

COMPARING HIGH, MODERATE AND LOW PERFORMANCE EXPORTERS: EVIDENCE FROM MALAYSIA

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INTRODUCTION

The industrialisation strategy which aimed at diversifying the Malaysian economic base saw the rising importance of the manufacturing sector in terms of employment and export earnings. Exporting shifted from being an option to a strategic imperative for firms in the manufacturing sector when the Industrial Master Plan (1985) was launched. The current national policy is to export to non-traditional markets. While competing on cost competitiveness is continued to be emphasised, the exporting firms are also encouraged to upgrade their marketing skills. This paper reports the findings of a study on Malaysian firms' export marketing behaviour and performance.

LITERATURE REVIEW

A complex interaction of variety of internal and external factors influence a firm's strategic stance and consequently its export performance (Bilkey, 1978; Cavusgil and Nevin, 1981). It is posited that firms would have more chances of being successful if they are large, allocate resources to export activities, export high quality products that met the needs of the overseas markets and are distributed by committed distributors (Madsen, 1987; Miessenbock, 1988; Aaby and Slater, 1988; Ford and Leoniduo, 1991; Gemunden, 1991). The successful exporters also exhibit high appreciation of marketing concept and skills in managing the marketing activities (Kotler, Fahey and Jatusripitak, 1985; Baker, 1987; Yavas, Tuncalp and Cavusgil, 1987; Johansson and Nonaka, 1987; Wong, Saunders and Doyle, 1988). Ford (1990) postulates that export performance is dependent on effective management of the exporter-importer relationship. Kamath et. al., (1987) however consider only four factors as being crucial for export success - skill managers and work force; a clear philosophy and corporate mission; good implementation of company strategy; and close attention to the specifics of the company's exporting situation and activity. A firm can be successful irrespective of its demographic and structural characteristics.

While much has been discussed about the state of research findings on firms from advanced industrialised nations, there appear to a dearth of knowledge on the export marketing behaviour of firms from newly industrialised and developing nations. From what is available, the findings tend to suggest that those firms that export to industrialised nations rather than exporting to the regional markets, have good management team and effective delegation of marketing decisions achieved better export performance (Christensen et. al., 1987; Leoniduo, 1988; Dominguez and Sequeira, 1993). The success of firms from the Far East in penetrating world market have been linked to their quick response time, assistance

from intermediaries and continuous product improvement in research and development (Wortzel and Wortzel, 1981; Levy, 1988; Erskine, 1991; Hsieh, 1993; Chang, 1993).

Evidence from Malaysia suggest that high product quality and availability of raw materials contributed to export success of Malaysia's manufactured items (Hoffman and Tan, 1980). In a subsequent study, Tan, Akira and Lai (1987) again found that the product's quality as the factor contributing to increased export sales. While firms in the electronic industry cited the introduction of new products, the textile industry attributed increase sales to the lowering of protectionist barriers and the metal and wood sector attributed the increase to higher productivity, better marketing facilities and more competitive product pricing. Drawing from journalistic reports, it is evident that most successful exporters attributed their success to a combination of quality products available at competitive prices, quick response time and the customer-oriented approach to business.

PURPOSE

This article is written with the following purposes:

1. to profile Malaysian exporting firms in terms of their export performance;
and
2. to compare their perceived marketing competitive strength.

METHODOLOGY

The data were obtained via mail survey. The population comprises of manufacturing firms which are members of the Federation of Malaysian Manufacturers (FMM) as listed in the 1992 FMM Directory. The data collection process was implemented during the months of May to July 1992. The survey questionnaires were mailed to 835 firms and at the end of the cut-off date, a total of 190 useful returns were received. This is equivalent to 22.8 percent response rate. This response rate is considered highly satisfactory, since responding to mail questionnaires has not been a widely accepted practice among business firms in Malaysia. The response rate is relatively higher than that of other studies involving Malaysian firms (Forum, 1991; Sieh, 1992).

BACKGROUND INFORMATION OF RESPONDING FIRMS

As shown in Table 1, the 190 respondents represent firms from a cross section of the manufacturing sector, and are classified into nine major sectors. The highest percentage of respondents (32.7%) is represented by firms from the chemical and chemical products category. This is followed by manufacturers of metal products (13.7%); wood and wood products (11.6%); and non-metallic mineral products (10.5%) respectively. The respondents are comprised of exporters of consumer as well as industrial products.

Table 1: Background Information of Respondents (N=190)

Industry Category	Total (Percent)
Food and Beverage	16 (8.4%)
Textile and Apparel	10 (5.3%)
Wood and Wood Products	22 (11.6%)
Chemical and Chemical Products	62 (32.6%)
Non-metallic & Mineral Products	20 (10.5%)
Manufacturers of Metal	26 (13.7%)
Electronic and Electrical Products	17 (8.9%)
Other Manufactures	17 (8.9%)
Size (No. of employees)	
75 and less	38 (20.1%)
76 - 250	79 (41.8%)
251 and above	72 (38.1%)
Years Established	
1 - 5 (1991-1987)	27 (14.2%)
6 - 10 (1986-1982)	41 (21.6%)
11 - 15 (1981-1977)	34 (17.9%)
16 - 20 (1976-1972)	38 (20.0%)
21 > (1971 or earlier)	50 (26.3%)
Year Began Exporting	
1 - 5 (1991-1987)	67 (35.3%)
6 - 10 (1986-1982)	63 (33.2%)
11 - 15 (1981-1977)	22 (11.8%)
16 - 20 (1976-1972)	21 (11.1%)
21 > (1971 or earlier)	17 (8.9%)
Percent of Foreign Equity	
0	84 (44.2%)
1 - 30	10 (5.3%)
31 - 50	41 (21.5%)
51 and above	55 (29.0%)
Types of product	
Consumer	71 (38.2%)
Industrial	66 (35.5%)
Mix (Consumer & Industrial)	49 (26.3%)

Note: 1 respondents did not provide information on the number of employees; 4 respondents did not provide information on the types of product exported.

The average number of years the participating firms have been in operation is approximately 18 years. The spread suggests that the stages of industrialisation and manufacturing activity is a fairly recent phenomenon. This corresponds to the period when there was a shift in the industrialisation programme with emphasis on the development of

the manufacturing sector. The distribution of the respondents based on the years involved in exporting tend to reflect Malaysia's export-oriented industrialisation policy embodied in the Fifth Malaysian Plan (1986-1990) and the launching of Industrial Master Plan (1985). Approximately 35% of the respondents are comprised of firms that have started exporting during the last five years and another one-third indicated that they began exporting between 6 to 10 years ago. Analysis by ownership revealed that approximately half of the respondents are firms with substantial foreign equity participation, thus highlighting the importance of foreign investors in Malaysia's industrialisation programme.

EXPORT PERFORMANCE

The classification of firms into their respective performance level is based on their subjective evaluation of the firm's export performance (export sales growth) over the three years (1989, 1990, and 1991). It is measured on a 5-point scale ranging from 5=far above expectation to 1=far below expectation. The findings presented in Table 2 show that approximately 26% (N=49) of the respondents rated their firm's export sales growth as being "far and moderately above expectation"; 44% (N=48) of the respondents rated their firm's export performance as "as expected"; and the remaining 30% (N=57) rated their export performance to be "moderately below and far below expectation."

For the purpose of analysis, firms that achieved "far and moderately above expectation" as high export performing firms; those firms which achieved the expected level of performance are classified as moderate export performing firms; and low export performing firms are comprised of firms that achieved "moderately below and far below expectation."

Table 2: Export Performance

Export sales growth	Total (%)
Far Above Expectation	4 (2.1)
Moderately Above Expectation	45 (23.7)
As Expected	84 (44.2)
Moderately Below Expectation	47 (24.7)
Far Below Expectation	10 (5.3)
Mean	2.93

ANALYSIS OF SURVEY FINDINGS

This section examines the differences among high, moderate, and low export performance manufacturing firms operating in Malaysia. Univariate analysis of variance (ANOVA) is used to determine if these three groups of firms are significantly different with respect to:

- i) organisational characteristics; and
- ii) marketing competitive strengths.

ORGANISATIONAL CHARACTERISTICS AND EXPORT PERFORMANCE

This section presents the analysis on organisational characteristics. The pattern of mean values and the results of ANOVA test are presented in Table 3.

The size of firms as measured by the number of employees appear to vary directly with the performance level. The higher export performing firms are larger in size compared to the moderate and low export performing firms. All the three groups registered an average export experience of ten years and there is marginal difference in their age. The moderate export performing firms appear to have slightly higher average percentage of foreign equity participation compared to the high and low export performing firms.

The results of ANOVA test show that the differences in the mean values of all the four variables describing organisational characteristics are not statistically significant at $p < 0.05$ or better. It is therefore concluded that the high, moderate and low export performing firms are not significantly different. The findings support the contention put forward by Kamath et. al. (1987) that export performance could not be attributed to firms' demographic and structural characteristics. The percentage of foreign equity participation within the three groups of firms was insignificant which suggest that ownership per se do not determine export performance, thus supporting the findings by Doyle, Saunders and Wong (1992). These authors contend that successful companies irrespective of their ownership/origin exhibit a greater degree of organisational flexibility and marketing orientation. The next section will examine if marketing variables do differentiate the three groups of export performing firms.

Table 3: Results of ANOVA of Organisational Characteristics on Export Performance

Variables	Export Performance Level			F-value	Groups which are significantly different ¹
	High	Moderate	Low		
Size	505	384	260	1.7611	
Age	17	18	16	0.3349	
Export experience	10	10	10	0.0137	
Equity structure	31	36	28	0.8440	
Export % (1991)	55	49	52	0.3746	

¹ Duncan's range test
Significant level: ^a $p < 0.001$; ^b $p < 0.01$; ^c $p < 0.05$

MARKETING COMPETITIVE STRENGTHS

This section highlights the results of statistical analysis on competitive marketing strengths variables. These variables are divided into external support; management strengths; product-mix strengths; price-mix strengths; distribution-mix strengths; and promotion-mix strengths. The pattern of mean values and the results of ANOVA are presented in Tables 4 to 12.

External support

Export competitiveness may be enhanced by inputs from various parties involved in the process of the transaction and creating a value-added chain. This study poses seven variables representing potential sources of competitive edge. Refer to Table 4.

The ranking of the mean values revealed that the importance of good relations with suppliers registered the highest mean value for all the three groups of firms. While the importance of distributors' strengths in providing market information is ranked second by high and moderate performing firms, the support from bankers is rated second by low performing firms.

Table 4: Results of ANOVA of Marketing Variables - External Support - on Export Performance

Variables	Export Performance Level			F-value	Groups which are significantly different ¹
	High	Moderate	Low		
Good relations with suppliers	4.10	3.94	3.84	1.1642	
Support from bankers	3.32	3.15	3.49	1.3473	
Financial assistance under Export Credit Refinancing Scheme	3.14	2.77	2.88	1.1218	
R & D Government agencies e.g. SIRIM, PORIM, etc.	2.35	2.29	2.11	0.6244	
Distributors' commitment and strengths in:					
a. Providing market information	3.61	3.37	3.33	0.8268	
b. Marketing networks overseas	3.45	3.27	3.12	0.9396	
c. Dealing with bureaucracy	2.84	2.92	2.58	1.3970	

Notes: The responses to the variables are elicited on 5-point scale (5=Extremely Important to 1=Not at All Important)
¹ Duncan's range test
 Significant level: ^ap<0.001; ^bp<0.01; ^cp<0.05

A comparison of the mean values across the three groups of firms shows that the importance of four variables tend to vary directly with the export performance level. They are (1) good relations with suppliers; (2) R & D by government agencies; (3) distributors' strengths in providing market information; and (4) distributors' strengths in marketing networks overseas. With regards to the remaining variables, the importance of distributors' strengths in dealing with bureaucracy registered the highest mean value among the moderate export performing firms. Support from bankers registered the highest mean value among the low performing firms. High export performing firms rated the importance of financial assistance under export credit refinancing scheme higher than the other two groups.

The results of ANOVA test show that the difference in the mean values of all the variables are not statistically significant at p<0.05 level. Thus, the importance of external support

variables as sources of competitive marketing strengths are not a strong discriminator among the three groups of firms.

Management strengths

In Table 5, the pattern of mean values and the results of ANOVA on six variables representing managerial competency and commitment to exporting are presented. The ranking of the mean values shows that the importance of commitment to quality improvement programme and strong coordination among functions in production, marketing and finance are rated first and second respectively by all the three groups of firms.

A comparison of the mean values across the three groups of firms shows all but one of the variables vary directly with the performance level. The low performing firms rated the importance of clearly defined target market higher than that rated by the moderate performing firms. The results of ANOVA test suggest that the differences in the mean values are not statistically significant. The importance of management strengths variables as sources of competitive marketing strengths are therefore not a strong discriminator among the three groups of firms.

Table 5: Results of ANOVA of Marketing Variables - Management Strengths - on Export Performance

Variables	Export Performance Level			F-value	Groups which are significantly different ¹
	High	Moderate	Low		
Understanding of international business culture	3.69	3.65	3.30	2.8870	
Commitment to quality improvement programme	4.41	4.20	4.18	1.2116	
In-house R & D department	3.39	3.00	3.04	1.1854	
Strong coordination among function in production, marketing and finance	4.24	4.15	3.88	2.9036	
Clearly define target market	3.84	3.56	3.61	1.3349	
Emphasis on profits rather than sales volume	3.12	3.06	3.04	0.1424	

Notes: The responses to the variables are elicited on 5-point scale (5=Extremely Important to 1=Not at All Important)
¹ Duncan's range test
 Significant level: ^ap<0.001; ^bp<0.01; ^cp<0.05

Market and Product-mix strengths

The pattern of mean values and results of ANOVA for variables classified as market and product-mix strengths are presented in Table 6.

The number of markets serviced by the three groups of firms appear to vary directly with their performance level. High and moderate performing firms exported to an average of 10 and 9 markets respectively; while the low performers exported to an average of 6 markets. The difference is not statistically significant.

With regards to the product-mix, the high and moderate exporters appear to be in agreement as to the ranking order of the four variables. In contrast, low performing firms appear to rate the importance of wide product range ahead of product uniqueness.

Table 6: Results of ANOVA of Marketing Variables - Market and Product-mix Strengths -on Export Performance

Variables	Export Performance Level			F-value	Groups which are significantly different ¹
	High	Moderate	Low		
Number of markets served	10	9	6	2.9083	
Product-mix Strengths:					
Product uniqueness	3.43	2.99	2.82	4.2889 ^c	H vs L,M
Consistent product quality	4.57	4.20	4.33	2.9812 ^c	H vs L,M
High product quality	4.47	4.12	4.18	2.4459	
Wide product range	3.10	2.83	3.05	1.1790	
Product Modification:					
a. Size of packaging	3.47	2.82	2.88	3.8425 ^c	H vs M,L
b. Branding/labeling	3.00	2.68	2.74	0.7595	
c. Colour of packaging	2.71	2.29	2.25	2.0936	
d. Packaging materials	2.94	2.73	2.60	0.9096	
e. Raw materials used	2.70	2.73	2.71	0.0087	
f. Style/design/ other features	3.21	2.80	2.77	1.4619	

Notes: The responses to the variables are elicited on 5-point scale (5=Extremely Important to 1=Not at All Important) except for product modification variables 5=Major, 1= Minor.
¹ Duncan's range test
 Significant level: ^ap<0.001; ^bp<0.01; ^cp<0.05

A comparison of the mean values across the three groups of firms shows that the mean values for low exporters are slightly higher than that of the moderate exporters with respect to consistent product quality, high product quality, and wide product range. As expected, the high performing firms scored the highest mean values for all the four variables. The ANOVA results show that product uniqueness and consistent product quality variables to be statistically significant at $p < 0.05$ level or better. In both cases, the high performing firms rated the importance of these two variables significantly higher than that rated by the moderate and low performing firms.

With respect to product modification, the ranking of the mean values suggests that modification of the size of packaging are ranked highest for all the three groups of firms. While modification on style/design/other features is ranked second by the high and moderate performers, branding/labeling occupied similar spot among the low performers.

A comparison of the mean values shows that the extent of modification on three product attributes (colour of packaging; packaging materials; style/design/other features) tend to vary with the performance level. While high performers are least concerned about modification on raw materials used, the low performers rated the extent of modification of size of packaging and branding/labeling slightly higher than that rated the moderate performers. The results of ANOVA tests show that the extent of modification on size of packaging to be statistically significant at $p < 0.05$ or better. High export performers are significantly different from moderate and low performers with respect to the importance of offering unique product with consistent quality standards and undertake modification with respect to size of packaging.

The results in this section revealed that the importance of product variables do differentiate the three groups of firms.

Price-mix strengths

Table 7 shows the pattern of mean values and the results of ANOVA on the variables describing price-mix. The ranking of the means show no clear pattern. The importance of price competitiveness received the highest mean value among the low performers and this is followed by the tight cost control variable. The ranking order is the opposite for the moderate performers. For the high performers, the importance of relative value of Malaysian Ringgit received the highest mean value, and is followed by tight cost control.

Table 7: Results of ANOVA Marketing Variables - Price-mix Strengths - on Export Performance

Variables	Export Performance Level			F-value	Groups which are significantly different ¹
	High	Moderate	Low		
Price competitiveness	3.73	3.87	3.95	0.7352	
Credit facilities offered to buyers	2.67	2.55	2.82	1.0812	
Low production cost	3.76	3.74	3.72	0.0158	
Tight cost control	3.88	4.06	3.82	1.2705	
Relative value of Malaysian Ringgit	3.90	3.49	3.63	2.5231	

Notes: The responses to the variables are elicited on 5-point scale (5=Extremely Important to 1=Not at All Important)

¹ Duncan's range test: Significant level: ^a $p < 0.001$; ^b $p < 0.01$; ^c $p < 0.05$

A comparison of the mean values across the three groups shows that the importance of variable low production cost tend to vary directly with performance level but it is the reverse for variable price competitiveness. The moderate performers appear to place great importance on the variable tight cost control when they registered the highest mean value. The importance of relative value of Malaysian Ringgit is regarded as a very importance source of competitive strength by the high performers.

The results of ANOVA show that the difference in the mean values for all the four variables are not statistically significant at $p < 0.05$ or better. Thus the importance of price-mix variables as sources of competitive marketing strengths is not a strong discriminator of high, moderate and low export performing firms.

Distribution-mix strengths

Two aspects of distribution-mix are being investigated. The first two variables represent distribution policy and the remaining four are concerned with export channels. The pattern of mean values and the results of ANOVA are presented in Table 8.

Between the two variables describing distribution policy, reliability of delivery is rated higher than existence of policy on selection and expected performance of distributors by all the three groups of firms. A comparison of the mean values across the three groups shows that the importance of both variables tend to vary directly with the performance level. However the results of ANOVA show that only the variable reliability of delivery is statistically significant at $p < 0.05$ or better. The high performers rated the importance of this variable significantly higher than that rated by the low performers.

Table 8: Results of ANOVA of Marketing Variables - Distribution-mix Strengths - on Export Performance

Variables	Export Performance Level			F-value	Groups which are significantly different ¹
	High	Moderate	Low		
Reliability of delivery	4.31	4.18	3.91	2.9666 ^c	H vs L
Existence of policy on selection and expected performance of distributors	3.16	2.99	2.88	0.8937	
Export Channels: Distributors in importing nation	3.71	3.32	3.44	1.2472	
Major retailers in importing nation	2.33	2.03	2.53	2.7043	
Affiliate firm overseas	2.65	2.71	2.40	0.8060	
Malaysian trading company	1.96	1.65	2.12	3.0226 ^c	L vs M
Singaporean trading company	2.04	1.82	2.32	2.9830 ^c	L vs M

Notes: The responses to the variables are elicited on 5-point scale (5=Extremely Important to 1=Not at All Important)
¹ Duncan's range test

With regards to export channels, the ranking of the mean values shows that the importance of direct exporting to distributors in importing nation received the highest mean rating for all the three groups of firms. A comparison of the mean values across the three groups, however show that low performers rated this variable a higher than that of moderate performers.

The results of ANOVA show that the difference in the mean values for both indirect channels (Malaysian Trading Company and Singapore Trading Company) is statistically significant at $p < 0.05$ or better. Low performers rated the importance of both channels significantly higher than that rated by the moderate performers.

Promotion-mix strengths

Table 9 shows the variables describing the tools of maintaining contact and communicating with the market place. The ranking of the mean values suggest that two of the eight variables are ranked first and second respectively by all the three groups of firms. These variables are 1. regular visits to overseas market and 2. joint efforts with distributors. A comparison of the mean values across the three groups of firms shows that the importance of these variables tend to vary directly with the performance levels.

Table 9: Results of ANOVA of Marketing Variables - Promotion-mix Strengths - on Export Performance.

Variables	Export Performance Level			F-value	Groups which are significantly different ¹
	High	Moderate	Low		
Trade fairs and exhibition	2.94	2.13	2.63	6.5108 ^b	H vs L,M
Trade mission	2.29	1.76	2.04	4.1067 ^c	H vs M
Advertising in trade journals	2.76	2.33	2.60	2.2553	
MEXPO exhibition centre	2.22	1.82	2.16	2.7810	
Trade Commissioners Service	2.33	1.86	2.18	3.6307 ^c	H vs M
Joint efforts with distributors	3.00	2.95	2.84	0.2075	
Promotional programmes organized by trade associations	2.24	1.90	2.12	2.0083	
Regular visits to overseas market	4.02	3.11	3.54	7.6793 ^a	H vs M

Notes: The responses to the variables are elicited on 5-point scale (5=Extremely Important to 1=Not at All Important)

¹ Duncan's range test: Significant level: ^a $p < 0.001$; ^b $p < 0.01$; ^c $p < 0.05$

The results of ANOVA tests show that the difference in the mean values of four variables are statistically significant at $p < 0.05$ or better. The importance of variable trade fairs and exhibition is associated with the high and low performers. As regards to the remaining three variables - trade mission; Trade Commissioners service; and regular visits to overseas market - the significant difference is between the high and moderate performers. As expected, it is the high export performing group that rated the importance of these variables significantly higher than that rated by the other group of firms.

DISCUSSIONS

The above findings highlights the importance of two marketing-mixes -- the product and promotion mix-- for success in export markets.

The ability to offer product of consistent quality level and with unique attributes is associated with high export performing firms. The positive association between product quality and export performance reaffirmed earlier findings by Hoffman and Tan (1980), Tan, Akira and Lai (1987), Christensen et. al., (1987), Leoniduo (1988) and Dominguez and Sequeira (1993). On the importance of product uniqueness, the result is in agreement with previous studies that established positive association between product-mix and export performance (Cavusgil and Kaynak, 1982; McGuinness and Little, 1981; Madsen (1989). The importance of these variables suggest that high performing exporters are geared towards matching the market needs., thus avoiding anxiety and uncertainty encountered by buyers when dealing with products from overseas. This can further be inferred from the findings on the extent of modification made to product attributes. High export performing firms exhibit willingness to undertake some modification with respect to one of the product attributes, that is size. This is in concurrence with the findings of previous studies such as Cooper and Kleinschmidt (1985), Kleinschmidt and Cooper (1988) and Madsen (1989) who found adaptation of product offer is associated with export performance. However, the finding contradict others that did not established the association (Douglas, 1993; Koh and Robicheaux, 1988; Fenwick and Amine, 1979). It should be cautioned that direct comparison may not be appropriate because other studies investigates product adaptation in general whereas this study investigates specific product attributes.

The finding on promotional-mix variables suggests that high performing exporters are concerned about maintaining market contact. They make frequent visit to overseas markets, participate in trade fairs and trade missions, and work closely with Malaysian Trade Commissioners Office compared to the moderate export performing firms in particular. The findings concur with the previous studies which established positive association between close market contact and export performance (Kirpalani and MacIntosh, 1980; Cavusgil and Kaynak, 1982; Karafakioglu, 1986; Madsen, 1989; Kirpalani and Robinson, 1989; Becker and Lendber, 1990; Sclegelmilch, Diamantopoulos and Petersen, 1990). As these activities may also be used as proxy indicators of information seeking behaviour, the findings suggest that high export performing firms are active information seeker. Thus supporting previous research which suggest that information is crucial for export success (Baker and Abou-Zeid, 1982; Burton and Schlegelmilch, 1987; Johansson and Nonaka, 1983; 1987; Christensen et. al., 1987; Douglas, 1993).

Even though the findings on external support provided by intermediaries do not lend support to the view that distributors from importing nation are crucial for export performance of firms in developing nations (Wortzel and Wortzel, 1981; Levy 1988), the findings on the importance of reliability of delivery concur with the previous findings (Hsieh, 1993; Chang, 1993; Williamson, 1991). Priority placed on export orders and hence delivering the goods as scheduled are crucial in enhancing a firm's image and competitiveness. The insignificance of external support provided by government agencies

is not surprising as previous findings tend to cast doubt on the contribution of such assistance in enhancing export marketing competitiveness (Kirpalani and MacIntosh, 1980; Sriram, Neelankavil and Moore, 1989; Christensen et. al., 1987; Douglas 1993).

The insignificant of price variables reflect the findings of most studies which found that price is a weak explanatory factor for export success (Louter, Ouwerkerk and Bakker, 1991; Madsen, 1987; 1989). The management strength is only prerequisite for export venture, the difference lies in the commitment to maintaining contacts with the markets.

SUMMARY

This study investigates the factors that differentiate high, moderate and low export performing firms. While the three groups of firms do not differ significantly in terms of organisational characteristics, they differ with respect to competitive marketing strengths. High export performing firms rated the importance of product and promotion mixes significantly higher than that rated by the moderate and low export performing firms. The results of this study suggest that communication with the market is of paramount importance for export success. Through regular contact, firms venturing overseas could better understand the needs of the market place. Products offered could be adjusted to suit overseas buyers requirements and reduce risk associated in international business. Less reliance on indirect intermediaries means that the firm has first hand information about market development.

The study left some questions that need further explanation. The pattern of mean values tend to show that the low performing exporters rated most of the variables investigated in this study slightly higher than that rated by the moderately export performing firms. Could this be attributed to the fact that these firms are actively exploring to increase their export sales? Could it be that the moderate export performing firms are satisfied in servicing existing markets and customers, thus not making extra efforts to develop new markets?

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