. E. (1980). *Competitive strategy*. New York: The Free Press.
- Porter, M. E. (1990). *The competitive advantage of nations*. London: Macmillan.
- Robertson, C. and Chetty, S. K. (2000). A contingency-based approach to understanding export performance, *International Business Review*, 9/2, 211-235.
- Sapienza, H. J., Smith, K. G. and Gannon, M. J. (1988). Using subjective evaluations of organizational performance in small business research, *American Journal of Small Business*, 12/3, 45-53.
- Shaw, V. and Darroch, J. (2004). Barriers to internationalisation: A study of entrepreneurial new ventures in New Zealand, *Journal of International Entrepreneurship*, 2/4, 327-343.
- Solberg, C. A. (1997). A framework for analysis of strategy development in globalizing markets, *Journal of International Marketing*, 5/1, 9-30.
- Souchon, A. and Diamantopoulos, A. (1999). Export information acquisition modes: Measure development and validation, *International Marketing Review*, 16/2, 143-168.
- Spector, P. E. (1992). *Summated rating scale construction: An introduction*. London: Sage Publications.
- Stinchcombe, A. L. (1965). Social structure and organizations. In J. G. March (ed.), *Handbook of organizations*, Chicago: Rand McNally.
- Suarez-Ortega, S. (2003). Export barriers: Insights from small and medium-sized firms, *International Small Business Journal*, 21/4, 403-420.
- Verdin, P. and Van Heck, N. (2001). *From local champions to global masters: A strategic perspective on managing internationalization*. New York: Palgrave.
- Welch, L. S. and Wiedersheim- Paul, F. (1980). Initial exports - A marketing failure? *Journal of Management Studies*, 17, 333-343.
- Welch, L. S. and Luostarinen, R. (1993). Inward-outward connections in internationalization, *Journal of International Marketing*, 1/1, 46-58.
- Wiedersheim-Paul, F., Olson, H. C. and Welch, L. C. (1978). Pre-export activity: The first step in internationalization, *Journal of International Business Studies*, 9/1, 47-58.

- Yeoh, P.-Y. and Jeong, I.-S. (1995). Contingency relationships between entrepreneurship, export channel structure and environment: A proposed conceptual model of export performance, *European Journal of Marketing*, 29/8, 95-115.
- Zou, S. and 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.

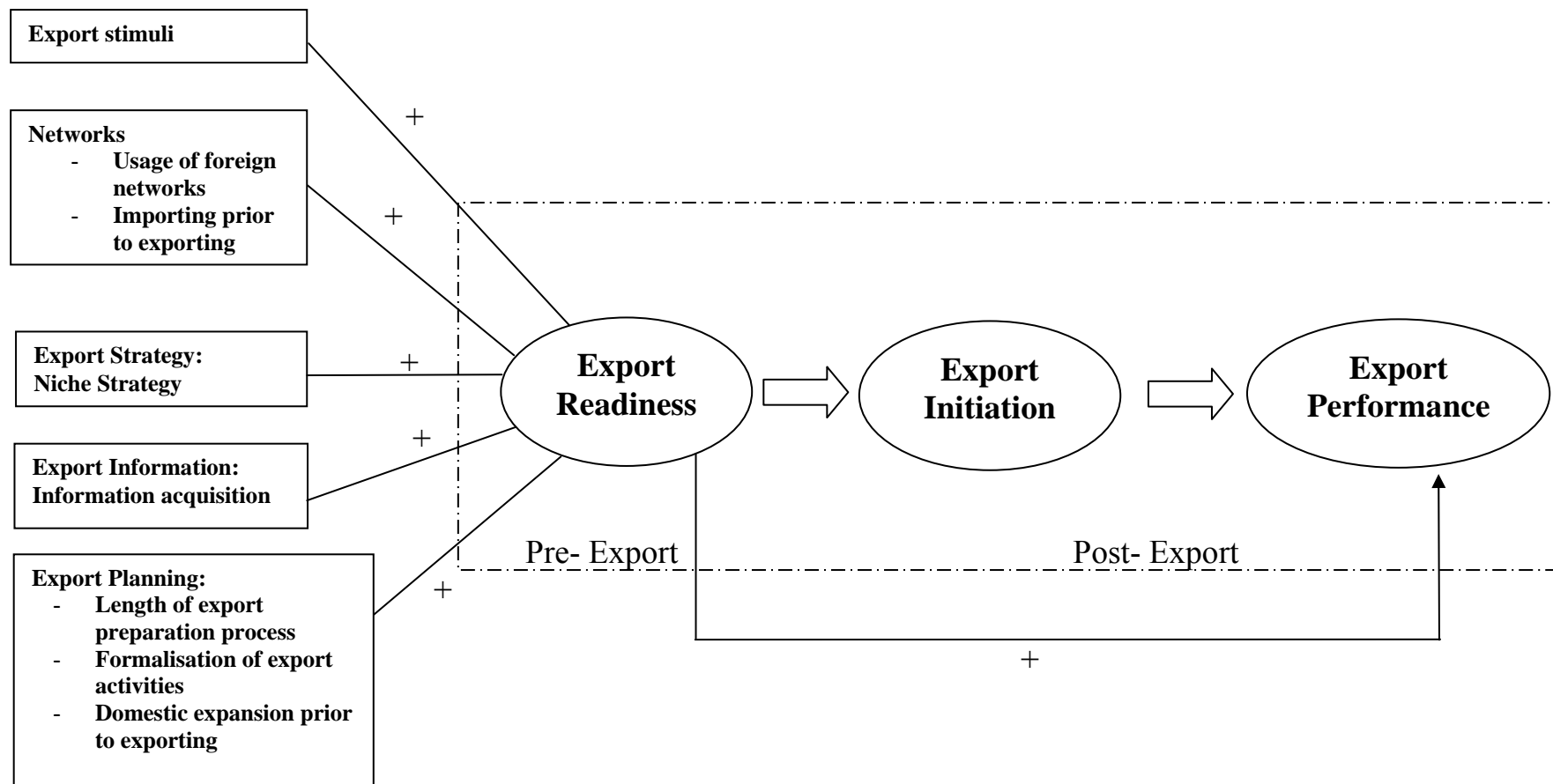


Figure 1: Export Readiness Model

Table 1: Summary of Measurement of Variables and Reliability Analysis

Variable Name	Specification of variable	Cronbach's α
Explanatory Variables		
Proactive export stimuli	Measured by level of importance of: <ul style="list-style-type: none"> - Potential for extra sales in export market(s) - Possession of unique product(s) in domestic market - Potential for extra profits in export market(s) - Intention to achieve corporate growth through exporting - Desire of top management to start exporting - Identification of foreign opportunities in foreign market - Incentives/assistance by banks, chambers of commerce or govt. - Contacts from trade fairs - Intention to achieve economies of scale by exporting - Open and free markets as export motivation - Exporting as part of company's international vision - Enthusiasm of top management about exporting - Export initiation from position of domestic strength* - Technology advantages as export motivation - Demand for products/services in export market(s)* 	0.83
Foreign networks	Measured by: <ul style="list-style-type: none"> - Extent of usage of foreign networks (i.e. networks with customers, suppliers, distributors*, competitors and govt. agencies) - Importing before export initiation 	0.71
Export strategy	Measured by niche strategy: <ul style="list-style-type: none"> - Very specialised/customised product* - Serve very narrow target market* - Supplier to larger MNEs through exporting* 	
Export information acquisition	Measured by extent of informal information acquisition: <ul style="list-style-type: none"> - Usage of personal contacts* - Usage of foreign market visits* 	
Export planning	Measured by: <ul style="list-style-type: none"> - Length of export preparation process* - Formalisation of export activities* - Domestic expansion prior to exporting* 	
Dependent Variables		
Marketing/operational export readiness	Measured by importance <i>and</i> level of: <ul style="list-style-type: none"> - Obtaining reliable foreign representation abroad - Absence of tough competition internationally - Low transportation costs - Ability to adapt to customer preferences overseas - Ability to offer competitive prices overseas - Short distance from overseas market - Appropriate export strategy 	0.69
Functional export readiness	Measured by importance <i>and</i> level of: <ul style="list-style-type: none"> - Familiarity with export documentation - Sufficient managerial time to deal with exporting - "No fear of the unknown export venture" - Availability of a unique and differentiated product - Availability of qualified export personnel - Availability of financial resources 	0.66
Managerial commitment export readiness	Measured by importance <i>and</i> level of: <ul style="list-style-type: none"> - Appreciation of the importance of the export market to the firm's overall success - Devotion of managerial time to exporting - International outlook among export decision-makers - Enthusiasm of export decision-makers toward exporting - Incorporation of exporting into the overall firm strategy 	0.87
Export Performance	Measured by importance <i>and</i> level of satisfaction with: <ul style="list-style-type: none"> - Export profitability - Export sales as a percentage of total sales - Market penetration - Export growth - Contribution to overall firm reputation - Firm learning - Export market share 	0.87

*kept as separate variables for regression analysis

Table 2: Correlation Matrix

	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.
1. Marketing/operational readiness															
2.Functional readiness	.70**														
3. Managerial commitment readiness	.48**	.60**													
4. Proactive objectives	.37**	.27*	.29**												
5. Increase the profitability of the firm	.29**	.20	.24*	.45**											
6. Proactive stimuli	.50**	.48**	.57**	.53**	.49*										
7. Export initiation from position of domestic strength	.15	.20	.10	.23*	-.07	.18									
8. Export initiation due to demand for products	.25*	.28**	.03	-.05	.06	.20	-.06								
9. Specialised/customised product strategy	.33**	.30**	.34**	.09	.31**	.37**	-.13	.31**							
10. Serve very narrow target market abroad	.05	0.03	.02	-.06	.22*	.11	-.17	.18	.41**						
11. Supplier to MNEs through exporting	-.03	.11	.18	-.05	-.12	.11	-.06	.09	.26*	.06					
12. Usage of foreign networks	.21	.30**	.35**	.10	.18	.29**	.14	.09	.19	.21*	.20				
13. Usage of networks with foreign distributors	.27*	.33**	.27*	.00	.08	.25*	.18	.01	.18	.21*	-.05	.44**			
14. Usage of personal contacts	.17	.21*	.11	.14	.11	.19	-.06	.21*	.10	.20	.18	.30**	.18		
15. Usage of foreign market visits	.22	.38**	.24*	.30**	.05	.38**	.13	.15	.11	.07	.31**	.20	.18	.43**	
16. Length of export preparation	.29**	.31**	.35**	.23*	.19	.31**	.05	-.01	.23	-.17	.10	.09	.19	.09	.09

** $p < 0.01$, * $p < 0.05$; two-tailed tests

Table 3: Regression Estimates for Export Readiness

	Model 1: Marketing/Operational Readiness	Model 2: Functional Readiness	Model 3: Managerial Commitment Readiness
Constant	12.22 (5.14)	5.70 (5.30)	6.99 (6.02)
Proactive export stimuli (H1)	2.79 (0.89)***	1.24 (0.89)	3.84 (1.01)***
Export initiation from position of domestic strength (H1)	0.34 (0.43)	0.46 (0.44)	0.10 (0.50)
Export initiation due to demand for products/ services in export market(s) (H1)	0.61 (0.54)	1.06 (0.55)*	-0.25 (0.62)
Usage of foreign networks (H2)	0.08 (0.58)	0.63 (0.60)	1.26 (0.69)*
Usage of networks with foreign distributors (H2)	0.31 (0.35)	0.41(0.35)	0.15 (0.42)
Importing prior to exporting (H3)	1.74 (1.56)	-0.97 (1.56)	-1.44 (1.78)
Customised/specialised product strategy (H4)	0.35 (0.53)	0.62 (0.53)	0.83 (0.61)
Serve very narrow target market in export market (H4)	-0.65 (0.55)	-0.56 (0.55)	-0.81 (0.63)
Supplier to larger MNEs through exporting (H4)	-0.72 (0.38)*	-0.22 (0.39)	0.41 (0.45)
Usage of personal contacts (H5)	-0.02 (0.44)	-0.08 (0.44)	-0.25 (0.50)
Usage of foreign market visits (H5)	0.14 (0.40)	0.76 (0.42)*	0.03 (0.47)
Length of export preparation process (H6)	0.11 (0.52)	0.64 (0.50)	0.75 (0.58)
Formalisation of export activities (H7)	3.26 (1.40)**	1.50 (1.41)	2.69 (1.61)*
Domestic expansion prior to export initiation (H8)	-4.92 (1.88)**	0.08 (1.88)	-0.54 (2.13)
<i>n</i>	81	87	87
<i>R</i> ²	0.40	0.35	0.44
Adj. <i>R</i> ²	0.28	0.23	0.33
Max. VIF	1.66	1.70	1.64

* $p < 0.10$; ** $p < 0.05$; *** $p < 0.01$

Standard errors in parentheses.

Table 4: Regression Estimates for Export Performance

	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9
Constant	5.49 (6.36)	1.76 (6.37)	6.32 (6.24)	3.60 (6.25)	5.77 (6.21)	3.49 (6.09)
Proactive export stimuli	0.91 (1.23)	0.06 (1.25)	1.13 (1.21)	0.56 (1.22)	1.04 (1.20)	-0.01 (1.24)
Proactive strategic export objectives	1.73 (0.73)**	1.50 (0.72)**	1.66 (0.74)**	1.57 (0.72)**	1.67 (0.73)**	1.64 (0.74)**
Usage of foreign networks	1.72 (0.74)**	1.72 (0.72)**	1.46 (0.75)**	1.39 (0.73)*	1.34 (0.74)*	1.07 (0.73)
Usage of networks with foreign distributors	0.53 (0.44)	0.36 (0.43)	0.57 (0.43)	0.38 (0.43)	0.67 (0.44)	0.67 (0.43)
Importing prior to exporting	0.30 (2.01)	-0.17 (1.96)	-0.50 (1.97)	-0.59 (1.93)	-0.74 (1.96)	-0.87 (1.90)
Length of export preparation process	-0.10 (0.66)	-0.14 (0.64)	-0.31 (0.63)	-0.53 (0.63)	-0.23 (0.63)	-0.59 (0.63)
Formalisation of export activities	1.02 (1.80)	-0.04 (1.81)	0.32 (1.77)	0.05 (1.74)	0.42 (1.76)	-0.22 (1.72)
Domestic expansion prior to exporting	-3.09 (2.21)	-1.60 (2.24)	-2.88 (2.19)	-2.81 (2.14)	-2.64 (2.16)	-2.39 (2.10)
Age of company at first exporting	0.09 (0.72)	-0.04 (0.70)	-0.03 (0.72)	0.18 (0.72)	0.00 (0.71)	0.31 (0.70)
Years of involvement in exporting	0.69 (0.88)	0.69 (0.85)	0.67 (0.89)	0.62 (0.87)	0.77 (0.89)	0.60 (0.86)
Annual gross sales in 2005	0.28 (0.89)	0.39 (0.86)	0.29 (0.89)	0.16 (0.87)	0.34 (0.88)	0.23 (0.86)
Marketing/Operational readiness (H9)		0.34 (0.15)**				
Functional readiness (H9)				0.28 (0.14)**		
Managerial commitment readiness (H9)						0.30 (0.13)**
<i>n</i>	78	78	84	84	84	84
<i>R</i> ²	0.33	0.38	0.28	0.32	0.29	0.34
Adj. <i>R</i> ²	0.22	0.26	0.17	0.21	0.18	0.23
Max. VIF	1.79	1.96	1.73	1.83	1.72	1.97

p*<0.10; *p*<0.05

Standard errors in parentheses.