Adaptation Practices and Export Performance: A Study of Exporting Firms in Zimbabwe

A dissertation submitted

By

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Abstract:

There is not much research done, particularly in Zimbabwe on the relationship between export strategy adaptation and performance. This is so despite the poor export performance witnessed in the country over the last ten years. This paper provides results of a study that explored the following research question: How can the adaptation of export marketing *mix strategies improve export performance in Zimbabwe?*

It addressed this question through the identification of the key variables that contributed most to the discrimination between firms with high levels of export performance versus those with low levels of performance and those with high levels of strategy adaptation against ones with low levels of strategy adaptation.

A conceptual framework was adopted linking export performance to the following variables:

- Exporting mix strategy including the 4Ps (product, price, promotion and place/distribution).
- Organizational profile.
- Export environment.
- Product export-market venture and
- Managerial variables.

These variables were defined and operationalised using information obtained from literature review.

An exploratory research design was used to generate an insight into the patterns and associations of the above variables. Data was collected through a

survey involving a randomly selected sample of 105 exporting organizations. A structured multi-item questionnaire with pre-tested constructs proved to exhibit high levels of reliability and validity. Discriminant analysis was used to identify the key discriminating variables.

The study showed that exporters with high levels of export strategy adaptations and high levels of export performance differed significantly from those with low levels of strategy adaptations in terms of the following variables: (a) size of the firm, (b) age, (c) ownership, (d) number of years of service with the company, (e) nature of the product, (f) product life cycle, (g) economic factors, (h) cultural factors, (i) political and legal factors, (j) commitment to the export venture, (k) education, (l) experience of the managers, and (m) export performance.

The *overseas experience of management* was found as a key variable that discriminated between exporting firms using low export strategy adaptations from those with high adaptations. This was followed by the *strategic orientation of the company*, *cultural values* and *legislation* respectively.

Strategy implementation was identified as a key discriminator of firms, with low levels of export performance against those with high levels of performance. This was followed by *experience in international business and training, economic factors, size of the firm, cultural factors, strategic orientation, education and political/legal factors* respectively.

The practical recommendations to industry are for them to consider the following success factors: (a) Adapt export-marketing strategies depending on the requirements of the intended markets in terms of price, product characteristics, promotion, distribution, culture, economics and political factors prevailing in the export markets. (b) Ensure consistent improvement of acquisition of relevant experience, knowledge and commitment to implementation of their strategies.

From a theoretical point of view, the study provides evidence that export performance can be linked to export marketing strategy adaptation. Other variables like economic factors, organization profile and managerial factors also affect export performance through strategy adaptation.

Knowledge of this linkage has been lacking in developing countries, including Zimbabwe. The study is therefore useful in guiding export managers in their activities and it gives more insight for future research in the field.

Certification of Dissertation

I certify that the ideas, experimental work, results, analysis, software and conclusions reported in this dissertation are entirely my own effort, except where otherwise acknowledged. I also certify that the work is original and has not been previously submitted for any other award, except where otherwise acknowledged.

Signature of Candidate Date

ENDORSEMENT

Signature of Supervisor Date

Signature of Supervisor Date

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Table of Contents

Page No.

List of Tables

List of figures

Chapter 1

Introduction

1.1 Statement of the Problem.

Exporting has traditionally been seen as a tool for national economic growth and international competitiveness (Dunning 1981; Rugman 1982; Vernon 1974). Adam Smith (1837) described exports as a "vent for surplus" which encourages nations to improve their productive powers. Without exporting, life in most countries would be much more difficult due to shortages of certain strategic metals, other commodities and raw materials which only exist in other countries (Cateora & Graham 1999; Onkvisit & Shaw 1997; Wortzel & Wortzel 1997).

Other benefits of exporting at national level include the creation of employment opportunities. One of the causes of the Great Depression in the 1930s in particular in the United States was trade restriction due to high tariffs (Onkvisit & Shaw 1997). Exports also results in the accumulation of foreign reserves and the increase in revenue and wealth in general to the society (Clark & Montgomery 1999; Lages & Montgomery 2001; Naidu & Prasad 1994; Porter 1990; Styles & Ambler 1996).

At company level, exporting assist in raising sales and profitability, diversifying the business and improving productivity (Lages & Montgomery 2001; Styles & Abler 1996). It can also be used to reduce production costs per unit and dependency on the domestic market. International exposure can be used to improve competitiveness at home through enhanced managerial skills and capabilities gained from participating in export markets. Firms performing well in the export business are more likely to withstand the intensified world-wide competition generated by the increasing integration of regional and world markets as well as trade liberalization (Katsikeas & Piercy 1993).

Exporting gives companies realistic opportunities for growth because of the stagnant domestic market and a weak economy (Douglas & Craig 1989). Increasing exports, leads to an enlargement of the customer base. It is in this context that an increasing number of companies are expanding internationally using exporting as a means to penetrate foreign markets.

Export performance in Zimbabwe since the beginning of the Economic Structural Adjustment Programme (ESAP) in 1991 has been very poor. Exports declined by 28.5 % and 10.8 % in 2001 and 2002 respectively. In 2002, export sectors recorded the following negative growth: Agriculture (-12.5 %), Mineral products (-11.1 %), Semi-manufactured products (-15.4 %) and Manufactured products (-8.7 %) (Reserve Bank of Zimbabwe, 2005).

This situation is not desirable for both the country and exporting companies as success at company level will lead to national success. Efforts should therefore be made to address the problem of poor export performance in Zimbabwe by analyzing export behavior visa-a-vi performance. The reasons why some firms succeed when others fail has engaged both researchers and policy makers. Some companies have managed to perform better than others by designing appropriate export marketing strategies (Hoogenveen & Mumvuma 2000). The key elements of the export strategies mentioned in literature are the 4 Ps that is the Price, Product, Promotion and Place/Distribution (Castaldi, Sengupta & Silverman 2001; Cavusgil & Zou 1994; Cuyvers & Dumont 2000; Diamantopoulos 1998; Lages & Montgomery 2001; Ogunmokun & Ng 2004).

Adapting the 4 Ps has been identified as one of the key issues separating high performing companies from poor performers (Mushayakarara 2001). Inappropriate strategies lead to poor performance in the export markets (Humphrey 1998; Madungwe 2001). The question on whether to standardize or adapt has been debated since the 1960s (Buzzel 1968; Colvin et al 1980; Jain 1989; Levitt 1983).

Some authors (Buzzel 1968; Keegan 1989; Levitt 1983) advocated for standardization, which would bring the following benefits: cost savings due to the experience curve, consistency in market information and technological development and comparative advantage benefits of international trade. However, on the other hand advocates for adaptation (Hill & Still 1984; Onkvisit & Shaw 1997; Walter 1986) believed that certain elements of the 4Ps like advertising are generally not transferable and that certain strategies need to be tailor-made. Aaaker 1988 and Jain 1989 argued that a balance should be achieved between standardization and adaptation. This is because there are barriers that limit total standardization, hence the needs for some modifications.

Empirical research done on the relationships between export performance and adaptation practices has been growing albeit with mixed results. Styles and Ambler (1996) found a positive relationship between product adaptations and export performance using a sample of 202 Small and Medium Scale Enterprises (SMEs) in the United Kingdom. Fraser and Hite (1990), with a sample of 110 firms observed that product adaptation to country specific needs has no significant impact on profitability. Das (1994) found that Indian firms with higher export performances were more likely to have adapted their prices for their products in foreign markets.

However, Lages and Montgomery (2001) discovered that price adaptation was negatively related to export performance among Portuguese firms. Cadogan et al (1999) found that the firm size did not have a significant impact on export success for U.S and U.K firms. This is in contrast with the finding by Phillip and Wickramasekera (1995) that identified a positive relationship between firm sizes and export performance among food processing firms in North-Eastern Victoria, Australia. This means that the theory on the relationship between export performance and strategy needs to be investigated further and further exploratory studies in this field are justified and necessary to contribute towards efforts to advance the formulation of an integrated theory, which can be generalized (Zou & Stan 1998).

The next section presents the research question and the study objective. This is followed by the study rationale, justification and the Conceptual Framework used. A brief overview of the methodology is also given.

1.2 Research Question and Objectives

Section 1.1 has shown that the level of export performance in Zimbabwe has been very low since the introduction of the economic reforms in 1991. This poor performance has been observed among different export companies. One of the variables linked to the poor performance has been the use of inappropriate export marketing strategies. The adaptation of these strategies has differentiated the high performers from the low performers (Castaldi et al 2001; Cavusgil & Zou 1994; Cuyvers & Dumont 2000; Diamantopoulos & Schegelmilch 1994).

However, there is no conclusive theory that can be generalized to all the markets regarding the relationship between performance and strategy (Diamantopoulos 1998; Lages & Montgomery 2000; Wind & Douglas 1985). The study will re-visit the current debate on whether the adaptation of an export marketing strategy hinders or facilitates export growth within the Zimbabwean context (Buzzel 1968; Kotler 1986).

The above theoretical shortcomings and gaps raises the following research question:

How can the adaptation of export marketing mix strategies improve export performance in Zimbabwe?

The specific objectives of the study are therefore to:

- Examine whether firms with high levels of marketing mix adaptation differ significantly from those with low levels of adaptations in terms of export performance,

- Identify the key variables that contribute to the discrimination between firms with high levels of adaptation against those with low levels of adaptation and

- Identify the key variables that contribute most to the discrimination between firms with high levels of export performance against those with low levels of performance.

The study builds on the body of knowledge that already exists in order to address these objectives.

1.3 Justification for the Research

The justification for the study is based on the following theoretical gaps and practical reasons:

In terms of theory, there is no consensus in current literature on the relationship between the export marketing mix adaptation and export performance (Castaldi et al 2001; Cuyvers & Dumont 2000; Diamantopoulos & Inglis 1988; Lages & Montgomery 2000; Sterlacchin 2001; Zou et al 1998).

It has been argued that selling an individually-tailored product is expensive and does not lead to high export performance (Levitt 1983). Success instead comes through the selling of a standardized low cost product, which is advanced, functional and reliable in terms of quality (Buzzel 1968; Levitt 1983). It can therefore be argued that industrial products like electric wiring, computers and other similar equipments have been sold through out the world in a standardized way (Onkvisit & Shaw 1997).

On the other hand, it has also been argued that success comes from providing customers with a variety of products that are adapted to their specific needs (Jain 1989; Wind 1986). Others say that some products cannot sell in the export markets if they are not adapted. Food items, for an example, have been found to be difficult to sell in foreign markets in standard form because habits are deeply and emotionally ingrained in the culture of people (Album, Strandskov & Duerr 1998).

Given this background, the study expects to contribute towards the debate on the relationship between the level of marketing mix adaptation and performance. This will help provide more information on whether adaptation of export marketing strategies leads to export success.

A lot of research has been done on exporting over the past two decades. However, most of the studies on the relationship between export performance and marketing strategy were carried out in developed countries. Findings from the developed markets may not be applicable to a developing country like Zimbabwe as business practices differ as a result of differences in environment, legislation and buying patterns. Most of the research has been done in the following geographical regions:

- **Europe** (Beamish 1993; Becchetti & Rossi 2001; Bodur & Cavusgil 1985; Cadogan et al 1999; Crick et al 1994; Cuyvers et al 2000; Katsikeas et al 1996; Knight et al 2003; Lages & Melewar 2000; Moini 1992; Reid 1989; Sterlacchini 2001; Wagner 1995).
- **Asia** (Beamish 1993; Das 1994; Dijk 2002; Fletcher & Brown 1999; Johanson & Nonaka 1990; Kumar & Sagib 1994; Ogunmokun & Li 1999; Osland 1994; Yan & Gray 1994).
- **Australia** (Evangelista 1994; Healy 2000; Millett 1999; Ogunmokun et al 1999; Ogunmokun & Wong 2004; Ogunmokun & Ng 2004; Styles & Ambler 1997).
- **United States of America** (Ball & McCulloch 1992; Cadogan et al 1999; Castaldi et al 2001; Czinkota 1982; Emory 1980).

However, very few studies have been done in developing countries (Brooks & Frances 1991; Bankund 2004; Cavusgil & Zou 1994; Leonido et al 2002). The study is therefore expected to provide some empirical evidence from Zimbabwe. Studies already done in Zimbabwe dealt mostly with the relationship between export performance and the prevailing macroeconomic environment. No attempts were made to measure the relationship between export performance and adaptation of marketing mix strategies.

This study uses the discriminant analysis to identify variables, associated with export strategy adaptation and performance. It develops reliable and valid constructs and re-tests variables used in previous studies (Ogunmokun & Wong 2004). It will be the first study in Zimbabwe that uses the discriminant analysis to differentiate firms with high levels of marketing mix adaptation practices from those with low levels of adaptation. Previous studies tended to examine the impact of a few selected set of variables only. This study considers a wider set of internal and external variables which contributes towards export performance like the strategy and the characteristics of the firm (Ogunmokun & Wong 2004).

The Zimbabwe export sector is a major foreign currency earner, which is expected to finance imports. However, performance in this sector has been very bad in the last 10 years, declining by 28.5 % and 10.8 % in 2001 and 2002 respectively (Reserve Bank of Zimbabwe 2005). The study will therefore help exporters and policy makers in designing appropriate export-marketing strategies to improve export performance.

The literature that is available shows that many companies successfully turned around their fortunes by using adapted marketing strategies in other countries (Cavusgil & Zou 1994; Cavusgil 1984; Das 1994; Lages & Montgomery 2001; Kotler et al 1996; Styles & Ambler 1996). It is therefore important to see whether the findings obtained in other countries can be applied to Zimbabwe. This would assist exporters perform better by using the appropriate marketing mix strategies.

It is also hoped that trade promotion agencies in Zimbabwe can use the results of the study to improve their export capacity development programmes in order to promote exports. The study is also practically relevant to exporters in that they will be able to identify the necessary managerial and behavioral attitudes linked to export performance. The success at the company level will translate into success at the country or national level and the overall improvement of life of the people.

1.4 Conceptual Framework:

The current evidence available on factors affecting export performance is fragmented and often contradictory (Diamantopoulos 1998; Styles & Ambler 1994). Efforts have been made to address this problem by devising a conceptual framework which links export performance to the following set of independent variables:

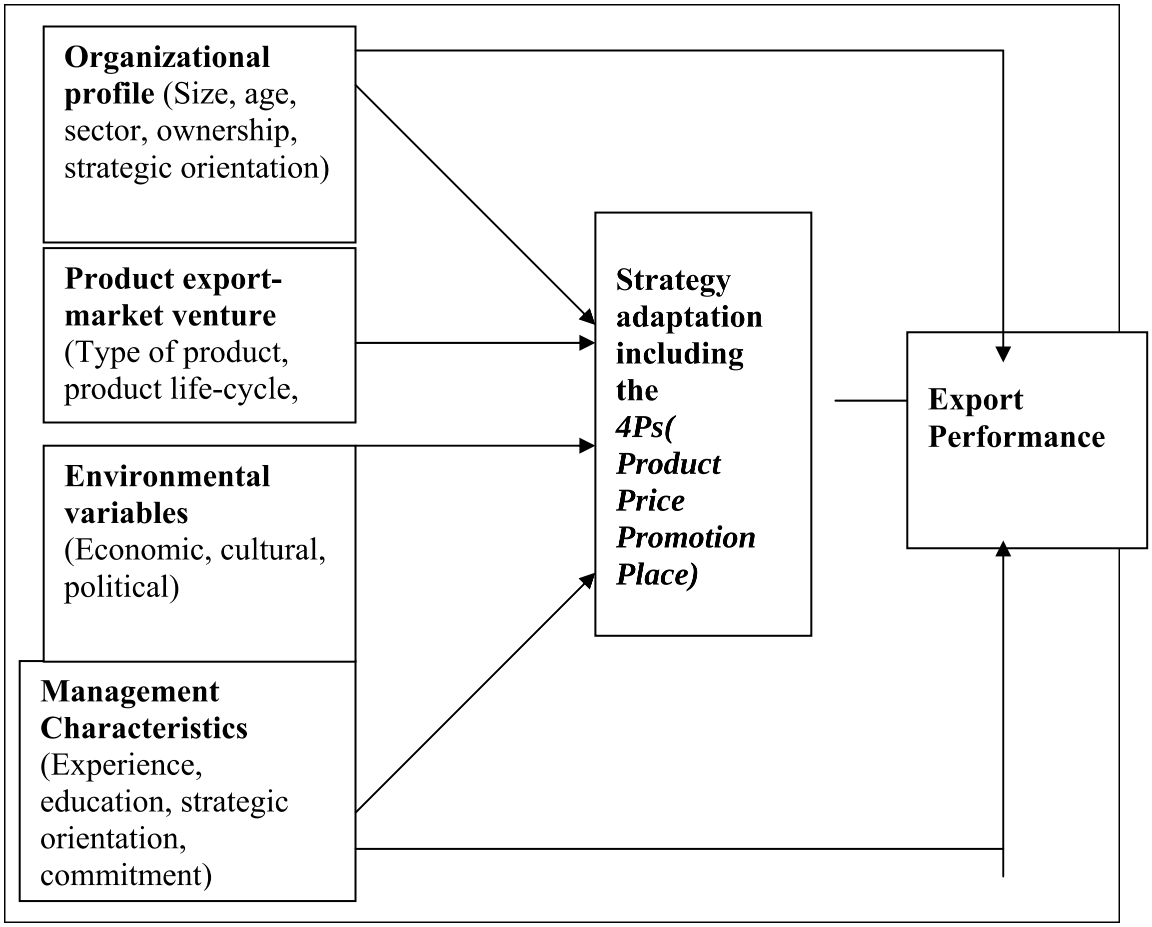
- Export marketing strategy including the 4 Ps (product, price, promotion and place/distribution) (Cavusgil & Zou 1994; Madsen 1989; Naidu & Prasad 1994; Ogunmokun & Ng 2004; Ogunmokun & Wong 2004).
- Export environment (Cavusgil & Zou 1994; Clack & Montgomery 1999; Lages & Montgomery 2001).
- Organisational profile (Cavusgil & Zou 1994; Diamantopoulos & Siguaw 1999; Lefebvre & Lefebvre 2001; Moini 1997; Sterlaccini 2001).
- Product export market venture (Avlonitis 1997; Bilkey & Tesar 1977; Dow 2000).
- Managerial characteristics (Cavusgil & Zou 1994; Douglas & Craig 1989; Lages & Melewar 2001).

The conceptual framework uses export performance as a dependent variable that can be investigated by using both qualitative and quantitative measurements (Albaum, Strandskov & Duerr 1998; Castaldi et al 2001; Cavusgil & Zou 1994; Cuyvers & Dumont 2000; Diamantopoulos 1998; Madsen 1987; Morgan 1995; Naidu & Prasad 1994; Piercy 1981)

The main issues covered in the study deal with export performance and its relationship to the export marketing mix strategies. Other approaches like the relational explanation approach to export marketing (Styles & Ambler 1996; Johanson & Vahlne 1997) are not covered in the study. The detailed organization theory and organizational effectiveness approach (Alexander 1991) to performance is also not the main area of the study although some of the aspects of the theory are presented under the discussion of the organizational profile. The other limitation is that the study uses more subjective approaches compared to objective approaches since it is based on exploratory and a person's subjective understandings and interpretations of issues (Neuman 2000; Yin 1994).

Figure 1 provides a summary of the main issues identified by most researchers and which can therefore be applied empirically (Cavusgil & Zou 1994; Das 1994; Diamantopoulos & Cadogan 1996; Lages & Montgomery 2001; Moini 1997; Philp & Wickramasekera 1995).

Figure 1: Conceptual Framework



Source: Adapted from Cavusgil and Zou (1994)

The dependant and independent variables contained in the framework are explained below and elaborated further in chapter 2.

1.4.1 Dependent variables

Definition of Export Performance

There is no agreement on the exact definition of export performance. This has resulted in mostly ad hoc measurement dimensions (Diamantopoulos 1998). The most popular definition sees it in terms of export sales volumes, sales growth, profits and intensity (Aaby & Slater 1989; Albaum, Strandskov & Duerr 1998;

Bilkey 1978; Katsikeas, Leonidou & Morgan 2000; Madsen 1987; Shoham 1991). While this definition could be regarded as a basis for the understanding of export performance, it does however not take into account other dimensions of export performance, which can be defined qualitatively (Castaldi, Sengupta & Silverman 2001; Diamantopoulos 1998)

The aim of this study is to include both the quantitative and qualitative measurements as follows:

Those that involve variables of a financial nature, e.g.

- Export sales and their growth (Al-Khalifa & Morgan 1995; Cavusgil & Zou 1994; Kirpalani 1989; Madsen 1987).
- Export profits or export intensity (Castaldi, Sengupta & Silverman 2001; Cavusgil & Zou 1994).

Qualitative measurements on the other hand involve achievements in meeting certain strategic goals (Cavusgil & Zou 1994) e.g., improvement in competitiveness, and market share increase (Kirpalani 1989; Das 1994). Other qualitative measurements include the perceived export success by management or its satisfaction with export performance (Cavusgil & Zou 1994; Cadogan, Diamantopoulos & Siguaw, 1999). This performance measurement is based on the social comparison theory which suggests that aspiration levels result from an individual comparing his/her own performance with the performance of others belonging to similar reference groups (Cyert & March 1963). The satisfaction with export performance can be measured by point scales ranging from "very satisfied" to "very unsatisfied" (Cavusgil & Zou 1994; Evangelist 1994). An advantage of using the perceived export success by management is that managers can evaluate export performance while taking into consideration their own firms' reference groups such as the firm's particular circumstance in terms of industry, stage of export involvement and technology intensity (Katsikeas, Piercy & Ioannidis 1996). This means that what might appear as success for one company might be perceived differently by another one. The other advantage is that it captures the performance of the preceding year. However, its limitation is that the mental maps of export performance by managers are often narrow and short-term oriented.

In order for the study to capture the multi-faceted nature of export performance, both financial and non-financial indicators of performance are used (Cavusgil & Zou 1994; Lages & Jap 2003). The operationalisation and measurement of these variables are discussed in detail under the section on Research Methodology. The firms used in the study were divided into two groups of low export performers and high export performers. This sample comprised 71 low export performers and 34 high export performers.

1.4.2 Independent Variables

1 Export marketing strategy: The conceptual framework advocates a close link between export performance and marketing strategy. According to Cavusgil and Zou (1994), export marketing strategy is the means by which a firm responds to the interplay of internal and external forces to meet the objectives of the export venture. A firm may either sell its products successfully in a standardized form across different international markets or may adapt to meet divergent tastes, preferences and requirements of different international markets (Muller 1992). Adaptation is characterized by the following issues: customization, localization, modification, differentiation or tailor-made marketing in order to accommodate differences in environmental forces, consumer behavior and usage pattern (Leonidou et al 2002; Wind 1986). The reasons companies adapt include the following:

- Customer needs may not be homogeneous across all international markets. This means that consumer preferences like product features, functions and designs differ across markets.
- Not all firms are able to take advantage of production centralization, economies of scale, scope economies, learning efficiency, vertical integration

and low cost advantages as advocated by Levitt (1983) in defense of the use of the standardized marketing strategy.

If the above conditions exist, then standardization will improve export performance. However, these conditions may be difficult to attain in practice because of differences in national tastes and ways of doing business. The cost reduction benefit of standardization is also questionable since from a theoretical point of view, cost reduction is not the same as "better profits" or even profit maximization. For example using the break-even-point analysis, profit maximization is not achieved at the lowest point of the cost curve. If standardization reduces costs at the expense of profit maximization or better profits, it therefore cannot be justified (Onkvisit & Shaw 1997).

Strategy adaptation mainly comes through an adaptation of the four elements of the marketing mix (product, the price, promotion and distribution (Aulakh & Kotabe 1997). These are explained below:

Product: A product can be defined by its features such as the physical core (design, quality, colour, size, style and presentation), the packaging (branding, labels, and trademarks) and the auxiliary services (warranties, spare parts, after sales services and user instructions). Export performance can be affected by the way firms adapt various components of their products in line with the specific needs of the targeted markets (Albaum, Strandskov & Duerr 1998; Kotler, Leong & Tan 1996; Cavusgil & Zou 1994; Styles & Ambler 1996).

Adaptation can be mandatory which means that any failure to do so means zero export sales in certain markets as the product fails to perform its function (Onkvisit & Shaw 1997). Other studies have shown that adaptations of consumer goods such as food tends to improve profitability (Albaum, Strandskov & Duerr 1998), whilst products like automotive oil, which are affected by weather conditions can be adapted to individual countries in order to increase their acceptability and sales. An example is the low American automobile export sales which were caused by the failure to adapt to the requirements of foreign markets (Onkvisit & Shaw 1997). In contrast, Japanese vehicles have always been adapted to meet American requirements and as a result performed very well.

Promotion**:** Export promotion is in the following forms: advertising, personal selling, sales promotion and public relations. Different promotional efforts have different impacts across markets and as such should be adapted (Albaum, Strandskov & Duerr 1998; Hornik 1980). Promotional strategies in South Africa may not be effective in Asia because of cultural differences (Buzzel; 1968; Peterson & Jolibert 1960; Dubois 1990). Promotional infrastructure like television might not be available in certain markets and hence the needs for the use of other alternative media like radio, newspaper and magazines.

Price: Elements of price include the actual price level, the use of credits, discounts and margins. Export profitability can be improved by adapting a pricing strategy in line with the demand conditions, competition, legal and political environment prevailing in the targeted market (Albaum, Strandskov & Duerr 1998; Lages & Montgomery 2001; Thach & Axinn 1991). It has been alleged that because of low incomes in export markets, American companies tend to reduce both their quality and prices in line with income levels (Onkvisit & Shaw 1997). Das (1994) found that Indian firms with higher export performances were more likely to have adapted their prices in foreign markets.

Distribution: Distribution comes in the form of physical distribution, support to channel intermediaries, selection of distribution channels and outlets, channel management and relationship building (Jeannet & Hennessey 1988). Each market has its own unique distribution system and as such marketers should be prepared to adapt their approach in line with a country's distribution system (Jain 1990). Empirical studies have shown a positive link between high export performances and the adaptation of the distribution marketing mix element (Cavusgil & Zou 1994; Johnson & Raven 1996; Cambel & Cunningham 1983).

The operationalisation and measurements of the level of strategy adaptation are discussed further under the chapter on Research Methodology. Taking into account the form in which the products of a firm were marketed, that is, whether in the same way or totally different, the firms were grouped into high strategy adapters and low strategy adapters, bearing in mind the 4 Ps. The final sample comprised 54 low export strategy adapters and 51 high export strategy adapters.

2 Organizational profile: The assumption in the framework is that strategy adaptation is closely linked to the organizational profile or resource-based paradigm, thus suggesting the effect on export performance by the size of the firm, age, experience, and ownership (Cavusgil & Zou 1994; Lages & Montgomery 2001; Ogunmokun & Wong 2004; Sinkula 1986).

The organizational profile factors are described below and elaborated further in both the Literature Review and Research Methodology chapters:

Size: It is generally believed that firms should be large and experienced in order to compete in the global market (Cavusgil & Zou 1994; Sterlacchini, 2001). Larger firms are more likely to adapt, because of economies of scale in production, fuller use of specialized technology and experienced staff, the opportunity to raise financing at a lower cost, the benefits from bulk purchasing and a high capacity for taking risks than smaller ones (Wagner 1995). All firms employing less than 100 workers were regarded as small, compared to large ones that employed 100 or more workers.

Age: Previous researchers have linked the ability to adapt the export marketing strategy and export performance to the age of the firm. This is because breaking into exports takes time (Leonidou, Katsikeas & Piercy 1998; Zou & Stan 1998). The age of the firm is generally used as a proxy indicating the amount of learning or experience a firm has acquired over time. In order to enter the export market, firms need to learn more about the markets and marketing strategies. In this study, firms in existence for less than 20 years were regarded as young compared to ones that existed for 20 or more years which were considered as old.

Ownership of the firm: Previous studies have shown that foreign-owned firms were more likely to use adapted export marketing strategies than locally-owned ones (Madsen 1989; Naidu & Prasad 1994). The ownership affects export performance either directly or indirectly by increasing the capacity to design the appropriate marketing strategies (Dijk 2002; Johnson et al 2001). This is largely due to the following reasons described below:

Firstly, foreign owned firms have access to better production technology, capital, management and marketing competence and are therefore more likely to adapt than those without these attributes (Beamish 1993; Beamish & Delios 1997). Secondly, they are likely to have the ability to produce efficiently and to possess sophisticated international marketing networks that facilitate distribution (Beamish 1993; Wilmore 1992). Thirdly, due to links with other foreign organizations, foreign owned firms can easily take advantage of economies of scale and the sharing of resources (Dijk 2002). Firms used for this study were grouped either as Zimbabwean citizen-owned, foreign-owned, joint foreign-owned or foreign-owned subsidiary.

The international experience of a firm. *This* constitutes a source of sustainable competitive advantage (Douglas & Craig 1983). Lack of knowledge of foreign operations is an impediment to decision-making processes on issues of the adaptation of the export marketing strategy. The experience enables an exporter to identify the idiosyncrasies in the export markets, develop and execute effective and appropriate strategies. The following variables were used in this study as indicators of experience: overseas management experience, knowledge of foreign culture, relevant training in exports and relevant management style.

Strategic Orientation of the firm: Porter (1996, page 64) described strategy as “a deliberate effort by an organization to do things differently by choosing a different set of activities to deliver a unique mix of value”. In international marketing strategies the following are the three main strategic orientations or behaviors, which may be adopted by top management: Ethnocentricism, Polycentricism, and Geocentricism (Czinkota & Ronkainen 1990; Jeannet & Hennessey 1988; Keegan 1989; Onkvisit & Shaw 1997; Rugman 1982).

Ethnocentricism is a strong orientation towards the home country. Under this firms use the home base to produce and market products in a standardized format (Onkvisit & Shaw 1997). The Polycentric approach relates to a strong orientation towards the host country. The assumption here is that each market is unique and therefore difficult to understand hence the need to use adapted strategies. The Geocentric orientation is a compromise between the above two orientations where a flexible approach is taken in dealing with marketing issues (Fletcher & Brown 1999; Rugman 1982).

3 Environmental variables**:** It is assumed under the framework that export performance is linked to strategies used in dealing with the environment (e.g. economic, physical conditions, cultural and political) differences that exist between Zimbabwe and the host market (Cavusgil & Zou 1994; Madsen 1989; Naidu & Prasad 1994; Ogunmokun & Ng 2004). The definition and measurement of the variables are further elaborated under both the literature review and the research methodology chapters. The relationships between environmental factors, export strategy and export performance are explained below:

The more intense the competition is in a foreign market, the more a company will tend to adapt a pricing strategy (Jain 1989). Competitive pressures therefore can force firms to reduce either prices or adapt products to meet specific needs. Cavusgil and Zou (1994) showed that the level of competition affects the level of product and promotion adaptations. As the competition increases, firms are forced to adapt strategies to distinguish their product and thus gain competitive advantages over others.

Physical conditions like the climate, topography, natural resources result in the need for products to be adapted to suit the various markets (Wortzel & Wortzel 1997). In hot countries, for example, products like vehicles and air conditioners may require some adaptation in order to perform satisfactorily as opposed to those in cold climates.

The bigger the cultural differences, that is, tastes, education, customs and language between the home and host country, the higher the likelihood of adapting of strategies. Studies have shown strong linkages between the cultural environment and strategy adaptation (Buzzel 1968; Dubois 1990). The issue of culture can also determine the type of roles shown in adverts and the choice of themes with regards to underlying values and norms. Language, literacy levels and symbolism are also major factors affecting advertising decisions (Dubois 1990). The more distant a market is culturally, the more different are the product attributes that the foreign consumer values (Lado et al 2004). Madsen (1989) stated that for organizations to succeed must choose markets that are nearer home than far-off and exotic ones. Under the study, firms were requested to indicate how they were affected by the following cultural factors in their endeavors to standardize strategies: general cultural differences, material culture, language differences, aesthetics, education and literacy, religion, attitudes and values and social organizations.

External environmental factors like the political and legal environment are also associated with export performance as they can undermine the competitiveness of the activities of a firm. Organizations operating in such environments should therefore closely keep abreast with changes in regulations, technology, products standards, patents, tariffs and taxes (Buzzel 1968; Raven 1994). Firms were asked to show how they were affected by the following political and legal factors in their efforts to standardize strategies: political interference, legal environment, import and export laws and mandatory requirements.

4 Managerial variables: The framework assumes that the export strategy adaptation is linked to the top-level managerial characteristics because of the following reasons:

First, experienced managers are a source of sustainable competitive advantage (Douglas & Craig 1989) in terms of knowledge of foreign operations, which is important to the decision-making process. They are also more likely to have the required expertise to make the proper adjustments to the export environment. The understanding of key international marketing issues is normally seen as complex by the less experienced managers (Cavusgil & Zou 1994).

Second, the commitment of the organization to exporting is essential for success (Stump, Athaide & Axinn 1998). This can be shown by how an organization implements its strategy as well as the amount of resources provided (Castaldi, Sengupta & Silverman 2000). The resources are necessary in improving the depth of market research and are also required to implement strategies suitable to the needs of different markets (Cavusgil and Zou 1994). Under this study, commitment was shown by the amount of resources made available in support of the export venture, degree of planning, strategy implementation, relevance of organizational design and top management commitment.

5 *Product export –market venture*: The framework also assumes a link between strategy and the type of product being exported, its life cycle and the export destination. This is based on the following reasons:

First, industrial goods are easy to sell in a standardized form than consumer goods, which depend on tastes, habits and customs (Avlonitis & Gounaris 1997; Wortzel & Wortzel 1997). Second, firms in their formative phase (both in the local and export markets) usually favor standardized strategies because of their lack of experience (Bilkey & Tesar 1977; Cavusgil 1980; Czinkota 1982; Miller & Friesen 1984; Johanson & Vahlne 1977). This however, is in contrast to the innovation theory, which states that even during the formative stages; firms can still adapt strategies because of the emergence of key information and communication technologies like the Internet which enables them to quickly obtain market information (McDougall & Oviatt 2000; Quelch & Klein 1996). It says that in the presence of other factors like management with a strong international outlook, adapted strategies can be used in the formative stages resulting in better performance (Knight 1997; Madsen & Servais 1997).

1.5 Structure of the study

The study is divided into the following chapters: The introduction presented in this chapter. *Chapter 2* is a literature review, covering definitions and its measurements of export performance. It also reviews the adaptation and standardization theory including the four elements of the marketing mix adaptations (product, promotion, price and distribution). The last section covers the literature on the following factors that have been found to be associated with export performance and adaptation; the organizational profile (firm size, age, ownership), management profile (experience, education, commitment), product-market export venture (nature of product, product life cycle), environmental (economic, culture, political and legal) and the strategic orientation of the firm.

Chapter 3 outlines the research methodology which includes the research design (exploratory design, sampling and sample size, data sources, target population, unit of analysis, sampling frame and procedure), the design of the questionnaire (measurement scales, operationalisation of measures of constructs and variables, pre-testing, non- response bias, validity and reliability issues and its administration), data entry and coding, the strategy for grouping firms into high and low performers and high and low strategy adapters and the method of data analysis (description analysis, cross-tabulation and discriminant analysis).

Chapter 4 presents the results of the descriptive analysis of the characteristics of the sample organizations. A total of 105 exporting organizations were used in the study. *Chapter 5* presents the results of a comparative analysis of firms with low levels of adaptations against those with high levels of adaptations. *Chapter 6* provides a comparative analysis of firms with low levels of performance against those with high levels of performance. *Chapter 7* presents the findings of a stepwise discriminant analysis that identifies variables which differentiate organizations with (a) low levels of export strategy adaptations from those with high levels of adaptations and (b) those with low levels of export performance from those with high levels of performance.

Four variables were identified as the main discriminators of firms with low levels of export strategy adaptations from those with high levels of adaptations, while eight variables were identified as the main discriminators of firms with low levels of export performance from those with high levels of performance. *Chapter 8*, discusses the findings, draws conclusions about the possible implications for export managers as well as recommendations for future work.

Chapter 2
Literature Review

2.1 Introduction:

The objective of the study is to explore how the adaptation of marketing strategies can improve export performance. This chapter presents a literature review on export adaptation and export performance. The key concepts on export performance and adaptation are defined first, followed by a review of previous studies on the factors associated with the level of export strategy adaptation and export performance.

2.2 Definition of concepts

2.2.1 Export performance and its measurement.

There is no established definition of export performance as well as agreement on establishing acceptable performance levels. This has led to the use of various ad hoc measurement dimensions (Diamantopoulos 1998). A review of literature for the period 2000 to 2005 on measurements of export performance shows conceptualization and methodological limitations thus hindering theory development and application in this area (Katsikeas, Leonidou & Morgan 2000; Juliet 2002; Lages & Jap 2002; Morgan, Kaleka & Katsikeas 2004; Ogunmokun & Wong 2004; Sousa 2004). Albaum, Strandskov and Duerr (1998) define export performance in terms of sales growth and intensity. However this definition has the limitation that it does not take into account other dimensions of export performance.

Export performance measurements can be grouped into the following two broad categories: quantitative and qualitative (Castaldi, Sengupta & Silverman 2001; Diamantopoulos 1998; Lages & Jap 2002; Ogunmokun & Wong 2004). The quantitative measurements include the following financial variables:

- Export sales and their growth (Al-Khalifa & Morgan 1995; Akehurst & Akyol 2003; Cavusgil & Zou 1994; Julian 2003; Kirpalani 1989; Lages & Lages 2004; Madsen 1987; Morgan, Kaleka & Katsikeas 2004; Ogunmokun & Wong 2004).

- Export profits or export intensity (Akehurst & Akyol 2003; Castaldi, Sengupta & Silverman 2001; Cavusgil & Zou 1994; Lages & Jap 2003; Lages & Montgomery 2004; Ogunmokun & Wong 2004).

These variables can also be used qualitatively through a scaling system ranging from "increasing rapidly" to "decreasing rapidly" (Cuyvers & Dumont 2000; Diamantopoulos & Schegelmilch 1994; Julian 2003; Lages & Lages 2004; Lee & Yang 1990; Piercy 1981; Morgan, Kaleka & Katsikeas 2004; Naidu & Prasad 1994). The advantages of using financial measurements are their objectivity and allowance for comparisons across firms. However, it is difficult in some developing countries to obtain quantitative data such as export sales data. They are also limited I that they do not give the overall picture in assessing the performance level of exporters.

Qualitative measurements on the other hand involve achievements in certain strategic goals (Cavusgil & Zou 1994) like the improvement in competitiveness and an increase in the market share (Das 1994; Kirpalani 1989; Morgan Kaleka & Katsikeas 2004; Solberg 2002). The other achievements include the perceived export success by management or the satisfaction with export performance (Cadogan, Diamantopoulos & Siguaw, 1999; Cavusgil & Zou 1994; Leonidou 1989). This idea of performance measurement is based on a social comparison theory which suggests that aspiration levels result from an individual comparing his/her own performance with the performance of others belonging to similar reference groups (Cyert & March 1963). The satisfaction with export performance can be measured by point scales ranging from "very satisfied" to "very unsatisfied" (Cavusgil & Zou 1994; Evangelist 1994; Ogunmokun & Wong 2004).

The advantage of using the perceived export success by management is that export performance can be evaluated while taking into consideration the reference groups of the firm in terms of industry, stage of export involvement and technology intensity (Katsikeas, Piercy & Ioannidis 1996). Export performance can make use of a composite measure using three approaches and based on a three-factor Export Performance Scale (EXPERF) (Zou, Taylor and Osland 1998). This approach combines both qualitative and quantitative approaches. The use of such a combination of items to capture performance sub-dimensions has the advantage of overcoming any fluctuations of any given measure and thus will improve accuracy.

The above section has provided an understanding of export performance at the micro-level. The following sections are dedicated to the analyses of factors affecting export performance with specific reference to the role of standardization and adaptation of the strategy. A summary of the measurements is given in table 2.1.

Table 2.1 Summary of export performance measurement and the relevant literature.

Performance measure	**Literature**
Export Sales growth and intensity	Albaum, Strandskov and Duerr (1998), Cavusgil and Zou (1994), Julian (2003), Kirpalani (1989), Lages and Lages (2004); Morgan, Kaleka and Katsikeas (2004) Ogunmokun and Wong (2004).
Export profitability	Castaldi, Sengupta and Silverman (2001), Cavusgil and Zou (1994), Cuyvers and Dumont (2000), Diamantopoulos and Schegelmilch (1994), Lages and Lages (2004), Ogunmokun and Wong (2004)
Achievement of strategic goals	Cavusgil and Zou (1994), Kirpalani (1989), Das (1994), Ogunmokun and Wong (2004)

Performance measure	Literature
Management's perception about export success	Cadogan, Diamantopoulos and Siguaw (1999), Cavusgil and Zou (1994), Evangelist (1994), Katsikeas, Piercy and Ioannidis (1996), Ogunmokun and Wong (2004)
Satisfaction with export success	Cavusgil and Zou (1994), Lages and Jap (2002), Ogunmokun and Wong (2004)
Increase in Market share	Das (1994), Kirpalani (1989), Solberg (2002)
Combination of measurement factors	Cavusgil and Zou (1994), Julian (2003), Katsikeas, Leonido and Morgan (2000), Morgan, Ogunmokun and Wong (2004), Zou, Taylor and Osland (1998)

Source: Developed from literature

2.2.2 Overview of adaptation versus the standardization theory

The standardization concept, argues that the following marketing mix elements; the product design, packaging, pricing, advertising and promotion can be standardized across all international markets (Buzzel 1968; Cuyvers, Dumont & Leelakuthanit 2000; Solberg 2002). This means the selling of identified products at the same price through similar distribution systems, supported by the same promotion programs across foreign markets. Levitt (1983, p. 83) argues that "selling a line of products individually tailored to each nation is thoughtless". Instead, customers have an "overwhelming desire for dependable, world standard modernity in all things, at aggressively low prices". In contrast, adaptation requires the modification of the marketing mix elements to meet the different tastes and preferences or requirements (Katsikeas & Skarmeas 2000; Mueller 1992; Solberg 2002).

Adaptation can either be mandatory or voluntary (Albaum, Strandskov & Duerr 1998). Mandatory adaptation is necessary to ensure conformity with foreign government regulations, geographic and climatic conditions, different measurement systems and product specifications. Voluntary adaptation is based on the decision to modify the product in response to needs of a target market based on a buyer's preferences or standards of living.

The following are the key assumptions underlying the standardization strategy:

- The world is a single large market and wants are therefore the same.
- Specific preferences like product features, functions and design are compromised for low cost and high quality.

The concept of standardization says that the firm will be able to sell a low cost product, which is advanced, functional, reliable and of high quality. It enables the firm to enjoy the competitive advantage of scale economies, scope economies, learning efficiency and cost advantages. In addition, the firm will also benefit from production centralization, purchase dominating, vertical integration and specialized promotion (Levitt 1983). If the above assumptions are met and the firm can exploit the advantages stated, then the standardization argument is strengthened. However, limitations have been observed with regards to this concept. This is because the dividing line between complete standardization and adaptation is not clear (Hoang 1997). Coca-Cola for example has been referred to in literature as a standardized product (see Levitt 1983) because it has been advertised all over the world using the same brand name, same concentrate formula and same promotion. However, the artificial sweetener, packaging and distribution differ from country to country (Hoang 1997). While Coca-Cola is regarded as standardized product by some authors, others argue that it is not (Huszagh et al 1986).

To try and bridge this gap, a "middle of the road" approach has been proposed (Aaker 1988; Hamel & Prahalad 1985; Jain 1989). It says that standardization/adaptation concepts should be applied conditionally on various components of the marketing mix elements. Aaker (1988) suggests that standardization works on the condition that the firm can exploit competitive advantage of scale economies, scope economies, global efficiency, raw material supply, labor cost structure and technology in the host country. The above information indicates that standardization is important only up to a point after which it may not be the best strategy to adopt. Keegan (1989, p. 382) also argued that some products demand adaptation, others lend themselves to adaptation, and still others are best left unchanged. This means that while adaptation might be desirable, it can not be generalized to all products.

The other contemporary issue regarding standardization relates to its desirability and feasibility especially in developing countries where most of the population is largely rural and does not have access to modern technology. Therefore the argument that "almost everyone everywhere wants all things they have heard about, seen, or experienced via the new technology" (Levitt 1983, p.72) does not always apply in some countries as well as to some products. An example was when General Motors of Canada exported a large quantity of Chevrolet Malibu automobiles to Iraq and discovered later on that they were mechanically unsuitable for the hot and dusty climate (Ricks 1983, p.26-7).

Although Levitt (1983) argued that because of technology and promotion, differences in national tastes or modes of doing business are eroded. It must however, be noted that more than 20 years later there still exists a wide buying pattern, reflecting country-specific values, customs and taboos (Kotler 1999). This is because culture is enduring and is passed from generation to generation (Fletcher & Brown 1999). Others say that as people become more educated and more affluent, their tastes tend to diverge rather than converge (Hoang 1997). This therefore challenges the statement that the world is one single market with regards to needs and wants.

The linkage between standardization and performance is discussed here in the context of the cost reduction benefit of standardization versus sales revenue. The cost reduction benefit of standardization is however questionable as theoretically it is not the same as “better profits” or “profit maximization”. An example is the use of the break-even-point analysis where profit maximization is not achieved at the lowest point of the cost curve. If standardization means cost reductions at the expense of profit maximization or better profits then it cannot be justified (Onkvisit & Shaw 1990). Wind and Douglas (1985) noted that the cost of production is not the only critical component in determining the total cost. Automated manufacturing that produces small, flexible, and efficient runs can compensate the presumed low-cost advantage of standardization. This alternative allows firms to provide a variety of products tailored to the specific needs of customers at effective costs (Wind 1986).

The Porter (1986) value chain analysis suggests that when scale economies in the value chain are modest or low it is not profitable to standardize. Products like automotive oil, which depend on the climatic conditions in a country are subject to a few scale economies and can be adapted to suit individual countries. The other perceived advantage of standardization is that the firm can benefit by utilizing comparative advantages of raw materials and labor cost. However, these advantages cannot be guaranteed in a competitive environment as it has been proved that they vary from country to country.

Porter, (1986) noted that increasing the global market for raw materials and other inputs and the easier flow of technology have diminished the role of traditional sources of comparative advantages. This means that firms must be innovative instead of being passive exploiters of static cost advantages. This assertion is supported by the fact that the choice of an international strategy will involve the search for competitive advantages from configuration/coordination through out the value chain. This therefore means a firm may standardize some activities and adapt others.

The use of standardization is also a function of the characteristics of the firm like the size, experience and management commitment. These are discussed separately in the following sections.

In conclusion, complete standardization is therefore not possible because there are barriers like the geographical and cultural environment, marketing infrastructure, political and legal system, stages of economic development and the product life cycle (Jain 1989). Table 2.2 summarizes the above discussion.

Table 2.2 Summary of literature on adaptation strategy versus standardization strategy.

Strategy	**Literature in support of**
Adaptation	Albaum, Strandskov and Duerr (1998), Lages and Jap (2002), Mueller (1992), Ogunmokun and Wong (2004), Onkvisit and Shaw (1990), Solberg (2002)
Standardization	Buzzel (1968), Dijk (2002), Cuyvers, Dumont & Leelakuthanit (2000), Levitt (1983), Lages and Jap (2002) Ogunmokun and Wong (2004), Walters and Toyne (1989)
Middle of the road	Cuyvers, Dumont & Leelakuthanit (2000), Fletcher and Brown (1999), Hoang (1997), Jain (1989), Julian (2003), Keegan (1989), Ogunmokun and Wong (2004).

Source: Prepared for this study.

2.3 The marketing strategy and its link to performance

The export marketing strategy deals with the management of all components of the marketing mix (Aulakh, Kotabe 1997). Its importance in promoting export performance has been highlighted by several authors among them Cavusgil and Zou 1994, Dijk 2002, Julian 2003, Lages and Montgomery 2000 and Sterlacchin 2001.

Strategy is considered to directly affect export performance, while the characteristic of a firm affects performance indirectly through the strategy employed. It can therefore be said that performance is a function of the strategic co-alignment between export strategy, organizational resources and capabilities and the environment (Cavusgil & Zou 1994; Dijk 2002). The key elements of the marketing mix strategies and their linkages to export performance are discussed below.

2.3.1 Product adaptation

A product is a collection of physical, service and symbolic attributes, which yield satisfaction or benefits to the user or buyer (Keegan 1989; Grossman & Helpman 1991; Cuyvers, Dumont & Leelakuthanit 2000). It has three components that is the physical product core, the product package and the auxiliary services. Examples of the physical core product are the functional features i.e. design, color, size, style and presentation. Elements of product packaging include the brand name, labels, trademark while auxiliary services include warranties, spare parts availability, user instructions, after sales services, delivery and installation.

In export marketing, product strategy translates into a policy with regards product adaptation or standardization. The standardization or adaptation can be in any elements of the physical core product, package or auxiliary services. On one hand the strategy is to standardize by providing only one version of the product in both the local and international markets (Albaum, Strandskov & Duerr 1998), or by customizing products or services to meet the unique needs of individual buyers or groups of buyers in foreign markets.

The Kotler, Leong and Tan (1996) analysis showed that, Mattel Toys could be successfully sold in several countries in a standardized form, but could not sell well in Japan. A survey done showed that the reason was that the baby doll's breasts were too big and legs too long. Mattel was reluctant to adapt since this would involve high costs. However, sales revenue fell drastically because of the failure to adapt. When adaptation was done later on, sales improved. In this instance, the incremental revenue of adaptation far exceeded its incremental cost.

Keegan (1989) also showed a situation where Campbell Soup tried to sell its U.S tomato soup formulation to the British. It was discovered after considerable losses that the English preferred a more bitter taste. Another U.S company spent several million dollars in an unsuccessful effort to capture the British cake mix market using U.S style recipes only to discover that British customers preferred the dry cake. These examples illustrate some of the difficulties faced by the standardization concept as advocated by Professor Levitt. While standardization might save on costs, it however has to be compared with possible losses in sales revenue.

However, mixed results have been obtained empirically with respect to product adaptation (Cavusgil & Zou 1994; Christensen et al 1987). In these studies, most of the exporters interviewed perceived their products to be of high quality and thus product adaptation could not be used to distinguish high performers from low performers.

A positive but insignificant relationship was found between the adaptation mix and export performance using a sample of 202 Small to Medium Enterprises (SMEs) in the United Kingdom (Styles & Ambler 1996). A cross-continent study of 110 firms by Fraser and Hite (1990) found that product standardization or adaptation to country –specific needs had no significant effect on market share and concluded that a country specific design is unprofitable.

The main issue emanating from these studies is that whether there is standardization or not, the product should be of a high quality and low price. On quality, Burton and Schegelmilch (1987) and Christensen et al. (1987) found that successful exporters had strong quality control systems. Daniels and Robles (1982) suggested that product quality was a key competency for Peruvian exporters. Johansson and

Nonaka (1983) also found that providing the customer with “good value” or a high quality/price ratio was seen as a competitive edge provided by many Japanese products.

2.3.2 Promotion adaptation

Export promotion is a collection of integrated activities planned, coordinated and built around a single major theme or idea designed to achieve predetermined communication activities (Albaum, Strandskov & Duerr 1998; Cuyvers, Dumont & Leelakuthanit 2000; Lages & Jap 2002; Lado, Martinez-Ros & Valenzuela 2004). The elements of a promotional Programme include advertising, personal selling, sales aids and a wide range of promotional activities. Factors that affect the promotional program design include the size and the extent of the markets, customer behavior and buying behavior, competitive circumstances, product characteristics and price.

An export promotional program may either be a standardized approach or adapted. The standardized approach assumes that basic human needs, wants, and expectations transcend geographical, national, and cultural boundaries. This means that a standardized promotional program is designed in such a way that it keeps sufficient common elements across various markets in order to minimize resources and time management (Colvin, Heeler & Thorpe 1980). Arguments for a standardized promotional program are mainly based on the low cost in preparing advertisement material and that it also helps reduce message confusion especially where there is an overlap of media.

An adapted promotional approach recognizes that even though human nature is the same everywhere, different cultures create different needs, although there will be similar basic needs. This means that various promotional programs may have different appeals across markets. When advertising is being done the cultural background of the advertiser affects the message form whereas the cultural background of the recipient determines the message perception (Hornik 1980). Thus promotional strategies used for the South African market may not work in Malawi or Zimbabwe. Advertising copy that may seem humorous in Zambia may be viewed as frivolous in South Africa. Some countries may be offended by blatant television advertising, which might not be acceptable in certain countries and thus the need for other approaches like radio, newspapers, magazines and pamphlets.

In using the advertising approach in other cultures, the two major considerations that affect the international marketers' thinking are where the product or service is on the product life cycle in the foreign environment. Some advertising may be hindered by legal and infrastructure differences. An example is when television services may not be available to the target market segment.

The Kotler, Leong & Tan (1996) analysis of promotional strategies, showed that Renault car manufacturer survived by promoting its car differently in different countries. In France, it is described as a little "supercar", which is fun to drive on highways and in the city, in Germany, it emphasizes safety, modern engineering, and interior comfort, while in Italy, emphasis is on road handling and acceleration.

2.3.3 Pricing adaptation

Price is a variable used to exchange value with customers. Greater value in relation to price creates significant demand for a product. Hence appropriate pricing can influence the success of the export marketing programs. Export price is determined by costs, demand conditions, competition, legal and political issues and general company policies.

Under a cost-based pricing strategy, an exporter will usually attempt to cover full costs even if such a strategy results in substantially less than optimum sales volume or encourages competitors to enter the market. In international marketing, cost-plus pricing is anti-marketing as it assumes that the value of a product rests with its cost of materials plus some arbitrary profit target and not with what the customer thinks.

An exporter may choose a standardized pricing strategy in which the domestic price is also applied in the foreign market (Albaum, Strandskov & Duerr 1998; Cuyvers, Dumont & Leelakuthanit 2000; Lages & Jap 2002; Lado, Martinez-Ros & Valenzuela 2004). The price chosen is dictated by the costs and experience in the domestic market. While this pricing strategy is easy to implement, it however ignores the fact that the objectives of a firm and market conditions differ across markets. An alternative export pricing strategy is one which adapts price for the main exported product or line of products according to the main foreign market, based on the market conditions and level of competition (Lages & Montgomery 2001). Under this strategy, pricing analysis in international markets should begin by exploring the level of value, the target segment places on the product category and how the differences in the product add or subtract value. This differentiated pricing system is based on different elasticity of demand across foreign markets and also on what management wants to achieve by using a price as a marketing tool (Albaum, Strandskov & Duerr 1998; Jeannet & Hennessey 1988).

The advantages of a differential pricing strategy are that it enables the exporter to consider the differences across markets. For example a group of customers in diverse markets may have different evaluations of products depending on factors like the political, legal, economic, and socio cultural characteristics of the host country.

However, it must be noted that pricing strategies may be difficult to adapt because of the need for additional financial and human resources associated with the price adaptation (Lages & Montgomery 2001). Pricing adaptation is also limited by the grey-market problem that is the result of unauthorized dealers buying goods at low prices in one country and re-selling in another country at higher prices. Attempts to solve this problem are usually expensive because of high monitoring costs. Price adaptation can also be affected by anti-dumping laws where-by a commodity can have a low price in a particular market. These firms can be accused of dumping, necessitating anti-dumping tariff against them.

Empirical studies have been done to examine the impact of export price adaptation on export performance. Das (1994) discovered that Indian firms with higher export performances were more likely to have adapted their prices for their products in foreign markets. Cavusgil and Zou (1994) indicated a positive link between price competitiveness and export performance. Lages and Montgomery (2001) observed that price adaptation was very significant but negatively related to export performance among Portuguese firms.

The explanation of the use of a standardized price by the Portuguese market is that its market tends to have lower prices than those receiving the exports. The Portuguese firms therefore benefit from the use of a standardized price strategy. This shows that a lower competitive price is usually linked to export performance (Madsen 1989). A negative relationship between price adaptations may also arise due to circumstances related to the product image across markets. For example, the adaptation of the product price may worsen its desired universal image and would consequently have a negative effect. The other reason given by managers to explain the negative relationship between price adaptation strategy and performance is that firms which can identify their fixed and variable costs and determine a standard price based on cost are able to improve their performance. On the other hand, those which use a price imposed by the buyer and ignore real costs, are likely to be unprofitable.

2.3.4 Distribution adaptation Strategy

Channel performance or the effectiveness of channel intermediaries has also been linked to export performance (Cavusgil & Zou 1994; Cuyvers, Dumont & Leelakuthanit 2000; Lado, Martinez-Ros & Valenzuela 2004; Johnson & Raven

1996; Lages & Jap 2002). Support given to a distributor can lead to a long-term relationship with the exporter, which leads to mutual trust and a smooth export channel. Strong export channels can help the exporter implement the export market strategy more effectively (Cavusgil & Zou 1994).

Aaby and Slater (1989) found that based on fifteen studies, managers highlighted the importance of distribution to export performance. Cavusgil and Zou (1994) also found a positive link between support to foreign distribution channels and export performance.

Table 2.3 shows a summary of the findings of empirical studies linking export performance to strategy**.**

Table 2.3 Link between export performance and marketing strategy.

Study	**Industry**	**Sample size**	**Independent variables**	**Dependant variable**	**Design/Method of analysis**	**Summary of Findings**
Lages and Montgomery (2001)	Mixed	1967	Price Product Promotion Distribution	Export performance	Hypothesis testing	✓ Product adaptation is not significant in financial export performance.
Castaldi, Sengupta and Silverman (2001)	Winery	1012	Product Price Promotion Distribution	Export performance	Hypothesis testing and regression analysis	✓ Product adaptation and price not significant to export performance
Cuyvers, Dumont and Leelakuthanit (2000)	Jeweler	260	Price Product Promotion Distribution	Export performance	Regression	✓ Positive relationship was obtained between the variables
Kotler, Leong and Tan (1996)	Car industry	79	Promotion	High success	Hypothesis testing	✓ Positive relationship between adaptation of promotion strategy and success
Styles and Ambler (1996)	Mixed	202	Product price Promotion Distribution	Export sales	Causal/hypothesis testing	✓ Positive but insignificant relationship between performance and mix adaptation

Study	Industry	Sample size	Independent variables	Dependant variable	Design/Method of analysis	Summary of Findings
Styles and Ambler (1996)	Mixed	202	Planning	Export performance Mix adaptation	Causal/regression	✓ Positive relationship between planning and mix adaptation and performance but not significant
Cavusgil and Zou (1994)	Manufacturing	202	Product Strategy Market	Export performance	Causal	✓ Positive and significant relationship between mix adaptation and performance
Das (1994)	Mixed	58	Level of mix adaptation	Export intensity	Exploratory	✓ Positive relationship between price adaptation and performance.
Fraser and Hite (1990)	Mixed	110	Product	Market share		✓ Adaptation is unprofitable
Madsen (1989)	Manufacturers	134	Mix adaptation	Export success	Causal/regression	✓ Positive relationship between mix adaptation and performance.
Burton and Schegelmilch (1987)	Mixed	256	Product quality	Export performance	Exploratory	✓ Positive relationship between quality control and performance
Lages and Jap (2002)	Mixed	2500	Product	Export Performance	Confirmatory factor analysis	✓ Positive relationship between product strategy and export performance
Lado, Martinez-Ros & Valenzuela (2004	Mixed	2264	Strategy	Export performance	Regression	✓ Positive relationship between strategy and export performance

Source: Developed from literature.

2.4 Factors associated with strategy adaptation and performance

The discussions so far have indicated that the export marketing strategy directly affects export performance. It can therefore be argued that the adaptation of the various marketing mix elements can either facilitate or hinder export performance. The question is on what factors explain why some firms adapt their strategies while others do not. Understanding this question will help one understand the indirect or moderating effects at play (Lages & Jap 2002; Lado, Martinez-Ros & Valenzuela 2004; Lages & Montgomery 2000). The following factors have been identified in previous literature as being linked to export performance and strategy adaptation:

- Organizational profile (size and age of the firm)
- Respondents profile (level of experience and education of the respondents)
- Product-market export venture (type of product exported, industry, export destination etc).
- Environmental factors (economic, cultural and political)
- Managerial (top management commitment to exporting, top management level of education and experience)

2.4.1 Organizational profile

The literature review provides a case that the capabilities and constraints of firms influence their choice of the marketing strategy and ability to execute them (Sinkula 1986). It is therefore essential to assess these factors, which can help promote export performance through the marketing strategy. The characteristics of the firm that can explain export performance are discussed below.

2.4.1.1 Firm size

The number of employees in an organization has been the main variable used to measure the size of the firm (Cavusgil & Zou 1994; Julian 2003; Ogunmokun & Ng 2004; Ogunmokun & Wong 2004). A similar measure was used under this study by categorizing all those firms that employed less than 100 workers as small firms and those that employed 100 or more as large firms. This measure took into similar approaches used before in Zimbabwe (Humphrey 1998; Madungwe 2001).

It is generally believed that firms should be large enough to compete in the global market (Dijk 2002; Lages & Jap 2002; Sterlacchini, 2001). There are many strategies with which a firm intending to operate in different national boundaries needs to implement leading to a belief that "bigness" is necessary. In order to decide on a strategy, firms often undertake market research, which is usually expensive especially for smaller firms. This notion is supported by Schegelmilch (1986) who says that the main organizational characteristics distinguishing users from non-users of marketing research was the firm size. There is a positive relationship between market research expenditure and the firm size (Sinkula 1986).

Larger firms are more likely to adapt because of economies of scale in production, full utilization of its specialized executives, the opportunity to raise financing at lower cost, benefits from bulk purchasing, own marketing department plus own sales force, and a high capacity for taking risks (Wagner 1995). In contrast the limited internal resources available to small firms prevent them from achieving a stable presence in a large number of foreign markets. Consequently, they implement weak (or narrow) export strategies that require low levels of sunk costs so as to survive under stagnant foreign markets.

It is however, important to note that the size on its own does not translate into export success. Bonarccorsi (1992) points out that the relationship between size and exports cannot be generalized because it is closely dependent on the export strategies of the firm. The results from studies on the role of size on export marketing strategy adaptation and export performance has been mixed. There are those studies, which confirm the theoretical underpinning that size is important for export success against those that do not.

On export performance, the firm size has been found to be associated with export performance (Bodur & Cavusgil 1985; Gottko & McMahon 1988; Reid 1982; Tookey 1964). It was also found to be positively related to exports among food processing firms in Southern New South Wales and North Eastern Victoria of Australia (Phillip & Wickramasekera 1995). Cavusgil (1985) found that larger firms use more marketing research and generate more export market intelligence than smaller ones. Moini (1992) also found a positive relationship between size and profitability within the European Community.

Some studies have found that the relationship between export performance and size is not always necessarily positive. In the case of German firms, Wagner (1995) found that the positive relationship between size and export intensity is only valid up to a point. Several other studies have found that the same relationship is not constantly increasing but assumes an inverted U –shape. This means that, the impact of size on export performance is positive only for a first (and generally small) range of size variables after which the relationship becomes negative or non–significant. The relationship between size and exporting or between size and export success is significant only within certain ranges (Sinkula 1986). The Cadogan, Diamantopoulos and Siguaw (1999) study in the U.S. and the U.K. found that size did not have a significant impact on the export success. One possible explanation is that, while larger firms may provide a resource advantage, with which to generate, disseminate and respond to export market intelligence.

Lefebvre and Lefebvre's (2001) also said that size may be relevant during the first stages of internationalization but not after. Moreover, what matters is not the absolute but the relative size of the firm. Some smaller firms may well be important players in their own niche markets whereas other SMEs find that they are unable to compete with their larger rivals occupying dominant market positions. This is one of the reasons presented by Das (1994) to explain higher export intensity for small firms among Indian exporters.

In the Zimbabwean context, it has generally been observed that there are differences between large firms and small firms regarding strategies employed and export performance. A key feature is that most large firms are foreign-owned and better resourced compared to small ones. The use of adapted strategies has been linked to large firms. However the Government, through its indigenization process has supported small firms and some of them have found their own niche markets. The resources provided by Government have enabled small firms to be flexible in utilizing their machinery to produce products adapted to various export destinations (Lages & Jap 2002).

2.4.1.2 Age of the firm

Previous researchers have linked the ability to adapt the export marketing strategy and good performance to the age of the firm. This is because breaking into exports takes time (Zou & Stan 1998; Lages & Jap 2002; Leonidou, Katsikeas & Piercy 1998). The age of the firm is generally used as a proxy indicating the amount of learning a firm has acquired over time. In order to enter the export market they need to learn more about the markets and marketing strategies.

In Zimbabwe, there is a strong relationship between the size of the firm and its age. Most old firms are large and have acquired the necessary capital and export experience over the years. However because of the economic problems facing Zimbabwe, some of them have faced problem with regards to repairing and replacement of old equipment. As such young firms that started off production using the latest technology are better placed compared to old ones with regards to flexibility and ability to adapt.

2.4.1.3 Firm ownership

Previous studies showed that foreign-owned firms were more likely to use adapted export marketing strategies than locally owned ones (Madsen 1989; Naidu & Prasad 1994). Other studies have also showed that ownership of the firm affects the export performance either directly or indirectly by increasing the capacity of the firm to design an appropriate marketing strategy (Dijk 2002; Johnson et al 2001). The reasons for this include the following;

- Access to superior production technology, capital, management and marketing competence by foreign owned firms (Beamish 1993; Beamish & Delios 1997).
- The ability to produce efficiently and the possession of sophisticated international marketing networks that facilitate distribution (Beamish 1993; Wilmore 1992).
- The economies of scale and sharing of resources by being part of a multi-branch organization (Dijk 2002). This also includes the sharing of economic and political risks (Johnson et al 2001).

The Zimbabwean context has shown that foreign-owned firms are more resourced and vertically integrated than local ones. Vertical integration enables them to produce nearly all the components needed in the production and marketing process in-house. This means that it is more likely for foreign-owned firms operating in Zimbabwe to adapt their strategies compared to locally-owned firms.

Table 2.4 Studies on firm characteristics, strategy and performance

Organizational profile	**Summary of literature reviewed**
Firm size	Bodur and Cavusgil (1985), Bonarccorsi (1992), Cadogan, Diamantopoulos and Siguaw (1986), Cavusgil (1985), Das (1994), Gottko and McMahon (1988), Lages and Jap (2002), Lefebvre and Lefebvre (2001), Moini (1992), Phillip and Wickramasekera (1995), Reid (1982), Sinkula (1986), Sterlacchini (2001), Tookey (1964), Wagner (1995)
Age	Lages and Jap (2002), Leonidou, Katsikeas and Piercy (1998), Zou and Stan (1998)
Firm ownership	Beamish (1993), Beamish and Delios (1997)), Dijk

Organizational profile	Summary of literature reviewed
	(2002), Johnson et al (2001), Madsen (1989), Naidu and Prasad (1994), Wilmore 1(992)

Source: Collection from literature

2.4.2 Respondent's profile

The profile of the respondent in terms of the level of education and experience in an organization showed a linkage to export strategy adaptation and export performance (Ball & McCulloch 1992; Brouthers & Brouthers 2001; Dijk 2002; Welch & Welch 1996). It revealed that poor-performing firms had generally less educated personnel, with little skills and less knowledgeable about the export markets (Storey 1994). However, some researchers have not observed any significant impact of education in their studies (Evangelista 1994; Stump, Athaide & Axinn 1998).

2.4.3 Product-market export venture

2.4.3.1 Nature of product

Evidence by Avlonitis and Gounaris (1997) showed that firms selling industrial goods like electric wiring, office equipment and computers employed a standardized marketing strategy on a higher scale compared to ones selling consumer goods. On the other hand, some products cannot sell if they are standardized. Albaum, Strandskov and Duerr (1998) identified food as one of the most difficult products to standardize and succeed in penetrating the export markets. However, Levitt (1983) argued that some consumer goods like Colgate toothpaste and Coca Cola have been successfully marketed using a standardized strategy. This was however achieved after huge financial outlays and many years of intensive promotion, resulting in universal brand-name recognition.

2.4.3.2 Product life cycle

Research has shown that firms in their formative phases use standardization (Bilkey & Tesar 1977; Cavusgil 1980; Czinkota 1982; Dijk 2002; Johanson & Vahlne 1977; Miller & Friesen 1984). However, this is in contrast with the recent innovation theory, which postulates that even during the formative stages, firms can also adapt strategies because of the emergence of key information and communication technologies like the Internet which enables them to quickly obtain market information (McDougall & Oviatt 2000; Quelch & Klein 1996). It says that in the presence of other factors like a management with a strong international outlook (i.e. those focusing on customers, emphasizing marketing competences, high quality and differentiated products) firms can still employ adapted strategies in the formative stages (Knight 1997; Madsen & Servais 1997). Previous studies on export performance showed that firms performed poorly during the formative stages of internationalization compared to the later stages (Bilkey & Tesar 1977; Cavusgil 1980; Czinkota 1982)

2.4.3.3 Destination of the product

All things being equal, the product cost increases with the geographic distance (Dow 2000). It can therefore be said that Zimbabwean firms would benefit more by exporting to neighboring countries like South Africa, Botswana etc instead of overseas.

Table 2.5 Empirical studies on product-market-export venture, strategy and performance

Product-market export venture	**Summary of relevant literature reviewed**
Nature of product.	Avlonitis and Spiros (1997), Levitt (1983), Parasuraman (1983)
Product-life cycle.	Bilkey and Tesar (1977), Cavusgil (1980), Czinkota (1982), McDougall and Oviatt (2000), Quelch and Klein (1996),

Product-market export venture	Summary of relevant literature reviewed
Destination of the product.	Dow (2000)

Source: Collection from literature

2.4.4 Environmental Factors

2.4.4.1 Economic environment:

Export strategy adaptations and economic factors were found to be inter-linked (Green, 1982; Kotler 1996; Madsen 1989; Naidu & Prasad 1994; Porter 1985; Ssemogerere & Kasekende 1994).

Organizations operating in a highly competitive environment are forced to closely monitor activities of competitors and adapt their own activities appropriately in order to remain viable (Cadogan, Diamantopoulos & Siguaw 1999, page 3-4). Competitive pressures therefore can force firms to reduce either prices or adapt products to meet specific needs. Cavusgil and Zou (1994) showed that the level of competition in the export market affects the level of product and promotion adaptations. As the competition increases, firms are forced to adapt strategies in order to distinguish their product to gain competitive advantages over the others. They also adapt strategies in developed markets with affluent, sophisticated and educated consumers (Buzzel 1968; Kumar & Sagib 1994).

Evidence has shown that economic environment factors such as market attractiveness and good infrastructure are closely linked to export performance (Ssemogerere & Kasekende 1994). However, other studies showed no linkage between infrastructure like roads, telecommunications etc. and export market performance (Styles & Ambler 1996). Porter (1985) indicated that the strategic imperatives of a firm should be to create and sustain superior performance through a competitive advantage in the market place. This means that from the perspective of individual firms, the most desirable way to achieve competitive advantages is to minimize having to operate in a less competitive market environment.

The economic environment such as competition in the market affects export performance through the price adaptation strategy. There is need to analyze price strategies of competitors in the foreign market so as to develop a suitable marketing strategy (Clark & Montgomery 1999). If a company offers a standardized pricing strategy, there are always some competitors willing to offer what the consumer wants (Kotler 1996). Consequently, the more intense the competition in foreign markets, the more a company tends to adapt its pricing strategy (Jain 1989). Bilkey (1981) showed that the degree of competition in the industry is negatively correlated to export performance. However other studies have shown that competition is not directly linked to price adaptation (Lages & Montgomery 2001).

In the Zimbabwean context, the relations with some external trading partners have affected marketing strategies and performance of local firms (Madungwe 2001). The current negative macro-economic environment has led to the withdrawal of some foreign aircraft carriers, thereby limiting the available options for distribution. The country has been going through an economic depression since 1999. The economy has shrunk every year since then and by end of 2005, real Gross Domestic Product (GDP) had contracted by 31 % compared to 1998 (Central Statistical Office, 2006). This has been worsened by high inflation of 1280% by the end of 2006, the highest in the world. The poor economic performance has resulted in years of declining in exports. The inflationary has resulted in increased production costs and reduced export competitiveness of Zimbabwean firms in relations to other firms in the region (Hoogenveen & Mumvuma 2000).

2.4.4.2 Cultural environment

Evidence has shown that linkages exist between the cultural environment and export strategy adaptation (Albaum, Strandskov & Duerr 1998; Buzzel 1968; Dubois 1990; Ekerte 2001). The strategy to be used when entering a foreign market must consider cultural factors (Albaum, Strandskov & Duerr 1988)

Dubois (1990) showed that the levels of strategy adaptations differed in line with differences in the perceived quality or price in different cultures and social organizations. The cultural differences can lead to different interpretations, especially with regards the physical aspects of products as well as the packaging (Denis 1995).

The cultural background of the advertiser can affect the message form and the cultural background of the recipient determines the message perception (Ekerte 2001; Hornik 1980). If can also affect the type of roles depicted in adverts and the choice of themes relating to underlying values and norms. In addition, language, literacy levels and symbolism are major factors affecting advertising decisions (Dubois 1990). Research by Bilkey and Tesar (1977), Dow (2000), Johanson and Vahlne (1977), Ogunmokun and Ng (2004), Shoham and Albaum (1995) showed that the level of performance is related to how organizations address the issue of cultural factors in their marketing strategies.

It has been noted that the more distant a market is culturally, the more different are the product attributes that the foreign consumer values and as a result the greater effect product adaptation has on export sales volumes (Lado et al 2004). Madsen (1989) says that in order to export successfully, organizations must choose countries at a small psychic distance rather than distant and exotic markets. This implies choosing markets in which the firm understands factors like language, culture, level of education and political systems. In an empirical analysis of the effect of culture on marketing strategies of multinational firms operating in Nigeria, Ekerte (2001), observed that culture exerted varied influence on marketing strategies used by multinational firms. This called for the use of specific strategies and remedies to overcome cultural influence on operations.

2.4.4.3 Political and legal environment

External environment factors like the political and legal environment are also associated with export performance. These may act to undermine the effectiveness/competitiveness of the activities of a firm. Organizations operating in such environments should therefore closely keep track of changes in regulations, technology, customer's preferences and competitor's activities. The export environment can have an impact on the export operations due to different customer preferences, varying national and local legislation (Lages & Montgomery 2001; Raven 1994). Evidence by Tremeche and Tremeche (2003) showed that Japanese companies exporting to the Arab market encountered heavy legal and administrative procedures, tariff and non-tariff barriers, internal unrest and a multiplicity of technical/legal requirements in the market, which affected their strategies.

While the Japanese companies were more affected by the external legal environment, the situation in Zimbabwe is that firms have to deal with some local challenges, of legal nature. These include import and export restrictions, foreign currency shortages, fixed and overvalued exchange rate, and complex tax system and price controls. The difficult relations between Zimbabwe and certain multinational organization like the World Bank (WB), the International Monetary Fund (IMF), and European Investment Bank (EIB) has exacerbated the situation. The result has been lack of access to international lines of credit and modern technology needed for adaptation of export marketing strategies.

Ogunmokun and Ng (2004), observed that firms that faced legal problems like the freedom to convert, or transfer their currencies, performed well because after being made aware of the problems, they designed appropriate ways of overcoming the challenges.

2.4.4.4 Strategic orientation of the company

Porter (1996, page 64) described a strategy as a deliberate effort by top management of a company or organization to do things differently by choosing a different set of activities to deliver a unique mix of value. Hence companies in their marketing programmes deliberately choose how to deliver low-cost standardized products or services to particular markets.

In the context of international marketing strategies there are three main strategic orientations or behaviors, which may be adopted by top management. These are ethnocentricity, polycentricism and geocentricism (Akehurst & Akyol 2003; Czinkota & Ronkainen 1990; Keegan 1989; Kotler 1999; Onkvisit & Shaw 1997; Quelch 1986). Ethnocentricity is a strong orientation towards the home country. Firms, which depend on the ethnocentricity strategy, usually use the home base to produce and market products in standardized format (Akehurst & Akyol 2003; Onkvisit & Shaw 1997). The polycentric relates to a strong orientation towards the host country. Under this, the assumption of top management will be that each market is unique and therefore difficult to understand hence the need to use adapted strategies for specific markets. Geocentricism takes the middle of the road role as it ensures that both the characteristics of ethnocentricity and polycentric orientation are catered for during the marketing process.

2.4.4.5 Top management commitment

The commitment by the organization to exports has been referred as export commitment or top management commitment or managerial commitment (Lages & Montgomery 2001; Stump, Athaide & Axinn 1998). This is shown by how serious an organization is with regards exporting and the amount of resource allocations made towards exports (Castaldi, Sengupta & Silverman 2000). The less committed managers tend to implement standardized strategies, which are much simpler to implement and require much less work (Lages & Melewar 2001). On the other hand, highly committed managers are more willing to accept the organization’s solicitation for extra work as well as more demanding activities (Etzioni 1975).

The firms committed to exporting allocate more human and financial resources to the export venture. These enable them to improve the depth of planning procedures in terms of market research and market analysis needed by managers to implement marketing strategies that are more suitable to the needs of different markets (Cavusgil & Zou 1994; Lages & Montgomery 2001). The commitment may also be reflected by the propensity of the firm to acquire more "experiential" information during well-prepared and effective market visits. Evidence has shown that commitment is an important determinant of export performance (Axinn, Noordewier & Sinkula 1996; Castaldi, Sengupta & Silverman 2001). With commitment, uncertainty is reduced and marketing strategy can be implemented effectively, leading to better performance (Julian 2003).

2.4.4.6 Experience and education

The international experience of a firm constitutes a source of sustainable competitive advantage (Douglas & Craig 1983; Lages & Montgomery 2001). The lack of knowledge of foreign operations is therefore an impediment to decision-making processes with regards to adaptation of an export marketing strategy. The experience allows the exporter to identify the idiosyncrasies in the export markets, develop the appropriate marketing strategies for execution.

Experienced managers are more likely to have the required expertise to make the proper adjustments to the environment. An understanding of key international marketing issues is normally seen as complex by the less experienced managers (Cavusgil & Zou 1994). Loueter e tal (1991) says that experienced exporters will have a greater depth of knowledge of export markets and international operations as a result of a learning process.

Evidence has shown a positive link between overseas experience and price adaptation (Cavusgil, Zou & Naidu 1993; Lages & Jap 2002; Lages & Montgomery 2004). The more experienced the managers are, the better their understanding of foreign markets compared to those without the experience and knowledge of international markets. It assists firms adapt strategies to the requirements of the intended markets. Firms employing untrained and inexperienced staff in international business tend to exhibit lower levels of performance because of the lack of information on environmental opportunities and threats.

A study by Cadogan, Diamantopoulos and Siguaw 1999, showed a positive link between export experience and performance of U.S. firms. The knowledge of foreign languages showed linkages with export performance (Bilkey, 1975). Positive managerial attitudes towards exporting have also been linked to an increased probability of exporting and the perception of fewer barriers to exporting (Sinkula 1986). The investigation by Lages and Montgomery (2001) of Portuguese firms showed that international experience was positively linked to price adaptation. The most experienced managers tended to have a better understanding of foreign markets. Accordingly, they adjusted domestic pricing strategies in the main foreign market. A study of Canadian exporters by Kammath, Rosen, et al (1989) showed that managerial characteristics, like quality and skills of top managers are essential factors in successful exporting. However, experience and education do not on their own translate into high performance as there is need for the proper dissemination of information across the organization (Rich 1991).

Zimbabwe has a generally highly educated population by developing countries standards with a literacy rate of more than 80%. However, there is a lack of relevant export training and experience (Hoogenveen & Mumvuma 2000). Firms that are able to provide their staff skill to negotiate and win international contracts are expected to adapt strategies and to perform better than those that lack relevant training and experience.

Table 2.6 Conceptual studies on the factors perceived to be influencing strategy adaptation and performance.

Factor	**Summary of relevant literature reviewed**
Economic environment	Cadogan, Diamantopoulos and Siguaw (1999), Cavusgil and Zou (1994), Clark and Montgomery (1999), Dijk (2002), Green (1982),

Factor	Summary of relevant literature reviewed
	Hill and Still (1984), Jain (1989), James and Hill (1991), Kotler (1996), Madsen (1989), Naidu and Prasad (1994), Porter (1985), Ssemogerere and Kasekende (1994), Styles and Ambler (1996), Thomas, Martin and Nash (1990)
Cultural environment	Albaum, Strandskov and Duerr (1998), Buzzel (1968), Dijk (2002), Dow (2000), Dubois (1990), Ekerte (2001), Hornik (1980), Johanson and Vahlne (1977), Lado et al (2004), Madsen (1989), Ogunmokun and Ng (2004), Shoham and Albaum (1995)
Political/legal	Beamish (1993), Dijk (2002), Ogunmokun and Ng (2004), Osland (1994), Raven (1994), Robertson and Wood (2000), Tremeche and Tremeche (2003), Yan (1998), Yan and Gray (1994)
Strategic orientation	Albaum, Strandskov and Duerr (1998), Akehurst and Akyol (2003), Buzzel (1968), Czinkota and Ronkainen (1990), Fletcher and Brown (1999), Jeannet and Hennessey (1988), Keegan (1989), Kotler (1999), Lages and Montgomery (2001), Porter (1996), Onkvisit and Shaw (1997), Quelch (1986), Rugman (1982), Styles and Ambler (1996)
Commitment to the export venture	Axinn, Noordewier and Sinkula (1996). Castaldi, Sengupta and Silverman (2000), Cavusgil and Zou (1994), Dijk (2002), Etzioni (1975), Lages and Montgomery (2001), Lages and Melewar (2001), Stump, Athaide and Axinn (1998)
Experience and education	Axinn (1988), Diamantopoulos and Siguaw (1999), Cadogan, Sinkula (1986), Cavusgil, Zou and Naidu (1993), Cavusgil and Zou (1994) Das (1994), Dijk (2002), Douglas and Craig (1983), Lages and Montgomery (2004), Loueter e tal (1991), Lages and Montgomery (2004), Lages and Jap (2002), Phillip and Wickramasekera (1995), Rich (1991), Souchon and Diamantopoulos (1996)

Source: Compiled from literature

As indicated above, there is no agreement on the relationship between export performance, strategy adaptations and various factors mentioned above.

A summary of some of the empirical studies done is shown in table 2.7.

Table 2.7 Summary of empirical studies done on the relationship between export performance and some of the variables above

Author	**Industry**	**Sample size**	**Independent variable**	**Dependant variable**	**Method of analysis**	**Findings**
Cadogan, Diamantopoulos and Siguaw (1999)	Mixed	198	Competition	Export performance	Regression	Environment significantly affects export performance Mixed relationship
Cadogan, Diamantopoulos and Siguaw (1999)	Mixed	198	Technology	Export performance	Regression	Marginally significant
Cadogan, Diamantopoulos and Siguaw (1999)	Mixed	198	Firm size	Export performance	Regression	No impact and insignificant
Castaldi, Sengupta and Silverman (2001)	Winery	1012	Commitment to export	Export performance	Hypothesis testing and regression analysis	Export commitment is significant and positively related to export performance
Das (1994	Mix	58	Firm size	Export	Explorator	Negative relationship

Author	Industry	Sample size	Independent variable	Dependant variable	Method of analysis	Findings
	ed			intensity	y and Discriminant analysis	between size and export intensity
Dijk (2002)	Mixed		Ownership, age, education, technology	Export behavior	Regression	Positive relationship between all independent variables and dependant variable.
Ekerte (2001)	Mixed	20	Culture	Export strategy	Chi-Square	Positive relationship between culture and Strategy
Lado, Martinez-Ros & Valenzuela (2004)	Mixed	2264	Experience	Export performance	Regression	Positive relationship between export performance and experience
Lages and Montgomery (2001)	Mixed	1967	Competition	Level of adaptation	Descriptive	Competition is positively related to level of adaptation. Poor export environment negatively affects performance
Lages and Montgomery (2001)	Mixed	1967	Commitment	Level of adaptation	Hypothesis testing	Commitment influences firms to adapt marketing strategies.
Lefebvre	Mix		Firm size	Export		Mixed results

Author	Industry	Sample size	Independent variable	Dependant variable	Method of analysis	Findings
and Lefebvre (2001)	ed			success		
Madsen (1989)	Manufacturers	134	Export attractiveness	Export success	Causal/regression	Positive relationship between export attractiveness and performance.
Moini (1992)	Mining, food, fiber, wood etc	580	Firm size	Export profitability	Exploratory	Positive relationship between size and profitability
Phillip and Wickramasekera (1995)	Food	162	Firm size	Exporting level	Exploratory and descriptive	Bigger firms tend to export more
Styles and Ambler (1996)	Mixed	202	Competition intensity	Export performance	Causal/regression	Negative and insignificant relationship between export performance and competition
Styles and Ambler (1996)	Mixed	202	Export infrastructure (e.g. roads, telecomm	Export intensity	Causal/regression	No relationship between export infrastructure and success

Author	**Industry**	**Sample size**	**Independent variable**	**Dependant variable**	**Method of analysis**	**Findings**
			unications etc)			
Styles and Ambler (1996)	Mixed	202	Firm commitment	Export intensity	Causal/regression	Positive and significant relationship between export intensity and commitment

Source: Developed from literature.

2.5 Summary:

The above discussion has shown mixed results on the relationship between export performance and strategy adaptation in terms of: the organizational profile (i.e. firm size), the respondents' profile (e.g. level of education), and the product-market export venture (e.g. type of product exported) and the factors perceived to be influencing the degree of adaptation and performance. Some studies showed negative and non-significant associations, while others indicated positive and significant associations**.** It is on the basis of this evidence that the study will explore whether firms with high levels of export strategy adaptation differ significantly from those with low levels of adaptations in terms of the organizational profile, respondents, product-market export venture and factors perceived to be influencing the degree of adaptation and performance.

The variables discussed in this chapter will be used to compare Zimbabwean firms with high levels of export performance to those with low levels of performance. It also explores factors that discriminate to a large extent firms with (a) high levels of strategy adaptation from those with low levels of strategy adaptation and (b) those with high levels of performance from those with low levels of export performance.

Chapter 3

Research Methodology

3.1 Introduction

This chapter is arranged as follows: Section 3.2 describes the importance of the exploratory design used for this study. Section 3.3 indicates the means in which the primary data was collected in terms of sampling, target population, unit of analysis, sample frame and size. Section 3.4 describes the data collection instrument and section 3.5 shows how the variables were operationalised. Section 3.6 describes instrument pre-testing while section 3.7 discusses the validity and reliability issues. Section 3.8 describes how the administration of the main survey was done. Section 3.9 describes the data entry and coding process. In Section 3.10 the strategies for putting firms into groups are explained. Section 3.11 describes the data analysis methods and section 3.12 discusses the ethical issues.

3.2 Research Design

Research design can be classified into the following three broad categories; exploratory, descriptive and causal (Cooper & Schindler 1998; Das 1994; Emory 1980; Guba & Lincolm 1994; Lages & Montgomery 2001; Malhotra 1999; Philip & Wickramasekera 1995; Robson 1993; Zikmund 2000). Under the causal or confirmatory design, a study must meet a number of strict requirements like a well-defined population, observation process, hypothesis, parameters, sampling method, probabilities and conclusions (Malhotra 1999). Those that do not meet the above requirements are better referred to as exploratory since they do not produce conclusive statistically-sound statements (Yin 1994).

In the exploratory design, questions are devised to encourage thinking and learning (Yin 1994). This study advocates the concept of explorative analysis particularly the use of descriptive statistics and statistical graphs to contribute to a better conceptualization or measurement of relevant constructs in export literature (Aaby & Slater 1989; Cavusgil & Zou 1994; Yin 1994; Cadogan, Diamantopoulos & Siguaw 1999; Cuyvers, Dumont & Leelakuthanit 2000). The exploratory design generates insights into patterns and associations of data without strong prior assumptions (Robson 1993; Das 1994; Zikmund 2000; Lages & Montgomery 2001; Malhotra 1999).

Exploratory data analysis has gained considerable influence since as a paradigm used in most commercial marketing research. This is because it allows one to obtain an insight into the export practices of the Zimbabwean firms and to identify key factors affecting the level of adaptation among exporting companies (Buzzel 1968; Levitt 1983; Walters & Toyne 1989; Quelch & Hoff 1986; Solberg 2002).

As opposed to the traditional hypothesis testing designed to verify a priori hypothesis about relations between variables, exploratory data analysis is used to identify the systematic relationship between variables when there are no clear expectations as to the nature of those relations (Yin 1994).

In Zimbabwe, aggressive export marketing strategies have only been introduced recently, hence little information is available. Exploration into this area would therefore assist in gaining insights into the nature of exporting practices of local companies. The approach helps in identifying the level of adaptation among firms, including any constraints they face. It can also show how the performance of highly adapted firms differs significantly from those with low levels of adaptation (Neuman 2000). Another advantage of this approach is its flexibility and adaptability to change (Cooper & Schindler 1998).

The next section presents in detail the methods used in data collection i.e. primary data sources to assist in exploring the issues raised in the first chapter.

3.3 Sample Design and Data Sources

3.3.1 Introduction

Primary data is used and this was collected specifically for this research project (Zikmund 1999; Malhotra 1999). It was collected through questionnaires sent to respondents (Cooper & Schindler 1998; Davis 1996; Das 1994; Lages & Montgomery 2001; Malhotra 1999; Robson 1993; Solberg 2002; Yin 1994; Zikmund 2000). In addition, secondary data was used (Lages & Montgomery 2001; Malhotra 1999; Yin 1994) and was collected from journals and books thus enriching the analysis to address the research problem (Zikmund 2000).

3.3.2 Sampling

A sampling procedure involving a small number of firms was used to make inferences regarding the characteristics of most local exporting firms (Zikmund 2000). The advantage of using a small sample is that, it is cost effective and time-saving. The sample was designed to take into account accurate information about all the exporters in Zimbabwe. The following sampling issues were taken on board in drawing up an appropriate sample (Zikmund 2000):

3.3.3 Target population

The starting point in sampling requires the definition of the target population. This relates to the complete group of specific population elements relevant to the research project (Zikmund 2000). It is a function of whatever the researcher wishes to make inferences about (Malhotra 1999, pp 330). The target population was defined precisely to target all Zimbabwean exporting firms. The firms included in the sample were chosen based on their fulfilling either all or part of the following conditions that: (a) they are owned by local investors, (b) their operations were run from a local office, (c) ownership structures reflected both local and foreign investors, (d) their operations and productions are done in the local market and (e) if foreign-owned, their operations and production units are locally-based with exports originating from the local the market. This was done in order to exclude firms that can be regarded as completely non- Zimbabwean.

3.3.4 Unit of analysis

The unit of analysis used in the study was a single export venture that exported a single product or service to a single foreign market. The use of a single export venture was made to reduce the chances of bias and ensure that relevant and specific information has been collected (Cavusgil & Kirpalani 1993; Cavusgil & Zou 1994; Madsen 1989). Export managers were asked to state their main export products or services and the corresponding export destinations. The study targeted export managers, marketing managers or managing directors within the firm who have knowledge of the company's export practices.

3.3.4 Sampling frame

A sample frame is the list of elements from which a sample may be drawn. In order to minimize the risk of committing sampling frame error (Malhotra 1999, page 330; Robson 1993; Zikmund 2000) efforts were made to identify the best sampling frame (i.e. one that includes almost all the members of the target population).

The Export Directory of Zimbabwe published by ZimTrade Export was found to be the best sampling frame available in Zimbabwe corresponding to the target population. ZimTrade is a National Trade Promotion Board, established in 1992 to promote exports. It is the mandated to collect data on exports and make updates to the Zimbabwe Export Directory. All exporters are registered under its directory. The database showed a list of 1500 exporters. The list included the name of the firm, the year of formation, number of employees, physical address, postal address, telephone, telex, and fax numbers and product descriptions. In addition, some companies indicated contact details like cell phone numbers and e-mail addresses. The advantage of the sampling frame is that it is comprehensive in coverage as it includes both small and large firms. Researchers have relied on this data as the most relevant source of information on exporters in Zimbabwe. However its weakness is that it does not include the informal sector traders.

3.3.5 Sampling procedure

The two broad types of sampling are the probability and the non-probability procedures. The first is a technique in which every member of the population will have a known, non-zero probability of selection while in non-probability techniques, the units of the sample are selected on the basis of personnel judgments or convenience (Zikmund 2000). The probability sampling procedure was chosen for the following reasons:

- Statistical inferences and generalizations about the population could be made from the responses of the sample (Robson 1993).
- Each firm had an equal chance of being selected thus reducing biases associated with non-probability, since firms were not selected using a subjective approach (Saunders, Phillip & Thornhill 1997).

The specific probability sample used for this study was a systematic sampling process (Das 1994; Malhotra 1999; Miles & Huberman 1994; Zikmund 2000). It involved choosing a sample by selecting a random starting point and then picking every ith element in succession from the sample frame. This approach had been used in similar studies (Ogunmokun & Ng 2000). Under the systematic approach, the first step involved a random starting point from a list, followed by the choice of every ith name from the sampling frame (Ogunmokun & Ng 2004). The sampling interval was every third company listed on each page. Time was saved by using systematic sampling instead of simple random sampling technique since there was no need to generate random numbers. The process of selecting firms through systematic sampling was easy, accurate, efficient and less costly (Kotler 1995; Robson 1993; Zikmund 2000). However the disadvantage of using this method arises when the elements are arranged in alphabetical order. Under such a scenario, systematic sampling is as good as a random sampling procedure (Aaker et al 1995; Malhotra 1999; Ogunmokun & Ng 2004).

3.3.6 Sample size

The principle in sample size determination is that it should be large enough to enable the results of the research to be generalized to the population (Malhotra 1999; Zikmund 2000). The need for a large sample is based on the central-limit theorem, which states that, "as sample size increase, the distribution of sample means of size n, randomly selected, approaches a normal distribution" (Zikmund 2000).

It must be noted that a sample size can be determined through some statistical approaches or through ad hoc procedures based on other similar studies done in the past (Zikmund 2000). According to Robson (1993, pp 153), "A *sample of 400 drawn from a population of 4,000 may be quite appropriate*……. A *sample of 400 is for most practical purposes, just as appropriate for a population of 200 million as it is for a population of 4,000. If drawn correctly it will give almost the same precision in either case".*

What this shows is that the sample size should be big enough to provide an acceptable level of confidence. The final sample took into account the following factors; (a) the size used by other similar studies in the past (Zikmund 2000; Malhotra 1999), (b) the size of the population variation as indicated statistically by the standard deviation (Robson 1993) and (c) the population size itself and the margin of error and confidence interval, which can be tolerated (Saunders, Lewis & Thornhill 1997). Researchers normally work with 99 percent, 90 percent and 95 percent confidence intervals with 95 percent level of certainty being the most common (Tull & Hawkins 1990).

Table 3.1 shows a rough guide to the different minimum sample sizes required from different sizes of population at the 95 per cent level of certainty.

Table 3.1 Population and sample size margin of error:

Population	**Margin of error**			
	5%	3%	2%	1%
500	217	340	414	475
750	254	440	571	696
1000	278	516	706	906
2000	322	696	1091	1655
5000	357	879	1622	3288
10 000	370	964	1936	4899
100 000	383	1056	2345	8762
1 000 000	384	1066	2395	9513

Adapted from Saunders, Lewis and Thornhill (1997)

These figures are based on the following formula:

n = p% x q% x I(z)/(e%)I

Where n is the sample size required

p% is the proportion belonging to the specified category

q% is the proportion not belonging to the specified category

z is the z value corresponding to the level of confidence required based on Z table

e% is the margin of error required.

Taking into account the above points as well as the cost considerations and the guiding figures under table 3.1, all the 1,500 exporters listed in the ZimTrade export directory were initially targeted. Based on the above indicative figures it was decided to have a sample size of 500. This took into consideration the sizes used in previous studies on export marketing (Castaldi, Sengupta & Silverman 2001; Lages & Montgomery 2001). From the 500 firms the initial target was to obtain a response rate of around 40 %, which would ensure that a statistical significant confidence interval and precision are obtained (Moini 1997). This size was deemed sufficient in line with related previous studies (Bonarccorsi 1992; Das 1994; Hoang 1995; ZimConsult 1996).

3.4 The questionnaire

A structured questionnaire was used as the main primary data collection instrument. It consisted of a series of written questions to which responses were sought (Malhotra 1999, pp 293). The conceptual framework described in the first and second chapters provided the basis for drafting of the questionnaire and operationalisation of the variables (Zikmund 2000). This approach has the advantage of enhancing the construct validity of the research instrument (Nunnally & Bernstein, 1994). The next step was the assessment of the draft questionnaire by several experts including the Supervisors to check on quality and content of the instrument. This process helped improve the face validity of the research instrument as amendments were made on the advice received.

3.4.1 Measurement scales

The following four main types of measuring scales were identified; (a) the nominal (b) ordinal (c) interval and (d) ratio scales (Malhotra 1999; Miles &; Saunders, Lewis & Thornhill 1997; Sekaran 2000; Sproull 1995; Zikmund 2000). The scales are explained as follows:

(a) Nominal. This is a measure under which respondents are grouped or categorized. Nominal data was used to provide the demographic profile of the responding firms like in other previous studies (Cavusgil & Zou 1994; Ogunmokun & Li 2001; Styles & Ambler 2000). Examples of measurements that used nominal scale included grouping of firms according to sectors such as manufacturing, agriculture, mining, tourism etc. It also included the classification of firms according to industrial groups such as consumer durable and non-consumer durable.

Nominal scales were also used to classify respondents on the basis of sex that is male or female.

(b) Ordinal. This is a scale similar to the nominal scale but in addition shows which scale is greater than the other without specifying the distance between the scale values. Levels of education (i.e. primary, secondary, diploma, degree) attained by the respondents were indicated using ordinal scales.

(c) Interval. This is similar to both the nominal and ordinal scales. The difference is that it increases the power of measurement by introducing the concept of equality of intervals between scales. The number of variables is shown in their order and magnitude. The variables used to differentiate low strategy adaptors against high strategy adaptors and low export performers against high export performers were based on interval scale for the following reasons:

- It allowed the use of more powerful and sophisticated data analysis methods such as discriminant analysis (Malhotra 1999; Miles & Huberman 1994; Ogunmokun & Li 2000; Sekaran 2000; Zikmund 2000).
- Descriptive statistics like the arithmetic mean, the standard deviation and the variance were used to measure the central tendency and dispersion respectively thus providing meaningful answers to the research question.

(d) Ratio. This is the most powerful scale compared to others as it provides the provision of an origin of a scale as well as the amount represented. In this study data on actual sales figures, profits, and income levels was based on ratio scale.

3.4.2 Scaling

This is a process of assigning numbers to objects so as to communicate their characteristics (Cooper & Schindler 1998). These may be identified by rating, ranking or sorting (Zikmund 2000). In the study, under the rating scale technique categorical scales, ranging from "yes" to "no" were used as responses. Under the ranking scale, respondents were asked to place responses in order of importance. The Five Point Likert Scale, which is a measure of attitudes ranging from "very negative" to "very positive" was used. This required respondents to indicate how strongly they agreed or disagreed with a statement (Cooper & Schindler 1998). The following is an example of a question included:

"To what extent do you agree or disagree with the following statement; A manager who joins the company from any country has an equal chance to become a Chief Executive Officer in your company:" Use the following ranking:"

Strongly disagree				***Strongly agree***
(1)	*(2)*	*(3)*	*(4)*	*(5)*

The advantage of this scaling is that it is simple to use. It is the same as the interval scale in nature and therefore provides the use of the mean-based and powerful statistical analysis like the discriminant analysis. The approach has been used widely in previous market research studies (Ball & McCulloch 1996; Cavusgil & Zou 1994; Lages & Jap 2003; Ogunmokun & Ng 2004).

3.5 Operationalisation of Constructs/Concepts

This section describes the measurements of variables. Most of the variables were measured using multiple-item measures compared to single-item measures. The advantages of this approach are as follows:

- Stronger measures can be built by combining and averaging the items (Churchill 1979, p.66)

- The reliability of the constructs tends to increase as the number of items included is increased.

The questionnaire comprised five key sections, which are organizational, and respondent profile as well as the product-market export venture, the export marketing strategy adaptation, the export external environment, the internal environment and the export performance. The operationalisation of these variables was as follows:

3.5.1 Organizational profile

The questionnaire asked for information on the size of the firm, its age, the number of years it had been exporting and the ownership. The measurement was carried out as follows:

Firm size: The influence of the size of the firm on export performance has been previously researched using various indicators (Cavusgil & Zou 1994; Cooper & Kleinschmidt 1985). The number of employees is the most widely used indicator of size. To capture the size of the firm, respondents were asked to identify the size range in which their company fell using a Five Point Interval Scale ranging from 1 to 6 for the firms employing less than 9 workers to those employing more than 500 workers respectively.

Firm age: Respondents were asked to indicate the age of their organizations. Their responses were sought on an ordinal scale ranging from (1) less than 1 year to (5) more than 30 years.

The export experience: Under this heading, respondents were asked to indicate the number of years their companies had been exporting. Responses were sought on an interval scale ranging from (1) less than 1 year to (5) more than 30 years.

Ownership: Respondents were asked to indicate the ownership of their organizations. The options included the following nominal scales (1) Zimbabwean-owned (2) Foreign-owned (3) Joint-owned (4) Foreign-owned subsidiaries.

3.5.2 Respondent's profile:

Under the profile of the respondent, the questionnaire sought information on the number of years they held the position in the organization and the highest level of education attained. The measurement of these variables is described below.

Number of years as a manager with the company: Respondents were requested to indicate how long they had held management positions in the company. Responses were sought on an interval scale ranging from (1) for less than 1 year to (5) above 10 years.

Highest level of education attained: The respondents were requested to state the highest level of education they had attained. Options for selection included the ordinal scales ranging from (1) primary education to (5) university education.

3.5.3 Product-market export venture

Under the product-market export venture, information was sought on the nature of the product exported, its life cycle and export destination. The measurement of these variables is described below:

Product type: Respondents were requested to indicate the type of product exported by their organizations. Responses were sought using the following nominal scales (1) Consumer durable (2) Consumer non-durable (3) Industrial goods (4) Service and (5) Other.

Product-life cycle: Under this, respondents were requested to indicate the best way of describing the stage of the life cycle of the product in the Zimbabwean and export markets. Responses were sought on an interval scale ranging from (1)” introductory stage” to (5) a “decline”.

Destination of the product: Firms were requested to indicate on a nominal scale their major export markets. The choices included: (1) South Africa (2) United Kingdom (3) Germany (4) the Southern Africa Development Community (SADC) (5) Europe (6) Asia and (7) Other.

3.5.4 Export strategy mix

The export marketing mix strategy has been defined in terms of the extent to which the firm adapts the product, price, promotion and distribution to the requirements of individual export markets (Cavusgil & Zou 1994; Styles & Ambler 2000). In order to operationalize the constructs for the export marketing mix strategy, respondents were asked the following question:

“Indicate whether your product is marketed in the same way or in totally different way in its major export market?

Responses were required on a five-point interval scale ranging from (1) “same way” to (5) “totally different”. The marketing mix elements used to measure the export marketing mix strategy are shown in the table below, which also indicate similar research done previously.

Table 3.2 Marketing strategies items and measurement scales

Marketing mix Strategy	**Items used in this study**	**Scale used**	**Reference literature used**
Product	Product/service brand name		Ball and McCulloch (1996), Cavusgil and Zou (1994), Fletcher and Brown (1999),
	Characteristics of the product/service		

Marketing mix Strategy	Items used in this study	Scale used	Reference literature used
	Product/service labeling and packaging	Interval	Lages and Jap (2003), Ogunmokun and Ng (2004), Samli and Hill (1993), Shoham (1998)
	Product/service warranties		
Promotion adaptation	Advertising theme	Interval	Ball and McCulloch (1996), Fletcher and Brown (1999), Lages and Jap (2003), Ogunmokun and Ng (2004)
	Media channels for advertising		
	Promotion objectives		
	Role of public relations publicity		
	Creative expressions		
Pricing	Determination of pricing strategy	Interval	Ball and McCulloch (1996), Fletcher and Brown (1999), Lages and Jap (2003), Ogunmokun and Ng (2004)
	Concession of credit		
	Price discounts policy		
	Use of margins.		
Distribution	Criteria to select distribution system	Interval	Ball and McCulloch (1996), Cavusgil and Zou (1994), Lages and Jap 2003), Ogunmokun and Ng (2004), Slater (1989)
	Transportation strategy		
	Budget for distribution		
	Distribution network		
	Role of sales force.		
	Management of sales force		
	Role of middleman/dealers		

Source: Developed from literature

The following factors were used to explain the level of adaptation and performance; economic, cultural, political and legal environment and mandatory requirements by the host country. Other factors included the strategic orientation of the organization, top management commitment to the export venture and experience and education levels of top management.

3.5.5 Export environment

Table 3.3 Export environment items and measurement scales.

Factor	**Items used in this study**	**Scale used**	**Reference material used**
Economic	Per capita GNP Availability of natural resources The Climatic Condition The topography Media availability Availability of distribution channels Competition	Interval	Akaah (1991), Buzzel (1968), Douglas and Wind (1987), Jain (1989) Ogunmokun and Li (1999), Terpstra and Sarathy (2000) Buzzel (1968), Cavusgil and Zou (1994), Lages and Jap (2003), Madsen (1989), Naidu and Prasad (1994), Wagner (1995)
Cultural	Cultural differences Material culture Language differences Aesthetics Education and Literacy Religion Attitudes and values Social organizations	Interval	Albaum, Strandskov and Duerr (1998), Buzzel (1968), Bilkey and Tesar (1977), Dow (2000), Johanson and Vahlne (1977), Ogunmokun and Li (2000), Shoham and Albaum (1995)
Political	Political interference Legal environment Laws Import and Export laws	Interval	Ball and McCulloch (1996), Buzzel (1968), Ogunmokun and Li (2000) Tremeche and Tremeche (2003) Robertson and Wood

Factor	Items used in this study	Scale used	Reference material used
	Mandatory requirements		(2000)

Source: Developed from literature

Economic environment: Evidence has shown that the economic environment in which a firm operates affects its export orientation (Cadogan et al., 1998) In order to operationalise the constructs for the economic factors, respondents were asked the following question:

"With reference to your major export market, indicate whether you strongly agree or disagree that the following factors were an obstacle in your endeavors to standardize your product?"

Responses were required on a five-point interval scale ranging from (1) "Strongly disagree" to (5) "Strongly agree". Responses were provided on the following economic factors:

- Per capita GNP
- Availability of natural resources
- The climatic condition
- The topography
- Media availability
- Availability of distribution channels
- Competition

Cultural environment: Previous research has indicated a linkage between various cultural factors and the export strategies used by organizations and their levels of performance (Dubois 1990; Buzzel 1968; Ekerte 2001). Operationalise the constructs for the economic factors, respondents were asked the following question:

“With reference to your major export market, indicate whether you strongly agree or disagree that the following factors were an obstacle in your endeavors to standardize your product?”

Responses were required on a five-point interval scale ranging from (1) “Strongly disagree” to (5) “Strongly agree”. Responses were also required with regards to the following cultural factors:

- Cultural differences between Zimbabwean and the export market
- Material culture
- Language differences
- Aesthetics (i.e. the perceptions on beauty and taste)
- Education and literacy
- Religion
- Attitudes and values of customers (e.g. attitudes toward wealth acquisition and risk taking)
- Social organizations

Political and legal environment: Political and legal factors were identified as some of the determinants of export strategy adaptations and export performance (Raven 1994; Tremeche & Tremeche 2003). Under these factors respondents were asked the following question:

“With reference to your major export market, indicate whether you strongly agree or disagree that the following factors were an obstacle in your endeavors to standardize your product?”

Responses were required on a five-point interval scale ranging from (1) “Strongly disagree” to (5) “Strongly agree”. Responses were required to the following political and legal factors:

- Political interference
- Legal environment
- Import and export laws
- Mandatory requirements

Table 3.4 Strategy orientation, commitment and experience items and measurement scales.

Factor	Items used	Scale used	Reference
Strategic orientation	Probability that a non-Zimbabwean will be a Chief Executive Officer and that being a national is not important in selecting individuals for managerial positions	Interval	Buzzel (1968), Kotler (1999), Onkvisit and Shaw (1997), Rugman (1982).
Commitment	Substantial amount of resources	Interval	Diamantopoulos and Cadogan (1996), Cavusgil and Zou (1994), Slater (1989).
	Degree of long term planning		
	Amount of strategy implementation		
	Relevance of organizational design		
	Top management commitment		
Management experience and training	Level of management's overseas experience	Interval	Cavusgil and Zou (1994), Das (1994), Lages and Jap (2003), Moini (1995), Shoham (1998)
	Knowledge of foreign culture		
	Training in international business		
	Management flexibility		

Source: Developed from literature

3.5.6 Strategic orientation

An egocentricity scale was used to capture the orientation of top management towards overseas markets and consumers (Stephen 1994 pp, 493-511). It involved asking managers to indicate the extent of their agreement or disagreement with each of the following statements on a five-point interval scale ranging from: (1) “Strongly disagree” to (5) “Strongly agree”.

- A manager who joins the company from any country has an equal chance to become a Chief Executive Officer in the company.
- In the next 5 years there is a high probability that a non-Zimbabwean will be the Chief Executive of the company.
- In the next five years there is high probability of one or more non-Zimbabwean citizens acting as directors of the company.
- In this company, being a national is not important in selecting individuals for managerial positions.
- The company believes that it is important that the majority of the top management remain Zimbabwean.

3.5.7 Commitment:

Commitment was measured by the degree to which the resources of the company were allocated to the activities in the export market (Cavusgil & Zou 1994; Diamantopoulos & Cadogan 1996, Slater 1989). To capture the commitment, managers were asked the following question:

“With reference to the main export venture over the last two years, to what extent do you agree or disagree with the following statements?”

Responses were also required regarding further items on a five point interval scale ranging from (1) “Strongly disagree” to (5) “Strongly agree”.

- There was a substantial amount of production, financial and managerial resources at the export function level.
- There was a substantial degree of long term export planning as indicated by the number of market research and market screening studies etc (Aaby & Slater 1989; Ball & McCulloch 1997; Bilkey 1978; Diamantopoulos & Inglis 1988; Fletcher & Brown 1999; Samli & Hill 1993; Styles & Ambler 1996; Shoham 1999)
- There was a substantial amount of strategy implementation through monitoring; directing, evaluation and rewarding of export ventures (Katsikeas, 2000).
- There was a high degree of relevance and appropriateness of the organizational design of the export department and its integration within the organization structure (Diamantopoulos & Cadogan 1996; Thompson & Strickland 1996).
- There was a significant amount of top management commitment to the export venture.

3.5.8 Management experience

Experience and education will increase the pace at which a firm can access information and its knowledge of how to tap knowledge (Johanson & Vahlne 1977). As such managers were asked the following question:

> *"With reference to training programmes and people involved in your main export venture during the past year, how would you classify them with regard to the following dimensions?"*

The following four items were used:

- The level of overseas experience i.e. having lived or worked abroad, as well as the accumulated skills and abilities that support the achievement of the exporting activities and goals (Cavusgil & Zou 1994; Das 1994; Lages & Jap 2003; Shoham 1998),

- The degree of knowledge of foreign cultures and the ability to fluently speak foreign languages (Moini 1995),
- The level of training in international business e.g. formal courses and export seminars (Evangelista 1994),
- The degree of management flexibility in making decisions (Das 1994) and the level of motivation, team work and customer orientation (Katsikeas 2000).

The five-point interval scale used ranged from (1) “Strongly Disagree” to (5) “Strongly Agree”.

3.5.9 Measuring export performance.

The study used both financial (objective) and non-financial (subjective) indicators to capture export performance (Cavusgil & Zou 1994; Diamantopoulos, Lages & Jap 2003). The dependency on quantitative figures only runs the risk of not getting adequate and accurate information. Moreso, a term like profitability may be difficult to compare across firms due to differences in accounting practices (Lages & Jap 2003). It is therefore difficult to have a common definition or fixed reference points of what constitutes performance across all firms (Cavusgil & Zou 1994). The following three main items of export performance were used, (a) Export intensity (b) Performance satisfaction (c) Performance achievement. The three indicators are explained below:

Export intensity: This is a measure of the importance of the export venture to the overall activities of the company. It was measured by asking managers to indicate the level of the contribution made by the export venture to the following three items (Cavusgil & Zou 1994; Diamantopoulos, Lages & Jap 2003):

- Total sales volume,

- Total sales revenue and
- Net total profitability.

Managers were requested to indicate the growth of the above indicators using the following ratings 1 (0-10%) 2 (11-30%), 3 (31-60%), 4 (61-80%), 5 (81-100%).

Performance satisfaction: In order to capture performance satisfaction, managers were asked the following question:

- "*How satisfied are you with the export performance of your main product/service over the last two years?"*

The internal scale to choose from ranged from (1) "not satisfied at all" to (5) "extremely satisfied".

Performance achievement: This refers to the extent to which companies achieve their export objectives in terms of sales, profitability, market share, as well as overall performance (Katsikeas, Piercy & Ioannidis 1996). In order to capture this, respondents were asked to state the degree of achievement for the main export product/service in terms of the following variables (Cavusgil & Zou 1994; Diamantopoulos, Lages & Jap 2003):

- Export sales volume
- Export sales revenue
- Export profitability
- Market share in the main export market
- Overall export performance.

The internal scale to choose from ranged from: (1) "Very badly" to (5) "Very well".

3.6 Pre-testing of questionnaire

3.6.1 Introduction

Pre-testing is the preliminary use of a set of questions or a questionnaire on members of a target population in the field, office or laboratory to check the validity of the questions (Fowler 1993; Fowler & Cannel 1996; Esposito et al 1991). The draft questionnaire was made available to the various stakeholders for comments. It was further revised to improve clarity, brevity, bias and formatting based on concepts explained under the literature review in Chapter 2.

A pre-test was made in line with recommendations from previous experts in research methodology who advised on the need for a pre-test initial data collection instruments on a smaller but similar group of subjects in a similar way as the main survey (Davis 1996; Das 1994; Lages & Montgomery 2001; Ogunmokun & Ng 2000; Philip & Wickramasekera 1995; Robson 1993; Zikmund 2000). The pre-test on 16 representative members of the sample gave an indication of the dynamics of the entire process of completing the questionnaire and to assess the validity and reliability (Saunders, Lewis & Thornhill 1997; Zikmund 2000).

The pre-test sought to assess the questionnaire with regards to the following issues:

- How well the questions flowed, the ordering, format, clarity and consistency.
- The indicative response rate.
- The level of willingness of the relevant people to complete the questionnaire as requested.
- The adequacy of the sampling frame as indicated by response alternatives and their variations (This was done by checking whether questions obtained responses across all alternatives or that only one alternative was dominating).
- That the response alternatives did not overlap.

The pre-test also made specific and focused follow up probes by telephone to clarify particular points arising from the completed questionnaire (Fowler & Cannel 1996;

Saunders, Lewis & Thornhill 1997; Zikmund 2000). The following information was assessed:

- Time spent in completing the questionnaire.
- Reasons for not responding to other questions
- Recommendations for improvements.
- Identifications of questions perceived as sensitive, unrealistic, too complicated and difficult to answer.
- Identification of questions that placed undue influence and burden on the respondent.
- Identification of irrelevant questions with regard the objectives of the study to ensure face validity.
- Checking the extent to which respondents understood the questions and concepts in terms of consistency with the way the export marketing variables for this study were measured

3.6.2 Results of pre-testing

The process of pre-testing involved mailing the questionnaire to a representative sample of 16 firms with a pre-paid self addressed envelope. In addition, other companies received the questionnaire through e-mails, while others questionnaires were hand delivered. Follow -up phone calls were made to confirm the receipt of the questionnaire and whether it was being attended to and the name of the person responsible.

Out of the 16 copies of questionnaires sent out, 43 % (N =7) were completed and returned before any reminder had been made, 50 % (N= 8) were returned after two to three reminders had been made. In total 93% (N=15) of the 16 questionnaires were returned. There was only one non-response.

The success rate could have been caused by the use of a relatively small sample size, which made it easy for more than one reminder to be made. However, the positive response rate gave a reasonable assurance to apply the questionnaire in the main survey. The specific issues observed were as follows:

- None of the questions was judged to be difficult or sensitive in terms of words, terms and concepts.
- Most companies were able to complete the questionnaire within the time limit of 22 to 26 minutes. The cover letter accompanying the questionnaire for the main survey was therefore revised to reflect this average time.
- Most questionnaires were completed by export managers or other export officers with good knowledge of the company's export practices.
- Most respondents were consistent in answering all the questions with reference to the specific product they exported over the last three years.
- The Cronbach Alpha was used to give the indicative reliability of the scales used from the pre-test sample. This is a test reliability technique that requires only a single test administration to provide a unique estimate of the internal consistency and reliability. The Alpha coefficient range in value from 0 to 1. The higher the Alpha, the more reliable the test. Usually 0.7 and above is acceptable for internal consistency (Nunnally 1978). An alpha coefficient of = 0.9638 was obtained. Since Alpha was greater than 0.7 the conclusion was that the data generation was reliable and free of random errors.
- There were other observations related to the wording of the questionnaire, minor omissions, typing errors which were noted and amended accordingly.

Most respondents indicated that the questionnaire was straightforward, covered a lot of ground, clear, simple and easy to complete. In addition, no major concepts in the export marketing strategy literature were missing. The pilot test results showed that the questionnaire was adequate, valid and reliable to justify its use under the main survey.

3.7 Validity and reliability re-assessment

Validity is an important element of any research as it ensures that the research instrument used measures what it is intended to measure and not something else (Churchill 1979; Katsikeas 2000; Nunnally & Bernstein 1994). In order to ensure the validity of the instrument the following steps were taken:

(a) The Conceptual model presented in the first chapter and the results of the literature review of the export marketing strategy and performance presented in the second chapter were used as the basis of operationalizing the variables. This helped in the process of identifying how the variables were defined previously and also the number of items used in the past (Churchill 1979). All the variables used for this study were once used by other researchers in the past (Ball & McCulloch 1996; Cavusgil & Zou 1994; Lages & Jap 2003; Ogunmokun & Ng 2004; Solberg 2002).

(b) The draft questionnaire was discussed with several academic experts and supervisors at the USQ to assess its content. Some export managers were also consulted to obtain their insights into their interpretations of the individual variables. Their input was used to refine and clarify the questionnaire (Nunnally 1967). The final questionnaire was used after the pilot test and endorsement by the supervisors.

(c) Most of the variables like export performance, marketing strategies, the characteristics of the firm and export environment were measured using multi-items so as to minimize the difference between the “true” score (which can never be known) and an “observed” score given by the respondent (Nunnally 1967). If the individual items within the multi-item indicators co-relate then construct validity of measures are ensured. For the sake of validity, Jacoby (1978, p.93) questions the wisdom of using a single question to capture variables in market research given the complexity and behavioral nature of marketing variables like the level of satisfaction of export performance. This shows that using multi items increased the validity and reliability of the measuring instrument by limiting errors emanating from the respondent's misinterpretation of a single indicator for a construct in the questionnaire (Neuman 1997; Solberg 2002; Zikmund 2000).

Reliability is the degree to which measures are free from error and therefore yield consistent results (Zikmund 2000). It has two dimensions of stability and internal consistency. Internal consistency measures the power of a scale item to correlate with other items in the scale that are supposed to measure the same concept or construct. Each construct had at least a standard reliability alpha of 0.60 that ensured reliability (Cronbach 1951).

3.8 Administering the main survey

The final questionnaire was sent to all the firms in the sample through the post office with a pre-paid envelope. Other companies received the questionnaires via e-mail. A short introductory letter that clarified the purpose of the study, how the company was selected, estimated time to complete the questionnaire and assurances of confidentiality accompanied the questionnaire. The respondents were also promised a free copy of the summary of the results. This was done in order to increase the responses (Malhotra 1999, pp 299). The following additional instructions were given:

- That the questionnaire be completed by the Export Manager or the Marketing Manager, or if this was not possible, by anyone with in-depth knowledge on the export activities of the firm.
- Respondents were instructed to place a tick or a circle when indicating answers to each of the questions.
- Respondents were required to choose a product their firm was currently exporting within the last three years and answer all questions in relation to that specific product.
- Respondents were asked to answer all the questions.

A self-administered questionnaire approach was used because of the following advantages:

- It was not expensive because no transport and accommodation expenses for field interviewers were incurred. Expenses that remained were for postage, photocopying, typing and follow up telephone calls.
- It allowed for a wide geographical coverage as compared to face-to-face interviews (Saunders, Lewis & Thornhill 1997). This enabled sufficient data to be collected at once and over a very short period of time.
- It enabled, respondents provide freely all the necessary information without the influence of the interviewer hence the responses were not subject to any interviewee bias, associated with face-to-face interviews. Robson (1993) says that in face-to-face interviews, responses may owe more to some unknown mixture of politeness, boredom, and desire to be seen in good light than the true feelings, beliefs or behavior of the respondent.
- It allowed respondents time to think about the questions on their own and to check their records before completing questions that needed quantitative data such as sales volumes (Zikmund 2000).

The disadvantages associated with the self –administered questionnaire included the following:

- It was difficult to guarantee that the right people completed the questionnaire.
- Some companies declined or delayed in completing the questionnaire thus delaying the progress of the study. This was however overcome at a later stage by follow-ups on the telephone.

3.8.1 Response rate:

Out of the 500 questionnaires sent out, only 114 were returned after a period of two weeks. A reminder was submitted after three weeks to those firms which had not yet responded. Following this reminder, extra 11 completed questionnaires were received. Eight more questionnaires were retuned uncompleted. Of the total 125 questionnaires which were returned, 20 were discarded because they were not fully completed, leaving 105 representing a response rate of 21 percent. The reasons given for the late or non-submissions were that the questionnaire was mailed towards the Christmas holiday's period when most companies were preparing for their annual shut down. The absence of Export Manager or Marketing Manager from the company led to non-completion of the questionnaire. A few respondents indicated that their company policy did not allow them to divulge information to outsiders.

3.8.2 Non-Response bias re-assessment:

Non-response bias or error refers to the statistical difference between a survey that included only those who responded and one that also included those who failed to respond (Zikmund 2000). This means that if the companies that did not respond shared attitudes that systematically differed from those that responded, the conclusion based on the view of the respondents could be biased. A high response rate decreases the probability of a non-response bias.

An exploratory analysis of late and early responses was undertaken to determine possible non-response bias (Armstrong & Overton 1977; Jones & Harrison 1996). A series of t-tests was done on the first 20 respondents and the last 20 respondents. Variables like the size of the firm, age, sector, and type of product, ownership, level of education, export strategy and performance were assessed. No significant mean differences between the two of respondents were found, suggesting that the non-response bias was not an issue.

3.9 Data entry and coding process

3.9.1 Data entry and verification:

Data entry and verification is an important phase in business research and as such care and diligence was taken during the process of data entry so as to minimize errors. Following the editing of the questionnaire the following data was fed into the computer using SPSS. The following verification exercises were done on the data.

- A frequency distribution was performed on each question to check for any extreme cases. The purpose was to identify the existence of any numerical responses, which were not within the set range of codes in each question (i.e. illegitimate codes). A1 for example had response alternatives of 1 to 5. If the frequency distribution produced a number outside the above range say 6 then, this implied an error in data entry. The frequency distribution identified several errors in data entry. The most common errors were the following: When the intended number was a 1, the number 11 would be shown probably due to a computer key board error. This error was easy to detect because through a frequency distribution analysis a number outside the range like 11 could be detected.
- However, some errors within the range could not be detected by running a frequency distribution on each question. In question 1, for example, instead of entering the code 1, code 2 was entered. To detect such errors two entries were made separately and compared for any discrepancies. This was done by checking every 5^{th} record.
- Efforts were made to check for any improper entry with regard to numbers like 1 (a number), which could easily be entered as I (a letter). Also numbers such as “0” could be wrongly entered as ‘o”.
- After checking for errors, data coding was done by translating the collected data into codes and transferring it into the SPSS computer

package. This stage was made easier because most of the items included were already scaled within the questionnaire.

3.10 Strategy for grouping firms

3.10.1 Low adaptors versus high adaptors

The design of the questionnaire was made with the intention of using the multi-dimensional approach as used by Ogunmokun and Wong (2004) and Ogunmogun, Hopper and McClymont (2005) to measure the level of strategy adaptation by combining responses to a number of questions rather than relying on a single question. Twenty questions were used in the assessment of the overall marketing strategy.

Firms were asked to indicate whether their product was marketed in the same way or in a totally different way in its major export market on a 5-Point interval scale ranging from (1)- "same way" to (5)- "totally different". The following marketing variables were used: (a) product/service brand name; (b) characteristics of the product/service; (c) product/service labeling; (d) packaging product/service warranties; (e) basic advertising theme; (f) media channels for advertising; (g) role of sales promotion objectives; (h) role of public relations/publicity; (i) creative expression, (j) determination of pricing strategy/method (k) concession of credit; (l) price discounts policy; (m) use of margins; (n) criteria for selection of distributors; (o) transportation strategy; (p) distribution budget; (q) distribution network; (r) role of sales force; (s) management of sales force; (t) role of middlemen/dealers.

For grouping purposes a dummy score was defined and given a value 1 if the rank by the respondent was either 1 or 2, and 2 otherwise.

The collapsed scores of 1 and 2 were summed up and the following was observed. The maximum possible total score for each firm was 40. The minimum possible total score was 20 and the sample mean and standard deviation was 28.2 and 6 respectively. All the firms that scored below the sample mean of 28.2 were re-coded as 1 and classified into the low export strategy adaptation group, while those scoring above the mean were classified into the high export strategy adaptation group.

3.10.2 High export performers versus low export performers.

Regarding export performance, firms with high performance in more than four of the key export indicator variables were categorized as high performers while those with high performance in 4 or less were categorized as low export performers: The key indicators were

- Export intensity (Those with export intensity of less than 10% were regarded as having low export intensity)
- Rate of annual export growth (Those with zero to negative annual growth were recorded as low export performers)
- Profitability of the export venture (Those below the break-even line were regarded as low export performers).
- Meeting the strategic objective of increasing export sales (Those meeting the strategic objectives of increasing sales to a small extent were regarded as low export performers).
- Meeting the strategic objective of increasing export profitability (Those meeting the strategic objective of increasing profitability to a small extent were regarded as low export performers)
- Satisfaction with the overall exports performance (Those not satisfied with the overall export performance were recorded as low export performers).

3.11 Data analysis methods

3.11.1 Descriptive data analysis of sample organizations

It is important that before any statistical technique is conducted, a researcher should become familiar with the data collected. One way of doing this is by running descriptive statistics. This is a method used to describe and compare variables using frequency distribution tables and percentages (Zikmund 2000). The study used frequency distribution and percentages to describe the sample characteristics in terms of organizational profile, respondents profile, product-market export venture, and degree of adaptation, factors influencing the degree of adaptations and export performance. The analysis was done using the Statistical Package for Social Sciences (SPSS).

3.11.2 Cross-tabulation and Chi-square

Cross-tabulation and Chi-square ($\chi 2$) techniques were used to compare the two groups of organizations with (a) low levels of export strategy adaptations against those with high levels of strategy adaptation and (b) those with low levels of export performance versus those with high levels of performance and then test whether the differences between the groups are statistically significant (Zikmund 2000).

Bearing in mind the assumptions of the ($\chi 2$) test that there should be no more than 20 percent of the cells in the table having expected values of less than five if the degree of freedom is greater than 1 (Saunders, Lewis & Thornhill, 1997, page 317), it was decided that categories for various variables be combined in order to fulfill the ($\chi 2$) requirement. This condition was fulfilled except otherwise stated. The Pearson chi-square statistic (p) was used and if $p < 0.05$, then there is a significant relationship.

3.11.3 Discriminant Analysis

The study used discriminant analysis to identify (a) variables differentiating firms with low levels of adaptation from those with high levels of adaptation and (b) those differentiating firms with low levels of export performance from those with high levels of performance.

Discriminant analysis as a statistical technique is used to distinguish between two or more groups using characteristics in which the groups are expected to differ (Manly 1994; Neuman 2000; Ogunmokun and Ng 2004; Saunders et al 1997; Zikmund 1997). This method is used when the data is classified into two or more groups in order to find one or more functions that will discriminate among the groups. It could also be used to assess the relative importance of the variables in classifying the dependant variable and in the process, discard those with little relationship to group distinctions.

The model used for the study was a linear combination of variables in the format below:

$$Zi = \beta 1 Xi1 + \beta 2\, X\, i2 + \ldots\ldots + \beta p\, Xip$$

<u>Where:</u>

Zi = Is the discriminant score for the ith respondent.

Bp = Represents the standards weights or coefficients to be estimated

Xip = Are the standardized variables of the p discriminating variables.

3.11.4 Standardized and unstandardized coefficients:

When independent variables are measured using different scales it is important that these be standardized to compare the strength of the relationship between dependant and independent ones. This is because unstandardized coefficients are not directly comparable with each other unless the independent variables share the same unit of measurement. This is done through standardization. Independent variables can then be compared directly with each other to determine which one has the greatest magnitude on the dependant variable (Zikmund 2000). The process does not take into consideration the negative signs.

The following statistics are also useful for measuring the importance of the discriminating function:

The Wilks's Lambda is a measure of the overall function's discriminating power and it varies between 0 and 1. The smaller the values the more powerful is the model in differentiating the two groups.

The Correct classification measure indicates how well the model predicts the actual group membership of the initial observation.

A stepwise discriminant analysis was carried out using the SPSS to identify the best discriminating variables among the groups. The approach starts by entering the variable with the lowest Wilks Lambda (λ) in the model. In the process, the variable that least contributes to the discriminatory power is eliminated from the model. Only the variables that contribute most to the discriminatory power are maintained. The procedure stops when all variables meet the criterion to stay and no others can be entered. Hence only a function containing an optimal set of independent variables is produced. The set of variables included are related to firm characteristics, economic variables, cultural variables, political and legal variables, commitment, experience and education. These variables are explained in detail under section 3.4 of this chapter.

Table 3.5 List of variables used in the model:

Variable Category	Variable No	Variable Description
Firm Characteristics	V1	Size of the firms
	V2	Age of the firm
	V3	No of years exporting
	V4	No of years in the Post
	V5	Level of education attained
	V6	Product lifecycle (Local Market)
	V7	Product lifecycle (Export Market)
Economic Variables	V8	Gross National Product
	V9	Natural Resources
	V10	Climate
	V11	Topography
	V12	Media
	V13	Distribution Channels
	V14	Competition level

Cultural Variables	V15	Cultural differences
	V16	Material Culture
	V17	Language
	V18	Aesthetics
	V19	Education and literacy
	V20	Religion
	V21	Attitudes and values
	V22	Social Organization
Political and Legal	V23	Political interference
	V24	Laws (e.g. taxes)
	V25	Import and Export Laws
	V26	Mandatory requirement
Strategic Orientation	**V27**	**Strategic orientation**
Commitment	V28	Export Financial Resources
	V29	Long Term Export Planning
	V30	Strategy Implementation
	V31	Organization design
	V32	Management Commitment
Management Ex	V33	Overseas Experience
	V34	Knowledge of Foreign Culture
	V35	Training in International Business
	V36	Management Flexibility

Relative Importance of variables affecting export performance

While comparisons of the standardized coefficients can be made, the usefulness of this approach is that these standardised coefficients do not indicate the relative discriminatory power of the variables in the model. According to Green, et al (1988) cited in Ogunmokun and Ng (2004), an appropriate measure of relative discriminating power is given by the following formula:

$$I_{\hat{j}} = [\, k\hat{j}\, (X\hat{j}_1 - X\hat{j}_2)\,]$$

Where

$I\hat{j}$ = the importance value of the jth variable

$K_{\hat{j}}$ = unstandardized discriminant coefficient for the jth variable

$X\hat{j}_k$ = mean of the jth variable for the kth group

The relative importance weights may be interpreted as the portion of the discriminant score separation between the groups that is attributable to the jth variable (Ogunmokun, Shaw & Fitzroy, 1999). Since a relative important value shows the value of a particular variable relative to the sum of the importance values of all variables, the relative importance of a variable ($R_{\hat{j}}$) is given below:

$$R_{\hat{j}} = \frac{I_{\hat{j}}}{\sum_{\hat{j}=1}^{n} I_{\hat{j}}}$$

3.12 Ethical Issues

Ethics refer to rules of conduct typically in conformity to a code or set of principles (Reynolds 1979). Since this research dealt with people, respect for their interest was taken into consideration. Before the questionnaire was used, an application to the USQ Ethics Committee for Research involving human subjects was done. The committee noted that the research did not put any pressure on participants and hence no formal clearance was needed.

The following sets of codes were respected (See Robson 1993):

- People were involved with their consent or knowledge.
- People were not coerced to participate.
- The true nature of the research was made available to the participants.
- Participants were not deceived.
- The right of the participant to privacy was respected.
- Participants were treated alike with consideration and respect.

Most of these issues were included in various stages of the study. For example, in the on-going process of identifying export managers to be interviewed, some declined citing confidentiality and this was respected. The limitation of the study have been noted and acknowledged.

Chapter 4

Descriptive analysis of the characteristics of sample Organizations

4.1 Introduction

This chapter reports the results of preliminary analyses of the sample. Frequencies and percentages are used to describe the sample characteristics in terms of: organizational profile, respondents profile, product-market export venture and factors influencing the degree of adaptation and export performance

4.2 Organization profile

The general profiles with regards to size, age, ownership and the number of exporting years of the organizations included in the sample are presented in table 4.1

In terms of **size**, the majority of the firms in the sample (61.9 percent) were small (with less than 100 employees) compared to a few large ones (38.1 percent) that employed at least 100 workers. This means that the distribution is skewed towards small firms. Regarding **age**, 56.2 percent of the firms in the sample have existed for more than 20 years compared to only 43.8 percent that have existed for at most 20 years (see table 4.1). The distribution implies a fair representation of both young and older firms in the sample.

Regarding the **period of exporting**, 56.2 percent of the sample started exporting in the last 5 to 10 years whilst 43.8 percent have been doing so for more than 10 years. Of note is that all the firms have at least five years exporting experience. Zimbabweans owned 53.3 percent of the firms, while joint Zimbabwean-foreign owned firms were 19 percent of the total and foreign-owned firms, 21.9 percent (See table 4.1).

Table: 4.1 Organizational Profile

:Number of employees	Frequency	Frequency percent
Less than 100 employees	65	61.9
At least 100 employees	40	38.1
Total	105	100
Age of the Firm	**Frequency**	**Frequency percent**
Less than 20 years	46	43.8
At least 20 years	59	56.2
Total	105	100
Number of years Exporting	**Frequency**	**Frequency percent**
Less than 10 years	59	56.2
At least 10 years	46	43.8
Total	105	100
Ownership	**Frequency**	**Frequency percent**
Zimbabwean citizen owned	56	53.3
Foreign owned	23	21.9
Joint Zimbabwean-foreign owned	20	19
Foreign owned subsidiary	6	5.8
Total	105	100

Source: Survey data

The distribution suggests a declining level of foreign investors coming in to Zimbabwe over the last three years largely due to the unstable macro-economic environment characterized by hyperinflation of over 1600% in February 2007 and an average economic decline of above 5 % per annum since the year 2000.

4.3 Characteristics of the Respondents' profile

Table 4.2, shows the respondent's profile with regards the **position** held in the company, level of education and number of years worked for the organization. The majority of the respondents were Export Managers (44.8 percent), followed by Directors (28.6 percent) and Export Officers (19 percent) respectively. Other respondents (7.7 percent) could not be classified into any of the three groups. The distribution above is highly skewed towards respondents with in-depth knowledge of the export activities of the firm.

Table 4.2 Respondent profile

Profile	**Variable description**	**Frequency**	**Frequency percent**
Description of position level	Director level	30	28.6
	Export Manager level	47	44.8
	Export officer level	20	19.0
	Others	8	7.6
	Total	105	100
Level of education	Primary education	1	1
	Secondary education	9	8.6
	Apprenticeship/Trade qualification	10	9.5
	Diploma	35	33.3
	University degree or higher	50	47.6
	Total	105	100
		Frequency	**Frequency percent**
Number of Years with the Company	Less than 5 years	61	58.1
	At least 5 years	44	41.9
	Total	105	100

Source: Survey data

Most respondents are in possession of higher standards of **formal education** distributed as follows: University degree (47.6 percent), Diploma (33.3 percent), Apprenticeship/Trade (9.5 percent) and Secondary education (8.6 percent). (See table 4.2). Better-educated respondents are likely to have a better understanding of the activities of the organization.

Regarding the **number of years worked** for the company, the majority (58.1 percent) of the respondents had less than 5 years work experience whilst 41.9 percent had at least 5 years experience (see table 4.2).

4.4 Product-market export venture

The section describes the characteristics of the sample in terms of export markets, nature of the product exported, the local and foreign life cycle and the sector to which the organization belongs.

Table 4.3 Export markets and nature of product:

Export Market	Frequency	Frequency percent
Southern Africa Development Community (SADC)	28	26.7
South Africa	25	23.8
Europe	18	17.1
Germany	11	10.5
United Kingdom	11	10.5
Other	7	6.6
Asia	5	4.8
Total	105	100
Nature of product	**Frequency**	**%**
Industrial good	38	36.2
Consumer durable	35	32.4
Consumer non-durable	24	23.8
Service	7	6.6
Other (Specify)	1	1
Total	105	100

Source: Survey data

The Southern Africa Development Community (SADC) (excluding South Africa) is the biggest **regional export market** for Zimbabwe representing 26.7 percent of the firms in the sample (table 4.3), followed by South Africa (23.8 percent), the European Union (EU) (excluding United Kingdom and Germany) (17.1 percent), the United Kingdom (10.5 percent), Germany (10.5 percent), Asia (4.8 percent) and others (6.6 percent). Zimbabwean exports have been mostly to the EU and the SADC region. Within SADC, South Africa accounted for almost 50 percent. In the

EU the United Kingdom and Germany are the biggest markets. Significant exports have been made to the United States of America (USA) and Japan.

Most of the **products** exported (56.2 percent), were durable and non-durable consumer goods. Industrial goods represented 36.2 percent of the firms in the sample, while services accounted for 6.6 percent of the total (table 4.3). This is a reflection of the trend in developing countries, which are net importers of industrial goods.

Table 4.4 Product Life-Cycle

	Life cycle	Frequency	Frequency percent
Life cycle of the product in Zimbabwe	Introductory	27	25.7
	Growth	41	39
	Maturity	36	34.3
	Decline	1	1
	Total	105	100
Life cycle of the product in the export market	Introductory	47	44.7
	Growth	28	26.6
	Maturity	26	24.7
	Decline	4	4
	Total	105	100

Source: Survey data

In terms of the **life cycle of the product,** 39 percent had products at the growth stage in the local market followed by those at maturity stage (34.3 percent) and those at introductory stage (25.7 percent). One firm had a product in the decline stage (table 4.4). However, in the export market the majority of firms (44.7 percent) had products at the introductory stage, followed by those at the growth stage (26.6 percent) and then the maturity stage (24.7 percent).

Table 4.5 Distribution of firms by sector

Age of the Firm	**Frequency**	**Frequency percent**
Manufacturing	49	46.7
Agriculture and Forestry	14	13.3
Mining and Quarrying	12	11.4
Finance and Insurance	5	4.8
Distribution, Hotels and Restaurants	4	3.8
Construction	4	3.8
Education Services	4	3.8
Real Estate	4	3.8
Other	4	3.2
Transport and Communication	2	1.9
Health Services	2	1.9
Electricity and Water	1	1
Public Administration	0	0
Total	100	100

Source: Survey data

The majority of the respondents were from the manufacturing **sector** (46.7 percent), followed by agriculture and forestry sector (13.3 percent), mining and quarrying (11.4 percent), finance and insurance sector (4.8 percent). When combined, Agriculture, Forestry and Manufacturing constituted 71.4 percent of the total firms in the sample (table 4.5). This type of distribution is a reflection of the agro-based industry.

4.5 Degree of strategy adaptation

The characteristics of the organization are presented in the sample in terms of product adaptation, promotion, and pricing and distribution adaptations.

4.5.1 Product adaptation

Respondents were asked to indicate whether their product was marketed in the "same way" i.e. not adapted or "in a totally different way" i.e. adapted in its major export market. The product features under consideration were as follows:

- Product/service brand name
- Characteristics of the product/service such as quality, color or texture,
- Product labeling and packaging
- Product warranties.

In order to have two distinct groups of high adapters and low adapters, the 5-point scale used was collapsed with scores 1, 2 or 3 being grouped as low adapters of strategy and scores 4 or 5 representing the high adapters (Ogunmokun & Wong 2004; Ogunmogun, Hopper & McClymont (2005)).

The results obtained are shown in table 4.6 and are summarized as follows:

- The majority of the firms (62.9 percent) of the firms used low strategy adaptation with regards the product/service brand name in contrast to 37.1 percent that used high adaptation strategies.
- On product/service features like color, texture and quality, the majority (57.1 percent) used a low strategy adaptation compared to 42.9 percent that employed a high strategy adaptation.
- Under the product/service labeling and packaging, the majority (57.1 percent) of the firms used a high adaptation strategy compared to 42.9 percent who used a low strategy adaptation.
- On product service warranties, 63.8 percent of firms used a low strategy adaptation compared to only 36.2 percent that did not.

Table 4.6 Product adaptations

Product components	Marketing strategy abroad	Frequency	Frequency Percent
Product/Service brand name:	Same way	66	62.9
	Totally different way	39	37.1
	Total	105	100
Characteristics of the product/service (e.g. color, quality, texture)	Same way	60	57.1
	Totally different way	45	42.9
	Total	105	100
Product/service labeling & packaging	Same way	45	42.9
	Totally different way	60	57.1
	Total	105	100
Product/Service warranties	Same way	67	63.8
	Totally different way	38	36.2
	Total	105	100

Source: Survey data

The distribution in table 4.6 shows that most firms used a low adaptation strategy on various product features. The only product features that were highly adapted were the packaging and labeling. This result is a reflection of the usual mandatory legal requirement in most countries for products to be labeled and packaged in line with certain minimum standards.

4.5.2 Promotion adaptation

Respondents were asked to indicate whether the promotion strategy for their product was designed in the same way or in a totally different way in their major export markets. The promotion features under consideration were:

- Basic advertising theme
- Media channels for advertising
- Role of sales promotion objectives (coupons, free samples, displays)
- Role of public relations
- Creative expression

The results are summarized in table 4.7. The percentage of firms that used a low strategy adaptation was distributed as follows: basic advertising theme (64.8 percent), media channels (64.8 %), and role of sales promotion (64.8 percent), creation expression (64.8 percent) and role of public relations (61.9 percent). The distribution shows that most firms used a low adaptation strategy on various promotional features.

Table 4.7 Promotion adaptation

Promotion features	Variable description	Frequency	Frequency Percent
Basic advertising theme	Same way	68	64.8
	Totally different way	37	35.2
	Total	105	100
Media channels for advertising	Same way	68	64.8
	Totally different way	37	35.2
	Total	105	100
Role of sales promotion objectives (coupons, free samples, displays)	Same way	68	64.8
	Totally different way	37	35.2
	Total	105	100
Role of public relations/publicity	Same way	65	61.9
	Totally different way	40	38.1
	Total	105	100
Creative expression	Same way	68	64.8
	Totally different way	37	35.2
	Total	105	100

Source: Survey data

4.5.3 Pricing Adaptation

Respondents were asked in the section of the pricing strategy whether the pricing for the product was designed in the same way or in a totally different way in their major export markets. The following pricing features were considered:

- Determination of pricing strategy method
- Concession of credit

- Price discounts policy
- Use of margins

Table 4.8 shows that most of the respondents (56.2 percent) used low price adaptations with regards to **price determination** compared to 43.8 percent that used a high strategy adaptation.

- On **concession of credit**, 53.3 percent used a low strategy adaptation compared to 46.7 percent that used a high strategy adaptation strategy.
- Regarding the **price discount policy**, the majority (61.9 percent) used a low strategy adaptation compared to 38.1 percent that used a high strategy adaptation.
- On the **use of margins**, 63.8 percent of the firms used a low strategy adaptation whilst 36.2 percent used a high strategy adaptation.
- Most firms in the sample used a low price adaptation marketing strategy.

Table 4.8 Price adaptation

Pricing Components	Pricing Strategy	Frequency	Frequency Percent
Determination of pricing strategy method	Same way	59	56.2
	Totally different way	46	43.8
	Total	105	100
Concession of credit	Same way	56	53.3
	Totally different way	49	46.7
	Total	105	100
Price discounts policy	Same way	65	61.9
	Totally different way	40	38.1
	Total	105	100
Use of Margins	Same way	67	63.8
	Totally different way	38	36.2
	Total	105	100

Source: Survey data

4.5.4 Distribution adaptation

Respondents were asked to indicate whether the distribution strategies for the product were designed in the same way or in a totally different way in their major export markets. The following distribution features were used:

- Criteria for selection of distributors
- Transportation strategy
- Distribution budget
- Distribution network
- Role of sales force
- Management of sales force
- Role of middlemen/dealers

Table 4.9 Distribution adaptation

Distribution features	Distribution strategy	Frequency	Frequency percent
Criteria for selection of distributors	Same way	64	61.0
	Totally different way	41	39.0
	Total	105	100
Transportation strategy	Same way	59	56.2
	Totally different way	46	43.8
	Total	105	100
Distribution budget	Same way	46	43.8
	Totally different way	59	56.2
	Total	105	100
Distribution network	Same way	55	52.4
	Totally different way	50	47.6
	Total	105	100
Role of sales force	Same way	63	60.0
	Totally different way	42	40.0
	Total	105	100
Management of sales force	Same way	66	62.9
	Totally different way	39	37.1
	Total	105	100
Role of middlemen/dealers	Same way	60	57.1
	Totally different way	45	42.9
	Total	105	100

Source: Survey data

Table 4.9 shows that **low strategy adaptation** was used in the following proportions for specific distribution features: management of the sales force (62.9 percent), selection of distributors (61 percent), role of the sales force (60.0 percent), dealing with the middlemen (57.1 percent), transport strategy (56.2 percent), distribution network (52.4 percent) and distribution budget strategy (43.8 percent). The rest of the firms used a high strategy adaptation. The distribution shows that there is almost equal representation of firms using low adaptation strategies to those that used a high adaptation strategy for distribution elements.

4.5.5 Overall degree of strategy adaptation:

The methodology chapter explained how firms were grouped into low and high adaptors. Table 4.10 shows the overall distribution between high and low adaptors:

Table 4.10 Overall strategy adaptation

Group	Frequency and percentage
Low adaptors	54 (51.4%)
High adaptors	51(48.6%)
Total	105 (100%)

Source: Survey data

Out of the 105 firms, 51.4 percent of them used low strategy adaptation compared to 48.6 percent that used the high strategy adaptation strategy. This again shows the almost equal representation of firms between the two levels of strategy adaptation.

4.6 Factors influencing the degree of adaptation

On a 5-Point scale, respondents were asked whether they strongly agreed or disagreed that the following factors were an obstacle to the endeavors to standardize their product: economic, cultural, political and legal, level of export commitment, education and management experience. In order to have two distinct groups of high performers and low performers, the scale was collapsed with scores 1, 2 or 3 being grouped with those that strongly disagreed and 4 or 5 representing those that strongly agreed with the statement (Ogunmokun & Wong 2004; Ogunmogun, Hopper & McClymont (2005).

4.6.1 Economic factors.

The proportion of the firms that **strongly disagreed** that the following economic factors were obstacles to their endeavors to standardize their product was as follows (table 4.11): climatic condition (61.9 percent), topography (60 percent), media availability (59 percent), Gross National Product (57.1 percent), availability of distribution channels (54.3 percent), availability of natural resources (53.3 percent) and competition in the export market (45.7 percent). This distribution reflects an almost equal distribution between those that strongly disagreed and those that strongly agreed.

Table 4.11 Economic factors

Economic Factors	Agreement that it was an obstacle to standardization efforts	Frequency	Frequency Percent
Per capita GNP (Gross National Product)	Strongly Disagree	60	57.1
	Strongly Agree	45	42.9
	Total	105	100
Competition in the export market	Strongly Disagree	48	45.7
	Strongly Agree	57	54.3
	Total	105	100
Availability of natural resources	Strongly Disagree	56	53.3
	Strongly Agree	49	46.7
	Total	105	100
The Climatic conditions (e.g. can affect product packaging)	Strongly Disagree	65	61.9
	Strongly Agree	40	38.1
	Total	105	100
The topography (e.g. rivers & mountains can affect physical distribution)	Strongly Disagree	63	60.0
	Strongly Agree	42	40.0
	Total	105	100
Media availability (e.g. can affect type of advertising)	Strongly Disagree	62	59.0
	Strongly Agree	43	41.0
	Total	105	100
Availability of distribution channels	Strongly Disagree	57	54.3
	Strongly Agree	48	45.7
	Total	105	100

Source: Survey data

4.6.2 Cultural Factors

The proportion of the firms that **strongly disagreed** that the following cultural factors were obstacles to their endeavors to standardize their product was as follows: social organization (64.8 percent), religion (63.8 percent), aesthetics (58.1 percent), attitudes and values (57.1 percent), material culture (55.2 percent), language differences (55.2 percent), cultural differences (53.3 percent), education and literacy (51.4 percent), (see table 4.12). This distribution implies an almost equal distribution between those that strongly disagreed and those that strongly agreed.

Table 4.12 Cultural factors

Cultural factors	Agreement that it was an obstacle to standardization efforts	Frequency	Frequency Percent
Cultural differences	Strongly Disagree	56	53.3
	Strongly Agree	49	46.7
	Total	105	100
Material culture	Strongly Disagree	58	55.2
	Strongly Agree	47	44.8
	Total	105	100
Language differences	Strongly Disagree	58	55.2
	Strongly Agree	47	44.8
	Total	105	100
Aesthetics	Strongly Disagree	61	58.1
	Strongly Agree	44	41.9
	Total	105	100
Education and literacy	Strongly Disagree	54	51.4
	Strongly Agree	51	48.6
	Total	105	100
Religion	Strongly Disagree	67	63.8
	Strongly Agree	38	36.2
	Total	105	100
Attitudes and values of consumers	Strongly Disagree	60	57.1
	Strongly Agree	45	42.9
	Total	105	100
Social organization	Strongly Disagree	68	64.8
	Strongly Agree	37	35.2
	Total	105	100

Source: Survey data

4.6.3 Political and legal factors

The proportion of the firms that **strongly disagreed** that the following political and legal factors were obstacles to their endeavors to standardize their product was as follows: political interference (75.2 percent), legal environment (57.1 percent), import and export laws (54.3 percent), mandatory requirements (32.4 percent – see Table 4.13). The distribution shows that the majority of firms did not face the obstacle of political interference possibly because the external political environment affecting Zimbabwean firms was better than the local environment during the period under study. However the majority did face obstacles related to mandatory requirements.

Table 4.13 Political and legal factors:

Political and legal factors	Agreement that it was an obstacle to standardization efforts	Frequency	Frequency Percent
Political interference	Strongly Disagree	79	75.2
	Strongly Agree	26	24.8
	Total	105	100
Legal environment	Strongly Disagree	60	57.1
	Strongly Agree	45	42.9
	Total	105	100
Import and export laws	Strongly Disagree	57	54.3
	Strongly Agree	48	45.7
	Total	105	100
Mandatory requirements	Strongly Disagree	34	32.4
	Strongly Agree	71	67.6
	Total	105	100

Source: Survey data

4.6.4 Export commitment

Under this section the questionnaire sought to obtain export commitment of the company by asking the following:

- Amount of resources to support the export venture
- Degree of long-term export planning
- Extent of strategy implementation
- Appropriateness of organization design for the export department
- Management commitment.

The proportion of the firms that strongly disagreed that the following commitment factors were as follows: Strategy implementation (59 percent), Degree of long-term export planning (56.2 percent), Amount of production, Financial and managerial resources (51.4 percent), Relevance and appropriateness of the organizational design (51.4 percent) and Top management commitment (51.4 percent). This distribution shows that there is an almost equal distribution between firms that committed more resources and those that committed less.

Table 4.14 Export commitment

Nature of Commitment	Agreement/Disagreement	Frequency	Frequency Percent
Substantial amount of production, financial and managerial resources are committed to support the export of the product.	Strongly Disagree	54	51.4
	Strongly Agree	51	48.6
	Total	105	100
There was a substantial degree of long-term export planning as indicated by the number of market research and market screening studies etc	Strongly Disagree	59	56.2
	Strongly Agree	46	43.8
	Total	105	100
There was a substantial amount of strategy implementation through activities like monitoring, directing, evaluation and rewarding of the export venture.	Strongly Disagree	62	59.0
	Strongly Agree	43	41.0
	Total	105	100
There was a high degree of relevance and appropriateness of the organizational design for the export department and its integration within the organizational structure.	Strongly Disagree	54	51.4
	Strongly Agree	51	48.6
	Total	105	100
There was significant top management commitment to the export product.	Strongly Disagree	51	51.4
	Strongly Agree	54	48.6
	Total	105	100

Source: Survey data

4.6.5 Management experience and training

Respondents were asked to indicate the level of management experience and education in terms of the following (table 4.15):

- Overseas management experience
- Knowledge of foreign culture
- Relevant training/seminars in exports
- Relevant management style.

The proportion of the firms that had either little or no education and experience which were represented by scores 1 and 2 were distributed across individual variables as follows: Management's overseas experience, having lived and worked abroad (56.2 percent), Knowledge of foreign culture and the ability to speak fluently the foreign languages (49.5 percent), Training in international business (46.7 percent), Management flexibility, Level of motivation, teamwork and Customer orientation (44.8 percent).

Table 4.15 Management experience and training

Experience and training factors	Amount possessed	Frequency	Frequency Percent
Management's overseas experience, having lived or worked abroad	None or little	59	56.2
	Substantial	46	43.8
	Total	105	100
Knowledge of foreign culture and the ability to speak fluently the foreign languages	None or little	52	49.5
	Substantial	53	50.5
	Total	105	100
Training in international business, e.g. attended formal courses and export seminars	None or little	49	46.7
	Substantial	56	53.3
	Total	105	100
Management flexibility and the level of motivation, teamwork and customer orientation	None or little	47	44.8
	Substantial	58	55.2
	Total	105	100

Source: Survey data

4.7 Export performance

This section presents characteristics of the sample based on the following approaches used in measuring export performance and the level of export performance. Respondents were asked to indicate to what extent they relied on the following indicators to measure export performance (table: 4.16)

- Export sales volume
- Export profitability
- Export market share

- Meeting strategic objectives.

The results showed the majority of the firms relied to a very large extent on the ability to meet strategic objectives (71.4 percent), followed by export sales volume (69.5 percent) and export profitability (67.6 percent) to measure export performance. However, only a 30.5 percent of the firms used export market share as an indicator of export performance (table 4.16). This means that most firms do not necessarily venture into the export market in order specifically to increase their market.

Table 4.16 Measures of export performance:

Performance Measurement Variable	Extent of reliance to the measure	Frequency	Frequency Percent
Export sales volume	To a very small extent	32	30.5
	To a very large extent	73	69.5
	Total	105	100
Export profitability	To a very small extent	34	32.4
	To a very large extent	71	67.6
	Total	105	100
Export market share	To a very small extent	73	69.5
	To a very large extent	32	30.5
	Total	105	100
Meeting strategic objectives	To a very small extent	30	28.6
	To a very large extent	75	71.4
	Total	105	100

Source: Survey data

4.7.1 Level of export performance

This section will present the level of export performance of Zimbabwean firms in terms of the following indicators: export intensity, rate of annual export growth, profitability of the export venture, meeting the strategic objective in increasing market share, export sales, profitability, satisfaction with the overall export performance and overall export performance. The results are shown in table 4.17.

Under **export intensity** of the firms, respondents were asked to indicate the percentage of the product to overall export performance using the ratio of export venture sales or profitability versus the overall sales of the company. The majority of firms (51.4 percent) had high export intensity of at least 10 percent compared to 48.6 percent of firms that had low export intensity of less than 10 percent. They were also asked to indicate the annual rate of growth in export sales for the product in its major export market. In the third year of operations, the majority (60 percent) of the firms recorded *negative or zero growth* compared to 40 percent that recorded positive growth.

Exporters were asked to indicate whether the export venture was making a profit/loss or breaking even. The majority (64.8 percent) recorded either a *zero or negative profit* compared to 35.2 percent that recorded positive export profitability or breaking-even.

The majority (63.8 percent) of the firms achieved the strategic objective of increasing the **export market share** to a small extent compared to 36.2 percent that achieved this objective to a large extent. The majority of firms (51.4 percent) achieved the strategic objective of increasing export sales to a small extent compared to 48.6 percent that achieved this objective to a great extent. The sample shows that 49.5 percent of firms achieved the objective of increasing profitability to a small extent (scales 1 to 3), while almost 50.5 percent achieved the objective to a large extent.

Table 4.17 Export Performance measures

Export Intensity	Frequency	Frequency percent
Less than 10%	51	48.6
Above or equal to 10%	54	51.4
Total	105	100
Export sales growth of the product in the third year of operation	**Frequency**	**Frequency percent**
Negative growth or zero growth	63	60
Positive growth rate	42	40
Total	105	100
Profitability of the export venture	**Frequency**	**Frequency percent**
Zero to negative growth	68	64.8
Positive growth	37	35.2
Total	105	100
Extent of achieving the objective of increasing the market share	**Frequency**	**Frequency percent**
To a small extent	67	63.8
To a large extent	38	36.2
Total	105	100
Extent of achieving the strategy of increasing sales	**Frequency**	**Frequency percent**
To a small extent	54	51.4
To a large extent	51	48.6
Total	105	100
Extent of achieving the strategy of increase in profitability	**Frequency**	**Frequency percent**
To a small extent	52	49.5
To a large extent	53	50.5
Total	105	100
Level of satisfaction with the overall export performance	**Frequency**	**Frequency percent**
Not satisfied	80	76.2
Very satisfied	25	23.8
Total	105	100
Overall export performance	**Frequency**	**Frequency percent**
Low export performers	71	67.6
High export performers	34	32.4
Total	105	100

Source: Survey data

Respondents were asked to indicate how satisfied their firms were regarding the overall export performance of the export venture in the export market. The majority (76.2 percent) were not satisfied with their export performance compared to 23.8 percent that were very satisfied.

Regarding the overall export performance, those with high performance in more than four of the key export indicator variables described above were categorized as high performers while those with high performance in 4 or less were categorized as low export performers. The majority of firms (71 percent) were observed to be **low export performers** compared to 32.4 percent that were found to be high export performers (table 4.17). The result shows the general decline in the overall economic performance in the country during the period under review (Reserve Bank of Zimbabwe 2005).

4.8 Summary of the descriptive analysis

The Chapter presented a descriptive analysis of the characteristics of the sample used for the study and the results are presented in tables 4.1 to 4.17.

On the organizational profile, the majority were small firms (61.9 percent) compared to large ones (38.1 percent). Firms that employed less than 100 workers were categorized as small. The majority of firms were categorized as older firms (56.2 percent) compared to young ones (43.8 percent). Older firms were regarded as those formed more than twenty years ago. Most of them (56.2 percent) started exporting in the last 5 to 10 years. The majority are locally-owned (53.3 percent) while the rest are either foreign or joint-owned foreign subsidies. The respondents were mostly Export Directors and Managers, and had either been with the organization for less than five years (58.1 percent). Those that had stayed for at least five years were 41.9 percent. The level of education was mostly higher level with the majority (47.7 percent) having acquired a university degree, followed by diploma holders (33.3) percent, apprentice/trade qualification (9.5 percent) and secondary education (8.6 percent).

Most of the organizations exported to the SADC region (26.7 percent) followed by South Africa (23.8 percent) and the United Kingdom and Germany (21percent). The rest either exported to the other European countries, Asia and elsewhere. Most of the exports were manufactured consumer durables (56.2 percent), and the rest being either industrial goods or services.

The sample showed an almost equal representation of firms using low strategy adaptation (51.4 percent) and those using high strategy adaptation (48.6 percent). There was also an almost equal representation of firms that agreed that economic, cultural, political and legal factors were obstacles to their endeavors to standardize their strategies. The same applied with regards to those more committed to export ventures against the less committed. There was also a fair representation of highly experienced and less experienced exporters.

With regards export performance in general, 71 percent were low performers against 32.4 percent high performers.

Chapter 5

A comparative analysis of firms with low levels of adaptation and those with high levels of adaptation

5.1 Introduction

Chapter 4 presented a descriptive analysis of the individual variables. However in business, it is necessary to know how the variables relate to each other (Sekaran 2000; Zikmund 2000). In chapter 5 the objective is to compare firms with **low levels of adaptation** with those with **high levels of adaptation** by using the chi-square analysis to identify and analyze any significant differences between low and high levels of adaptation. The following variables will be studied: organizational profile, respondents' profile, product-market export venture (that is type of product exported, industry, major export market the product was exported to), factors perceived to influence the degree of adaptation and export performance. The study identified **54 firms with low levels of adaptation** and *51 with high levels of adaptation*. All the variables were defined and operationalised based on the methodology presented in chapter 3.

5.2 Adaptation practices and organizational profile

The relationship between adaptation practices and the four elements of organizational profile (size, age, export experience and ownership) is shown in table 5.1. The operationalisation of these variables was described under chapters 2 and 3.

In terms of ***size***, there are significant differences between firms with low levels of adaptation versus those with high levels of adaptation regarding the number of employees in their organizations. The majority (85.2 per cent) of those with low levels of adaptation practices employed less than 100 people compared to 14.8 percent of the larger firms. Of the total firms using the highly adapted strategy, 62.7 percent were large ones. This indicates that adaptation practices could be related to size. Chapter 8 will give the reasons for this, linking it to the other organizational profile factors like access to new technology, finance, other resources and strategic partnerships known to be associated with strategy adaptation.

Table 5.1 Adaptation Practices and Firm characteristics

Variable		Level of Adaptation		Significance measures		
		Firms with low levels of adaptation N=54	Firms with high levels of adaptation N=51	Chi Square	Sig. level	df
Size	Small firms (i.e. with less than 100 employees)	46 (85.2)	19 (37.3)	25,551	0.000**	1
	Large firms (i.e. with 100 or more employees)	8 (14.8)	32 (62.7)			
	Total	54	51			
Age	Young (i.e. with less than 10 years)	36 (66.7)	10 (19.6)	23.595	0.000**	1
	Old (i.e. with 10 or more years)	18 (33.3)	41 (80.4)			
	Total	54	51			
Export Experience	Low (i.e. with less than 21 years export experience)	41 (75.9)	19 (37.3)	16.016	0.000**	1
	High (i.e. with 21 or more years export experience)	13 (24.1)	32 (62.7)			
	Total	54	51			
Ownership	Zimbabwean	41 (75.9)	15(29.4)	23,198	0.000**	2
	Foreign -owned.	5(9.3)	18 (35.3)			
	Joint foreign-owned or foreign owned subsidiary	8 (14.8)	18 (35.3)			
	Total	54	51			

Source: Survey data; *p ≤ 0,05 (High significant difference at 95% confidence) **p ≤ 0,01 (Very high significant difference at 99% confidence)

Table 5.1 shows a significant difference between firms with low levels of adaptation against those with high levels of adaptation regarding the number of years they have been in existence. Of the total using the highly adapted strategies 80.4 per cent had been in existence of them were 10 or more years indicating a relationship between adaptation practices and ***age***. Chapter 8 elaborates further the relationship with the other factors like experience and management skills.

Firms were requested to indicate the number of years they had been exporting as a sign of their export experience. The results showed significant differences between those with low levels of adaptation against those with high levels of adaptation regarding the number of exporting years. The majority (62.7 percent) with **high levels of adaptation practices** had ***21 or more years of export experience***, thus suggesting a relationship between adaptation practices and the number of years of exporting. Chapter 8 discusses further the implication of this outcome.

Differences exist between firms with low levels of adaptation against those with high levels of adaptation with regards the form of ownership of the organization. About 35 percent of those with high levels of adaptation practices were foreign-owned while almost the same number was for joint-foreign or foreign-owned subsidiaries. This indicates a relationship between adaptation practices and the ownership of the organization.

5.3 Adaptation practices and the profile of the respondent:

Table 5.2 shows the relationship between adaptation practices and the profile of the respondent that is the number of years with the company and the level of education. **No significant differences** were observed between firms with low levels of adaptation against those with high levels of adaptation with regards the number of years the respondent worked for the organization. This suggests that adaptation practices may not be related to the number of years one has stayed in an organization. Chapter 8 elaborates further this result with reference to other previous studies and experiences elsewhere.

Table 5.2 Adaptation practices and Respondents Profile:

Variable		Level of Adaptation		Significance measures		
		Firms with low level of adaptation N=54	Firms with high level of adaptation N=51	Chi Square	Sig. level	
Number of years with the company	Less than five years	34 (63.0)	27 (52.9)	1.082	0.298	
	Five years or more	20 (37.0)	24 (47.1)			
	Total	54	51			
Education Level attained by the respondent	Up to secondary education	9 (16.7)	1(2.0)	16.563	0.000 **	2
	Up to Diploma level	29 (53.7)	16 (31.4)			
	University or higher	16 (29.6)	34 (66.7)			
	Total	54	51			

Source: Survey data; *$p \leq 0,05$ **$p \leq 0,01$

A significant difference was observed between firms with low levels of adaptation against those with high levels of adaptation with regards the level of education. Most firms (66.7 percent) with **high levels of adaptation practices** had respondents with higher levels of education of up to university level, followed by those with up to diploma level (31.4 percent). The result suggests a relationship between adaptation practices and the level of education of the respondent. The explanations for this finding will be discussed in chapter 8 by linking it to other previous studies.

5.4 Adaptation practices and the product-market export venture

The relationship between adaptation practices and product-market- export ventures (i.e. nature of the product, its life cycle, and destination) is shown in table 5.3.

Table 5.3 Adaptation practices and the nature of the product:

Variable		Level of Adaptation		Significance measures		
		Firms with low level of adaptation N=52	Firms with high level of adaptation N=45	Chi Square	Sig. Level	Df
Product Type	Consumer durable	15 (28.8)	20 (44.4)	5.563	0.062	2
	Consumer non-durable	11 (21.2)	13 (28.9)			
	Industrial good	26 (50.0)	12 (26.7)			
	Total	52	45			
Product Life Cycle in the Local Market	Introductory	24 (44.4)	3 (5.9)	22.56	0.000**	2
	Growth	19 (35.2)	22 (43.1)			
	Maturity/decline	11 (20.4)	26 (51.0)			
	Total	54	51			
Product Life Cycle in the Export Market	Introductory	32 (59.3)	15 (29.4)	9.490	0.009**	2
	Growth	11 (20.4)	17 (33.3)			
	Maturity/decline	11 (20.4)	19 (37.3)			
	Total	54	51			
Export Destination	South Africa.	18 (33.3)	7 (13.7)	5.764	0.124	3
	Europe.	19 (35.2)	21 (41.2)			
	SADC.	12 (22.2)	16 (31.4)			
	Asia and Others	5 (9.3)	7 (13.7)			
	Total	54	51			

Source: Survey data; $*p \leq 0,05$ $**p \leq 0,01$

There **are no significant differences** between firms with low levels of adaptation and those with high levels of adaptation regarding the nature of the product. However differences were seen between firms with low levels of adaptation and those with high levels of adaptation with regards the life cycle of the product both in the local and external markets. Sixty percent of the firms with low levels of adaptation practices had the product life cycle in the export market at the introductory stage compared to 20.4 percent, thus indicating a relationship between adaptation and life cycle of the product.

5.5 Economic factors and adaptation practices

The analysis showed that economic factors that is, the gross national product, natural resources, climate, topography, media, distribution and level of competition affect adaptation practices as shown table 5.4:

Table 5.4 Economic factors and adaptation practices:

Variable		Level of Adaptation		Significance measures		
		Firms with low level of adaptation N=54	Firms with high level of adaptation N=51	Chi Square	Sig. Level	D.F
GNP	Strongly Disagree	40 (74.1)	20 (39.2)	13,014	0.000**	1
	Strongly Agree	14 (25.9)	31 (60.8)			
	Total	54	51			
Natural Resources	Strongly Disagree	40 (74.1)	16 (31.4)	19.216	0.000**	1
	Strongly Agree	14 (25.9)	35 (68.6)			
	Total	54	51			
Climatic Conditions	Strongly Disagree	43 (79.6)	22 (43.1)	14.811	0.000**	1
	Strongly Agree	11 (20.4)	29 (56.9)			
	Total	54	51			
Topograph y	Strongly Disagree	44 (81.5)	19 (37.3)	21.376	0.000**	1
	Strongly Agree	10 (18.5)	32 (62.7)			
	Total	54	51			
Media	Strongly Disagree	44 (81.5)	18 (35.3)	23.139	0.000**	1
	Strongly Agree	10 (18.5)	33 (64.7)			
	Total	54	51			
Distributio n	Strongly Disagree	38 (70.4)	19 (37.3)	11.590	0.001**	1
	Strongly Agree	16 (29.6)	32 (62.7)			
	Total	54	51			
Competitio n	Strongly Disagree	39 (72.2)	9 (17.6)	31.478	0.000**	1
	Strongly Agree	15 (27.8)	42 (82.4)			
	Total	54	51			

Source: Survey data; *$p \leq 0,05$ **$p \leq 0,01$

A significant difference was observed between firms with low levels of adaptation and those with high levels of adaptation with regards economic factors. Of the total firms that used **a high adaptation strategy**, the majority strongly agreed that they faced economic obstacles in their endeavors to standardize strategies. The distribution of the firms that were observed is as follows: level of competition (82.4 percent), availability of natural resources (68.6 percent), availability of media (64.7 percent), topography (62.7 percent), distribution channels (62.7 percent), gross national product (60.8 percent) and climatic conditions (56.9 percent). The results indicate that most firms adapted their strategies due to economic obstacles to standardize. The major economic challenge is the level of competition and the availability of natural resources. The relevance of the results to Zimbabwe will be discussed in chapter 8 by comparing them to previous studies and contrasting them to other comparable results.

5.6 Cultural factors and adaptation practices

The analysis showed that cultural factors i.e. general cultural differences, material culture, language, aesthetics, education and literacy, religion, attitudes and values affect adaptation practices as presented in table 5.5.

A significant difference exists between firms with low levels of adaptation and those with high levels of adaptation with regards to cultural factors. Of the 51 firms that had **high levels of adaptation**, 76.5 percent strongly agreed that they encountered cultural problems in their endeavors to standardize marketing strategies, while a few strongly disagreed with that. Most of the high adapters strongly agreed the following factors:

- language (72.5 percent),
- education and literacy (72.5 percent),
- attitudes and values (72.5 percent),
- material culture (70.6 percent),
- social organizations (61.7 percent),
- aesthetics (62.7 percent), and
- religion (58.8 percent).

This shows that cultural factors could affect the use of standardized strategies in the export market. Chapter 8 will further discuss this and make appropriate recommendations for consideration by exporters and public policy makers.

Table 5.5 Adaptation practices and Cultural Factors:

Variable		Level of Adaptation		Significance measures		
		Firms with low levels of adaptation N=54	Firms with high levels of adaptation N=51	Chi Square	Sig. level	d.f
Cultural Differences	Strongly Disagree	44 (81.5)	12 (23.5)	35,39	0.000**	1
	Strongly Agree	10 (18.5)	39 (76.5)			
	Total	54	51			
Material Culture	Strongly Disagree	43 (79.6)	15 (29.4)	26.75	0.000**	1
	Strongly Agree	11 (20.4)	36 (70.6)			
	Total	54	51			
Language	Strongly Disagree	44 (81.5)	14 (27.5)	30.96	0.000**	1
	Strongly Agree	10 (18.5)	37 (72.5)			
	Total	54	51			
Aesthetics	Strongly Disagree	42 (77.8)	19 (37.3)	17.69	0.000**	1
	Strongly Agree	12 (22.2)	32 (62.7)			
	Total	54	51			
Education & Literacy	Strongly Disagree	40 (74.1)	14 (27.5)	22.82	0.000**	1
	Strongly Agree	14 (25.9)	37 (72.5)			
	Total	54	51			
Religion	Strongly Disagree	46 (85.2)	21(41.2)	21.99	0.001**	1
	Strongly Agree	8 (14.8)	30 (58.8)			
	Total	54	51			
Attitudes & Values	Strongly Disagree	46 (85.2)	14 (27.5)	35.69	0.000**	1
	Strongly Agree	8 (14.8)	37 (72.5)			
	Total	54	51			
Social Organizations	Strongly Disagree	49 (90.7)	19 (37.3)	32.87	0.000**	1
	Strongly Agree	5 (9.3)	32 (62.7)			
	Total	54	51			

Source: Survey data; $*p \leq 0,05$ $**p \leq 0,01$

5.7 Political and legal factors versus strategy adaptation:

The results showed that political and legal factors i.e. political interference, import and export laws, general laws, mandatory requirements affect adaptation practices as presented in table 5.6. Differences were observed between firms with low levels of adaptation and those with high levels of adaptation. Out of the 51 **firms that used a high adaptation strategy**, a few (35.3 percent) strongly agreed that political interference was an obstacle in their endeavors to standardize. The majority strongly agreed with the following factors: Mandatory requirements (82.4 percent), laws (70.6 percent), and import and export laws (68.6 percent). This means that Zimbabwean firms are not likely to face political interference in their endeavors to standardize their strategies in the export markets. The only obstacles likely to be faced are those with regards to the general laws, import and export laws and mandatory requirements. Potential reasons for the relationships described above are discussed in chapter 8.

Table 5.6 Adaptation practices and Political and Legal Factors:

Variable		Level of Adaptation		Significance measures		
		Firms with low level of adaptation N=54	Firms with high level of adaptation N=51	Chi Square	Sig. level	D.F
Political Interference	Strongly Disagree	46 (85.2)	33 (64.7)	5.905	0.015**	1
	Strongly Agree	8 (14.8)	18 (35.3)			
	Total	54	51			
Laws	Strongly Disagree	45 (83.3)	15 (29.4)	31.140	0.000**	1
	Strongly Agree	9 (16.7)	36 (70.6)			
	Total	54	51			
Import and Export Laws	Strongly Disagree	41 (75.9)	16 (31.4)	20.980	0.000**	1
	Strongly Agree	13 (24.1)	35 (68.6)			
	Total	54	51			
Mandatory requirement	Strongly Disagree	25 (46.3)	9 (17.6)	8.832	0.002**	1
	Strongly Agree	29 (53.7)	42 (82.4)			
	Total	54	51			

Source: Survey data; $*p \leq 0{,}05$ $**p \leq 0{,}01$

5.8 Commitment to the export venture and adaptation strategy

The analysis showed that the commitment factors i.e. allocation of production, financial and managerial resources, presence of long term export planning, strategy implementation, organizational design, top level management commitment affect adaptation practices.

There is a significant difference between the firms with low levels of adaptation and the ones with high levels of adaptation regarding commitment to exports. Highly adapted strategy users showed the following characteristics; 74.5 percent strongly agreed that substantial amounts of production, financial and managerial resources were allocated to support the export venture, 66.7 percent strongly agreed that there was a substantial degree of long-term export planning as indicated by the number of market research and market screening, 58.8 percent strongly agreed that there was a substantial amount of strategy implementation through activities like monitoring, directing, evaluation and rewarding of the export venture, 72.5 percent strongly agreed that there was a significant top management commitment to the export venture and 70.7 percent strongly agreed that there was a high degree of relevance and appropriateness of the organizational design for the export department. This shows that Zimbabwean exporters that are likely to adapt strategies are those more committed to the export venture compared to those that are not. Chapter 8 will discuss further the above results and also contrasting them to other comparable results.

Table 5.7 Adaptation practices and Commitment indicators:

Variable		**Levels of Adaptation**		**Significance measures**		
		Firms with low levels of adaptation N=54	**Firms with high levels of adaptation N=51**	**Chi Square**	**Sig. level**	**d.f**
Production, Financial & Managerial Resources	Strongly Disagree	41 (75.9)	13 (25.5)	26.710	0.000**	1
	Strongly Agree	13 (24.1)	38 (74.5)			
	Total	54	51			
Long Term Export Planning	Strongly Disagree	42 (77.8)	17 (33.3)	21.046	0.000**	1
	Strongly Agree	12 (22.2)	34 (66.7)			
	Total	54	51			
Strategy Implementation	Strongly Disagree	41 (75.9)	21(41.2)	13.098	0.001**	1
	Strongly Agree	13 (24.1)	30 (58.8)			
	Total	54	51			
Organizational Design	Strongly Disagree	39 (72.2)	15 (29.4)	19.244	0.000**	1
	Strongly Agree	15 (27.8)	36 (70.6)			
	Total	54	51			
Top-level Management Commitment	Strongly Disagree	37 (68.5)	14 (27.5)	17.708	0.000**	1
	Strongly Agree	17 (31.5)	37 (72.5)			
	Total	54	51			

Source: Survey data; $*p \leq 0{,}05$ $**p \leq 0{,}01$

5.9 Experience, education factors and adaptation strategy

The analysis of the effect of experience and education factors i.e. the overseas experience of management, knowledge of foreign culture, and training in international business, management flexibility and motivation on adaptation practices are presented in table 5.8.

Table 5.8 Adaptation practices and Experience, Training and Education Factors.

Variable		Levels of Adaptation		Significance measures		
		Firms with low level s of adaptation N=54	Firms with high levels of adaptation N=51	Chi Square	Sig. Level	d.f
Management's overseas experience	None or little	48 (88.9)	11 (21.6)	48.28	0.000**	1
	Substantial	6 (11.1)	40 (78.4)			
	Total	54	51			
Knowledge of Foreign Culture	None or little	39 (72.2)	13 (25.5)	22.91	0.000**	1
	Substantial	15 (27.8)	38 (74.5)			
	Total	54	51			
Training in International Business	None or little	36 (66.7)	13 (25.5)	17.86	0.000**	1
	Substantial	18 (33.3)	38 (74.5)			
	Total	54	51			
Management Flexibility & Motivation	None or little	34(63.0)	13 (25.5)	14.89	0.001**	1
	Substantial	20(37.0)	38 (74.5)			
	Total	54	51			

Source: Survey data; $*p \leq 0{,}05$ $**p \leq 0{,}01$

There is a significant difference between firms with low levels of adaptation and those with high levels of adaptation with regards the level of education and management experience. The **highly adapted strategy users** had the following characteristics; 78.4 percent classified the people involved in the export venture within their organization as having substantial overseas experience, having lived or worked abroad, 74.5 percent had substantial knowledge of foreign culture and the ability to speak fluently foreign languages, 74.5 percent had substantial training in international business and 74.5 percent had substantial management flexibility, motivation, teamwork and customer orientation. This indicates that the level of training and experience affect adaptation practices. Chapter 8 will further elaborate this relationship.

5.10 Export Performance and strategy adaptation

The results of the analysis of the relationship between the overall export performance and adaptation practices are presented in table 5.9.

Table 5.9 Adaptation Practices and export performance

Variable		Levels of Adaptation		Significance measures		
		Firms with low levels of adaptation N=54	**Firms with high level s of adaptation N=51**	**Chi Square**	**Sig. level**	**d.f**
Export performance	Low	44(81.5)	27(52.9)	9.757	0.002**	1
	High	10(18.5)	24(47.1)			
	Total	54	51			

Source: Survey data; *p ≤ 0,05 **p ≤ 0,01

There is a significant difference between firms with low levels of adaptation and those with high levels of adaptation regarding export performance. Eighty-two percent of those with **low levels of adaptation practices** recorded low export performance compared to 18.5 percent that recorded high performance. This shows that adaptation practices and export performance are related. Chapter 8 explains further the source of this relationship.

5.11 Summary of a comparative analysis of firms with low levels of adaptations and those with high levels of adaptations

The results of a Chi-square analysis presented in this Chapter are shown in tables 5.1 to 5.9. The results are summarized again below:

- The study showed that adaptation practices are related to size, age, export experience and ownership of the firms.
- A significant difference was shown between firms with low levels of adaptation and those with high levels with regards the **education level** attained by the respondent. However the number of years the respondent had stayed with the company was not significant.
- A significant relationship was seen between adaptation practices and the **product life cycle** in the local and export markets were observed. However the product type and the export destination were not significantly associated with export performance
- **All economic factors** were found to have a significant impact on adaptation practices. These included the gross national product (GDP), natural resources, climate, topography, media availability, distribution channels and levels of competition. All the above factors were found to affect endeavors of a firm to standardize export-marketing strategies.
- **All the cultural factors** were found to have a significant impact on strategy adaptation. These factors included cultural differences, material culture, language, aesthetics, education and literacy, religion, attitudes and values.
- **General legislation** regarding import and export and **mandatory requirements** were found to have a significant impact on adaptation practices. However political interferences did not appear to be an obstacle by most of the firms.
- The other variables that were found to significantly influence export strategy adaptation include **management commitment to export** and **export experience.**

The above results are discussed further in chapter 8. The discussion compares these results for Zimbabwe with a literature review and empirical evidence from other countries presented in Chapter 2. The implications of these results on how management should deal with issues of strategy adaptation, limitations and recommendations for future studies are also summarized under Chapter 8.

Chapter 6

A comparative analysis of firms with low levels of export performance versus those with high levels of export performance

6.1 Introduction

In this chapter the objective is to compare firms with *low levels of export performance* and those with *high levels of export performance*. The chi-square analysis is used to identify and discuss significant differences between those with low levels of performance and those with high levels of performance in terms of: organizational profile, respondents profile, product-market export venture like the type of product exported, industry, major export market, degree of adaptation of marketing activities, export performance and other factors perceived as influencing the degree of adaptation. The headings for each of the sections in this chapter are similar to those in chapter 5, but the focus is on the *Level of performance* of the firms. The tables show that there are *71 firms with low levels* of export performance and 34 firms with high levels **of export performance.** The variables used were operationalised based on the methodology presented in chapter 3.

6.2 Performance and Organizational Profile

The relationship between export performance and the four elements of organizational profile i.e. size, age, export experience and ownership is shown in table 6.1.

There is a significant difference between firms with low levels of export performance and those with high levels of export performance regarding the size of the firm. The majority (76.1 per cent) of low level export performers were small firms that had less than 100 employees compared to 23.9 percent of those with 100 or more employees. Of the 34 high performers 67.6 percent were large firms, thus showing the relationship between export performance and the size of the firm. Chapter 8 further discusses this by linking it to the other previous studies.

Table 6.1 Export Performance and organizational profile

Variable		Levels of performance		Significance measures		
		Firms with low levels of export performance N = 71	Firms with high levels of export performance N = 34	Chi Square	Sig Level	Df
Size	Small (i.e. firms with less than 100 employees)	54(76.1)	11 (32.4)	18.620	0.000**	1
	Large (i.e. firms with 100 or more employees)	17 (23.9)	23 (67.6)			
	Total	71	34			
Age	Young (i.e. firms with less than 21 years)	41(57.7)	5(14.7)	17.301	0.000**	1
	Old (i.e. firms with 21 or more years)	30(42.3)	29(85.3)			
	Total	71	34			
Export Experience	Low (i.e. firms with less than 21 years export experience)	49(69.0)	11(32.4)	12.618	0.000**	1
	High (i.e. firms with 21 or more years export experience)	22(31.0)	23(67.6)			
	Total	71	34			
Ownership	Zimbabwean citizen	44(62.0)	12 (35.3)	8.600	0.014**	2
	Foreign owned	15(21.1)	8 (23.5)			
	Joint foreign owned or foreign owned subsidiary	12(16.9)	14 (41.2)			
	Total	71	34			

Source: Survey data; *p ≤ 0,05 **p ≤ 0,01

Low level export performers and high level performers differed with respect to the **age** of the firm. The majority (57.6 percent) of the low level performers were less than 21 years old whereas of the 34 high performers, 85.3 percent were old firms with 21 or more years, showing the relationship between export performance and the age of the organization.

The study also showed a significant difference between low-level export performers and high-level performers concerning **experience** as indicated by the number of years the organization has been exporting. The majority (69 percent) of the low-level performers had been exporting for less than 21 years. Of the 34 high performers 67.6 percent had 21 or more years of export experience, suggesting a relationship between export performance and the number of years a firm has been exporting. The low performance of new exporters could reflect the existence among Zimbabwean exporters, the high learning and sunk costs associated with entering the export markets.

There is a significant difference between low-level export performers and high-level performers concerning **ownership** of the firm. Of the 71 low-level export performers, 62.0 percent were Zimbabwean citizen-owned, 21.1 percent were foreign-owned and 16.9 percent joint-foreign ones. This shows that export performance may be related to the ownership of the organization. This is further discussed in chapter 8.

6.3 Export performance and Respondents Profile

The relationship between export performance and the profile of the respondent that is, the number of years with the company and level of education is shown in table 6.2.

Table 6.2 Export performance and Respondents Profile

Variable		Export Performance		Significance measures		
		Firms with low levels of export performance N = 71	Firms with high levels of export performance N = 34	Chi Square	Sig Level	df
No. of years in the post by the respondent	< 5 Years	41 (57.7)	20 (58.8)	0.011	0.917	1
	>/= 5 Years	30 (42.3)	14 (41.2)			
	Total	71	34			
Education Level attained by the respondent	Up to secondary Education	8 (11.3)	2 (5.9)	2.697	0.260	2
	Up to Diploma level	33 (46.5)	12 (35.3)			
	University or higher	30 (42.3)	20 (58.8)			
	Total	71	34			

Source: Survey data; $*p \leq 0,05$ $**p \leq 0,01$

The study showed an **insignificant relationship** between firms with low levels of export performance and those with high levels of export performance regarding the number of years spent in a company and the level of education. This suggests that export performance might not be related to the number of years spent in an organization or the level of education of the respondent.

6.4 Export Performance and the Product-Market Export Venture

The relationship between export performance and product-market- export ventures that is, the nature of the product, its life cycle, and destination is shown in table 6.3.

Table 6.3 Export Performance and the Product-Market Export Venture

Variable		Export performance		Significance measures		
		Firms with low levels of export performance N = 64	Firms with high level s of export performance N = 33	Chi Square	Sig Level	df
Product Type	Consumer durable	24 (37.5)	11 (33.3)	0.235	0.889	2
	Consumer non-durable	15 (23.4)	9 (27.3)			
	Industrial good	25 (39.1)	13 (39.4)			
	Total	64	33			
Product Life Cycle in the Local Market	Introductory	23 (32.4)	4 (11.8)	6.923	0.031*	2
	Growth	28 (39.4)	13 (38.2)			
	Maturity/decline	20 (28.2)	17 (50.0)			
	Total	71	34			
Product Life Cycle in the Export Market	Introductory	41 (57.7)	6 (17.6)	15.036	0.001**	2
	Growth	15 (21.1)	13 (38.2)			
	Maturity/decline	15 (21.1)	15 (44.1)			
	Total	71	34			
Export Destination	South Africa	22 (31.0)	3 (8.8)	11.115	0.011*	3
	Europe	20 (28.2)	20 (58.8)			
	SADC	21 (29.6)	7 (20.6)			
	Asia and Others	8 (11.3)	4 (11.8)			
	Total	71	34			

Source: Survey data; $*p \leq 0,05$ $**p \leq 0,01$

The study showed an **insignificant relationship** between the firms with low levels of export performance and those with high levels of export performance regarding the type of product. However, significant differences were noted between those with low levels of export performance and those with high levels of export performance concerning the **life cycle of the product** both in the local and export market. About 57.7 percent of firms with low levels of export performance indicated that their export product was in the introductory stage in the export market, while 21.1 percent had their products in the growth and maturity stages.

Another significant difference was seed between firms with low levels of export performance and those with high levels of export performance concerning the **export destination** of the product. About 58.8 percent of those with high levels of export performance sent their products to the European markets compared to 8 percent who exported to South Africa, 20.6 percent to SADC and 11.8 percent to Asia and the other markets. This result suggests that export performance is related to the destination of the export market. This is further discussed and elaborated under chapter 8.

6.5 Economic Factors and Export Performance

The results of the analysis of economic factors that is, gross national product, natural resources, climatic conditions, topography, media, distribution and level of competition affecting export performance are presented in table 6.4:

Table 6.4 Export Performance and Economic Factors:

Variable		Level of Export Performance		Significance measures		
		Firms with low levels of export performance N = 71	Firms with high levels of export performance N = 34	Chi Square	Sig Level	df
GNP	Strongly Disagree	46 (64.8)	14 (41.2)	5.234	0.022*	1
	Strongly Agree	25 (35.2)	20 (58.8)			
	Total	71	34			
Natural Resources	Strongly Disagree	42 (59.2)	14(41.2)	2.989	0.084	1
	Strongly Agree	29 (40.8)	20(58.8)			
	Total	71	34			
Climatic Conditions	Strongly Disagree	49 (69.0)	16(47.1)	4.699	0.030*	1
	Strongly Agree	22 (31.0)	18(52.9)			
	Total	71	34			
Topography	Strongly Disagree	48 (67.6)	15(44.1)	5.285	0.022*	1
	Strongly Agree	23 (32.4)	19(55.9)			
	Total	71	34			
Media	Strongly Disagree	49 (69.0)	13(38.2)	9.007	0.003**	1
	Strongly Agree	22 (11.0)	21 (61.8)			
	Total	71	34			
Distribution	Strongly Disagree	46 (64.8)	11 (19.3)	19.747	0.002**	1
	Strongly Agree	25 (35.2)	23 (67.6)			
	Total	71	34			
Competition	Strongly Disagree	41 (57.7)	7(20.6)	12.791	0.000**	1
	Strongly Agree	30(42.3)	27 (79.4)			
	Total	71	34			

Source: Survey data; $*p \leq 0,05$ $**p \leq 0,01$

Significant differences between firms with low levels of export performance and those with high levels of export performance were observed with respect to **economic factors**. Out of the 34 firms that performed highly, the majority of them strongly agreed that they faced economic obstacles in their endeavors to standardize their strategies.

The distribution of the firms that faced difficulties is as follows: level of competition (79.4 percent), distribution channels (67.6 percent), and availability of media (61.8 percent), gross national product (58.8 percent), and availability of natural resources (58.8 percent), topography (55.9 percent) and climate (52.9 percent). This shows that most firms that performed well faced economic obstacles to standardize. The main problem faced was that of competition followed by distribution channels. This shows that economic factors in the export market have an impact to export performance via the strategy.

A detailed analysis using a two-level cross-tabulation reveals that there is a significant relationship between strategy adaptation, economic factors and export performance as shown in table 6.5. This is further discussed in more detail in chapter 8.

Table 6.5 Two-level cross-tabulation of export strategy, economic factors and export performance:

Performance	Economic Variable		Level of Adaptation			Significance measures		
			Low	High	Total	X^2	P	df
Low	GNP	Strongly Disagree	33	13	46	5.288	0.021*	1
		Strongly Agree	11	14	25			
		Total	44	27	71			
High		Strongly Disagree	7	7	14	4.859	0.027	1
		Strongly Agree	**3**	**17**	**20**			
		Total	11	24	34			
Low	Natural Resources	Strongly Disagree	33	9	42	12.299	0.000**	1
		Strongly Agree	11	18	29			
		Total	44	27	71			
High		Strongly Disagree	7	7	14	0.952	0.329	1
		Strongly Agree	**3**	**17**	**20**			
		Total	10	24	34			
Low	Topography	Strongly Disagree	37	11	48	14.358	0.000**	1
		Strongly Agree	7	16	23			
		Total	44	27	71			
High		Strongly Disagree	7	8	15	3.849	0.050*	1
		Strongly Agree	**3**	**16**	**19**			
		Total	10	24	34			
Low	Media channels	Strongly Disagree	37	12	49	12.299	0.000**	1
		Strongly Agree	7	15	22			
		Total	44	27	71			
High		Strongly Disagree	7	6	13	6.053	0.014*	1
		Strongly Agree	**3**	**18**	**21**			
		Total	10	24	34			
Low	Distribution Channels	Strongly Disagree	33	13	46	5.288	0.021*	1
		Strongly Agree	11	14	25			
		Total	44	27	71			
High		Strongly Disagree	5	6	11	2.016	0.156	1
		Strongly Agree	**5**	**18**	**23**			
		Total	10	24	34			
Low	Competition Level	Strongly Disagree	34	7	41	18.080	0.000**	1
		Strongly Agree	10	20	30			
		Total	44	27	71			
High		Strongly Disagree	5	2	7	7.496	0.006**	1
		Strongly Agree	**5**	**22**	**27**			
		Total	10	24	34			

Source: Survey data *$p \leq 0,05$ **$p \leq 0,01$

Of the 20 firms that recorded high performance and at the same time strongly agreed that they faced economic obstacles related the GNP, 17 of them used highly adapted strategies. This result tends to suggest that export performance may be related to economic factors via the export strategy. The study showed similar results for other economic factors as shown by the highlighted sections in table 6.5.

6.6 Cultural Factors and Export Performance:

The results of the analysis of cultural factors that is, general cultural differences, material culture, language, aesthetics, education and literacy, religion, attitudes and values affecting export performances are presented in table 6.6.

Table 6.6 Export Performance and Cultural Factors:

Variable		**Level of Export Performance**		**Significance measures**		
		Firms with low levels of export performance N = 71	**Firms with high levels of export performance N = 34**	**Chi Square**	**Sig Level**	**df**
Cultural Differences	Strongly Disagree	45 (63.4)	11 (32.4)	8.893	0.003**	1
	Strongly Agree	26 (36.6)	23 (67.6)			
	Total	71	34			
Material Culture	Strongly Disagree	44 (62.0)	14 (41.2)	4.021	0.045*	1
	Strongly Agree	27 (38.0)	20 (58.8)			
	Total	71	34			
Language	Strongly Disagree	45 (63.4)	13 (38.2)	5.879	0.015*	1
	Strongly Agree	26 (36.6)	21 (61.8)			
	Total	71	34			
Aesthetics	Strongly Disagree	49 (69.0)	12 (35.3)	10.738	0.001**	1
	Strongly Agree	22 (31.0)	22(64.7)			
	Total	71	34			
Education & Literacy	Strongly Disagree	41 (57.7)	13 (38.2)	3.501	0.061	1
	Strongly Agree	30 (42.3)	21(61.8)			
	Total	71	34			
Religion	Strongly Disagree	48 (67.7)	19 (55.9)	1.368	0.242	1
	Strongly Agree	23 (32.4)	15 (44.1)			
	Total	71	34			
Attitudes & Values	Strongly Disagree	47 (66.2)	13 (38.2)	7.340	0.007**	1
	Strongly Agree	24 (33.8)	21 (61.8)			
	Total	71	34			
Social Organizations	Strongly Disagree	53 (74.6)	15 (44.1)	9.390	0.002**	1
	Strongly Agree	18 (25.4)	19 (55.9)			
	Total	71	34			

Source: Survey data; $^*p \leq 0,05$ $^{**}p \leq 0,01$

There is a significant difference between firms with low levels of export performance and those with high levels of export performance regarding **cultural factors.** Of the 34 firms that performed well, 67.6 percent strongly agreed that they encountered cultural problems in their endeavors to standardize the marketing strategies, 32.4 percent strongly disagreed that cultural factors were an obstacle to their endeavors to standardize. The other proportion of high performers that strongly agreed was as follows: aesthetics (64.7 percent), language (61.8 percent), education and literacy (61.8 percent), attitudes and values (61.8 percent) material culture (58.8 percent) and social organizations (55.9 percent). However on religion, only a few (44.1 percent) strongly agreed that it was an obstacle.

A two-level cross-tabulation (Table 6.7.) shows that there is a significant relationship between strategy adaptation, cultural factors and export performance.

The majority of firms that strongly agreed that the cultural factors were obstacles to their endeavors to standardize strategies used highly adapted strategies and in turn performed well. For example out of the 23 firms that recorded high export performance and at the same time strongly agreed that they faced cultural differences obstacles in their endeavors to standardize, 21 used high strategy adaptation. This shows that export performance may be related to cultural factors via the export strategy. A similar trend is seen with regards other cultural factors as shown by the highlighted sections in table 6.7.

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Table 6.7 Two-level cross-tabulation of export strategy, cultural factors and export performance:

Performance	**Cultural Variable**		**Level of Adaptation**			**Significance measures**		
			Low	**High**	**Total**	**X^2**	**P**	**df**
Low	**Cultural differences**	Strongly Disagree	36	9	45			
		Strongly Agree	8	18	26	16.947	0.000**	1
		Total	44	27	71			
High		Strongly Disagree	8	3	11			
		Strongly Agree	**2**	**21**	**23**	14.695	0.000**	1
		Total	10	24	34			
Low	**Material Culture**	Strongly Disagree	35	9	44			
		Strongly Agree	29	18	27	15.162	0.000**	1
		Total	44	27	71			
High		Strongly Disagree	8	6	14			
		Strongly Agree	**2**	**18**	**20**	8.816	0.003**	1
		Total	10	24	34			
Low	**Language**	Strongly Disagree	36	9	45			
		Strongly Agree	8	18	26	16.947	0.000**	1
		Total	44	27	71			
High		Strongly Disagree	8	5	13			
		Strongly Agree	**2**	**19**	**21**	10.464	0.001**	1
		Total	10	24	24			
Low	**Aesthetics**	Strongly Disagree	34	15	49			
		Strongly Agree	10	12	22	3.690	0.055	1
		Total	44	27	71			
High		Strongly Disagree	8	4	12			
		Strongly Agree	**2**	**20**	**22**	12.398	0.000**	1
		Total	10	24	34			
Low	**Education**	Strongly Disagree	32	9	41			
		Strongly Agree	12	18	30	10.642	0.001**	1
		Total	44	27	71			
High		Strongly Disagree	8	5	13			
		Strongly Agree	**2**	**19**	**21**	10.464	0.001**	1
		Total	10	24	34			

Table 6.7 (cont) Two-level cross-tabulation of export strategy, cultural factors and export performance:

Performance	Cultural Variable		Level of Adaptation			Significance measures		
			Low	High	Total	X^2	P	df
Low	Religion	Strongly Disagree	37	11	48	14.358	0.000**	1
		Strongly Agree	7	16	23			
		Total	44	27	71			
High		Strongly Disagree	9	10	19	6.689	0.010*	1
		Strongly Agree	**1**	**14**	**15**			
		Total	10	24	34			
Low	Values and Beliefs	Strongly Disagree	37	10	47	16.556	0.000**	1
		Strongly Agree	7	17	24			
		Total	44	27	71			
High		Strongly Disagree	9	4	13	16.074	0.000**	1
		Strongly Agree	**1**	**20**	**21**			
		Total	10	24	34			
Low	Organizational setup	Strongly Disagree	40	13	53	16.167	0.000**	1
		Strongly Agree	4	14	18			
		Total	44	27	71			
High		Strongly Disagree	9	6	15	12.097	0.001**	1
		Strongly Agree	**1**	**18**	**19**			
		Total	10	24	34			

Source: Survey data *$p \leq 0,05$ **$p \leq 0,01$

6.7 Political and Legal Factors and Export Performance:

The results of the analysis of political and legal factors that is, political interference, import and export laws, general laws, mandatory requirements affecting export performance are presented in table 6.8.

Table 6.8 Export Performance and Political and Legal Factors:

Variable		Level of Export Performance		Significance measures		
		Firms with low levels of export performance N = 71	Firms with high levels of export performance N = 34	Chi Square	Sig Level	df
Political Interference	Strongly Disagree	52(73.2)	27(79.4)	0.470	0.493	1
	Strongly Agree	19 (26.8)	7 (20.6)			
	Total	71	34			
Laws	Strongly Disagree	47 (66.2)	13(38.2)	7.340	0.007**	1
	Strongly Agree	24(33.8)	21(61.8)			
	Total	71	34			
Import and Export Laws	Strongly Disagree	49(69.0)	8(23.5)	19.166	0.000**	1
	Strongly Agree	22(31.0)	26 (76.5)			
	Total	71	34			
Mandatory requirement	Strongly Disagree	28(39.4)	6 (17.6)	4.985	0.026*	1
	Strongly Agree	43 (60.6)	28 (82.4)			
	Total	71	34			

Source: Survey data; *$p \leq 0{,}05$ **$p \leq 0{,}01$

A significant difference exists between firms with low levels of export performance and those with high levels regarding **political and legal factors**. Out of 34 firms that performed well, 20.6 percent strongly agreed that political interference was an obstacle in endeavors to standardize. However, with regards the remaining factors, the majority agreed that there were obstacles to their endeavors to standardize. The distribution was as follows: mandatory requirements (82.4 percent), import and export laws (76.5 percent) and laws (61.8 percent).

A two-level cross-tabulation shows significant relationship between strategy adaptation, political/legal factors and export performance (table 6.9). Potential reasons for this relationship are discussed in chapter 8.

Table 6.9 Two-level cross-tabulation of export strategy, political & legal factors and export performance:

Performance	Political & legal Variable		Level of Adaptation			Significance measures		
			Low	High	Total	X^2	P	df
Low	Political Interference	Strongly Disagree	37	15	52	6.952	0.008**	1
		Strongly Agree	7	12	19			
		Total	44	27	71			
High		Strongly Disagree	9	18	27	0.971	0.324	1
		Strongly Agree	1	6	7			
		Total	10	24	34			
Low	Laws (taxes)	Strongly Disagree	38	9	47	21.029	0.000**	1
		Strongly Agree	6	18	24			
		Total	44	27	71			
High		Strongly Disagree	7	6	13	6.053	0.014*	1
		Strongly Agree	3	18	21			
		Total	10	24	34			
Low	Import & Export laws	Strongly Disagree	37	12	49	12.299	0.000**	1
		Strongly Agree	7	15	22			
		Total	44	27	71			
High		Strongly Disagree	4	4	8	2.136	0.144	1
		Strongly Agree	6	20	26			
		Total	10	24	34			
Low	Mandatory requirements	Strongly Disagree	20	8	28	1.754	0.185	1
		Strongly Agree	24	19	43			
		Total	44	27	71			
High		Strongly Disagree	5	1	6	10.203	0.001**	1
		Strongly Agree	5	23	28			
		Total	10	24	34			

Source: Survey data *$p \leq$ 0,05 **$p \leq$ 0,01

The majority of firms that agreed that political and legal factors were obstacles to endeavors to standardize used highly adapted strategies and performed well. For example out of the 7 firms that performed well and at the same time strongly agreed that political interference was an obstacle to use a standardized strategy, 6 of them used high strategy adaptation.

6.8 Commitment to the export venture and Performance

Factors related to commitment that is, allocation of production, financial and managerial resources, and presence of long term export planning, strategy implementation, organizational design, and top level management commitment, affect performance as presented in table 6.10

Table 6.10 Export Performance and Commitment indicators:

Variable		**Level of Export Performance**		**Significance measures**		
		Firms with low levels of export performance N = 71	**Firms with high level s of export performance N = 34**	**Chi Square**	**Sig Level**	**Df**
Production, Financial & Managerial Resources	Strongly Disagree	50 (70.4)	4 (11.8)	31.668	0.000**	1
	Strongly agree	21 (29.6)	30 (88.2)			
	Total	71	34			
Long Term Export Planning	Strongly Disagree	53 (74.6)	6 (17.6)	30.324	0.000**	1
	Strongly agree	18 (25.4)	28 (82.4)			
	Total	71	34			
Strategy Implementation	Strongly Disagree	55 (77.5)	7 (20.6)	30.756	0.001**	1
	Strongly agree	16 (22.5)	27 (79.4)			
	Total	71	34			
Organizational Design	Strongly Disagree	49 (69.0)	5 (14.7)	27.145	0.000**	1
	Strongly agree	22 (31.0)	29 (85.3)			
	Total	71	34			
Top Management Commitment	Strongly Disagree	47 (66.2)	4 (11.8)	27.270	0.000**	1
	Strongly agree	24 (33.8)	30 (88.2)			
	Total	71	34			

Source: Survey data; *$p \leq 0{,}05$ **$p \leq 0{,}01$

A significant difference exists between firms with low levels of export performance and those with high performance regarding commitment towards the export venture. The 34 **firms that performed well** showed the following characteristics: Up to 88.2 percent allocated substantial resources to support the export venture; 82.4 percent strongly agreed that there was a substantial amount of long-term export planning through market research and market screening; 79.4 percent indicated that there was a substantial amount of strategy implementation through monitoring, directing, evaluation and rewarding of the export venture; 85.3 percent indicated a high degree of relevance and appropriateness of the organizational design for the export department and 88.2 percent showed a significant top management commitment to the export venture. This shows that Zimbabwean exporters that are likely to perform well are **those that are more committed to the export venture** compared to those that are not.

A two-level cross-tabulation showed significant relationships between strategy adaptations, export commitment and export performance (see table 6.11)

Table 6.11 Two-level cross-tabulation of export strategy, commitment factors and export performance:

Performance	Commitment Variable		Level of Adaptation			Significance measures		
			Low	High	Total	X^2	P	df
Low	**Production Financial & Managerial Resources**	Strongly Disagree	37	13	50	10.378	0.001**	1
		Strongly Agree	7	14	21			
		Total	44	27	71			
High		Strongly Disagree	4		4	10.880	0.001**	1
		Strongly Agree	6	24	30			
		Total	10	24	34			
Low	**Long Term Export Planning**	Strongly Disagree	37	16	53	5.452	0.020*	1
		Strongly Agree	7	11	18			
		Total	44	27	71			
High		Strongly Disagree	5	1	6	10.203	0.001**	1
		Strongly Agree	5	23	28			
		Total	10	24	34			
Low	**Strategy Implementation**	Strongly Disagree	36	19	55	1.256	0.262	1
		Strongly Agree	8	8	16			
		Total	44	27	71			
High		Strongly Disagree	5	2	7	7.496	0.006**	1
		Strongly Agree	5	22	27			
		Total	10	24	34			
Low	**Organizational Design**	Strongly Disagree	34	15	49	3.690	0.055	1
		Strongly Agree	10	12	22			
		Total	44	27	71			
High		Strongly Disagree	5		5	14.069	0.000**	1
		Strongly Agree	5	24	29			
		Total	10	24	34			
Low	**Top Management Commitment**	Strongly Disagree	33	14	47	4.007	0.045*	1
		Strongly Agree	11	13	24			
		Total	44	27	71			
High		Strongly Disagree	4		4	10.880	0.001**	1
		Strongly Agree	6	24	30			
		Total	10	24	34			

Source: Survey data *$p \leq 0,05$ **$p \leq 0,01$

The majority of firms that agreed that political and legal factors were obstacles to endeavors to standardize used highly adapted strategies and performed well. For example, of the 30 firms that performed well and at the same time strongly agreed that they allocated substantial production, financial and managerial resources towards the export venture, 24 of them used high strategy adaptation. This shows the relationship between export performance and commitment is direct or via the export strategy.

6.9 Experience and Education Factors and Export Performance

The effects of experience and education factors that is, the management's overseas experience and knowledge of foreign culture, and training in international business, management flexibility and motivation, on export performance are presented in table 6.8.

Table 6.12 Export Performance and experience, Training and Education Factors.

Variable		Level of Export Performance		Significance measures		
		Firms with low levels of export performance N = 71	Firms with high levels of export performance N = 34	Chi Square	Sig Level	Df
Management's overseas experience	None or little	50(70.4)	9 (26.5)	18.042	0.000**	1
	Substantial	21(29.6)	25 (73.5)			
	Total	71	34			
Knowledge of Foreign Culture	None or little	48(67.6)	4 (11.8)	28.278	0.000**	1
	Substantial	23(32.4)	30 (88.2)			
	Total	71	34			
Training in International Business	None or little	45(63.4)	4 (11.8)	24.610	0.000**	1
	Substantial	26(36.6)	30 (88.2)			
	Total	71	34			
Management Flexibility & Motivation	None or little	41(57.7)	6 (17.6)	14.951	0.00**	1
	Substantial	30(42.3)	28 (82.4)			
	Total	71	34			

Source: Survey data; *p ≤ 0,05 **p ≤ 0,01

There is a **significant difference** between firms with low levels of export performance and those with high levels of export performance regarding the level of education and management experience. The 34 firms that performed well had the following characteristics; 73.5 percent classified the people involved in the export venture within their organization as having substantial overseas experience, having lived or worked abroad; 88.2 percent having substantial knowledge of foreign culture and the ability to speak the foreign languages fluently; 88.2 percent having substantial training in international business and 82.4 percent had substantial management flexibility, motivation, teamwork and customer orientation. This shows the relationship between performance and the levels of education and management experience.

A two-level cross-tabulation in table 6.13 showed a significant relationship between strategy adaptation, education/experience and export performance.

Table 6.13 Two-level cross-tabulation of export strategy, management, experience, training & education factors and export performance:

Performance	Experience, training & education Variable		Level of Adaptation			Significance measures		
			Low	High	Total	X^2	P	df
Low	Overseas experience	None or little	40	10	50	23.314	0.000**	1
		Substantial	4	17	21			
		Total	44	27	71			
High		None or little	8	1	9	20.856	0.000**	1
		Substantial	2	23	25			
		Total	10	24	34			
Low	Knowledge of Foreign Culture	None or little	35	13	48	7.532	0.006**	1
		Substantial	9	14	23			
		Total	44	27	71			
High		None or little	4		4	10.880	0.001**	1
		Substantial	6	24	30			
		Total	10	24	34			
Low	Training in International Business	None or little	33	12	45	6.731	0.009**	1
		Substantial	11	15	26			
		Total	44	27	71			
High		None or little	3	1	4	4.538	0.033*	1
		Substantial	7	23	30			
		Total	10	24	34			
Low	Management Flexibility & Motivation	None or little	30	11	41	5.164	0.023*	1
		Substantial	14	16	30			
		Total	44	27	71			
High		None or little	4	2	6	4.871	0.027*	1
		Substantial	6	22	28			
		Total	10	24	34			

Source: Survey data *$p \leq 0{,}05$ **$p \leq 0{,}01$

The majority of firms that agreed that they had substantial experience and training used highly adapted strategies and performed well. For example out of the 25 firms that performed well and at the same time had substantial overseas experience, 23 of them used high strategy adaptation. This shows that that export performance is related to overseas experience directly or indirectly via the export strategy. Similar results for other experience factors are highlighted in table 6.13. In chapter 8 the context in which the results are significant for Zimbabwe are discussed.

6.10 Summary of a comparative analysis of firms with low levels of performance and those with high levels of performance

A Chi-square analysis presented in this Chapter has showed the followin**g results:**

- Organization profile factors like the firm **size, its age, export experience and ownership** are significantly related to export performance.
- An insignificant relationship exists between export performance and the number of years spent by the respondent in a company and the level of education attained by the respondent.
- Factors like the **life cycle of the product** in the local and export markets and its destination are significantly related to export performance.
- Significant relationships were seen **between economic factors and export performance.**
- **Cultural factors** were found to be significantly associated with the level of export performance.
- **General laws, import and export and mandatory requirements** in the export market were found to be related to export performance.
- Other variables that were found to be significantly associated with export performance include the **management commitment to export and export experience**.

Most of the above factors translated into high export performance via the use of an adapted export marketing strategy. The above results are further elaborated and discussed in chapter 8 by comparing them with the other previous studies. The chapter also discusses the implications on management. Limitations and recommendations for future studies are also presented.

Chapter 7

Findings of the Discriminant Analysis:

7.1 Introduction:

Chapters 5 and 6 identified significant differences between firms. However as management may need to identify patterns of relationships among a multiple of variables simultaneously or jointly (Zikmund 2000), this chapter uses the Stepwise Discriminant Analysis to identify variables that differentiate two groups of organizations. Those firms with low levels of export strategy adaptations will be compared to those with high levels of adaptations and those forms with low levels of export performance will be contrasted to those with high levels of performance. (Section 3.11 of the Methodology Chapter 3 gives a detailed explanation of Stepwise Discriminant Analysis).

7.2 Firms with low levels of adaptation versus high levels of adaptations

Table 7.1 shows all the 36 variables used to identify ones that differentiated organizations with low levels of strategy adaptations from those with high levels of adaptations.

Table 7.1 All variables included in the discriminant function: adaptation

Var No.	Description	Wilks Lambda	df	sig level
V1	Size of the firm	0.750	1	0.000
V2	Age of the firm	0.795	1	0.000
V3	No of years exporting	0.895	1	0.001
V4	No of years in the Post	0.986	1	0.236
V5	Level of education attained	0.868	1	0.000
V6	Product lifecycle (Local Mkt)	0.819	1	0.000
V7	Product lifecycle (Export Mkt)	0.944	1	0.000
V8	Gross National Product	0.861	1	0.000
V9	Natural Resources	0.794	1	0.000
V10	Climate	0.855	1	0.000
V11	Topography	0.735	1	0.000
V12	Media	0.829	1	0.000
V13	Distribution Channels	0.836	1	0.000
V14	Competition level	0.746	1	0.000
V15	Cultural differences	0.673	1	0.000
V16	Material Culture	0.742	1	0.000
V17	Language	0.736	1	0.000
V18	Aesthetics	0.780	1	0.000
V19	Education and literacy	0.778	1	0.000
V20	Religion	0.761	1	0.000
V21	Attitudes and values	0.650	1	0.000
V22	Social Organization	0.674	1	0.000
V23	Political interference	0.912	1	0.002
V24	Laws (e.g. taxes)	0.730	1	0.000
V25	Import and Export Laws	0.777	1	0.000
V26	Mandatory requirement	0.884	1	0.000
V27	Strategic orientation	0.809	1	0.000
V28	Export Financial Resources	0.753	1	0.000
V29	Long Term Export Planning	0.803	1	0.000
V30	Strategy Implementation	0.845	1	0.000
V31	Organization design	0.796	1	0.000
V32	Management Commitment	0.812	1	0.000
V33	Overseas Experience	0.564	1	0.000
V34	Foreign Culture	0.808	1	0.000
V35	International Business	0.788	1	0.000
V36	Management Flexibility	0.849.	1	0.000

Source: Survey data

7.2.1 Standardized and unstandardized coefficients of key discriminator variables: adaptation

Table 7.2, shows the standardized and unstandardized coefficients of the main discriminator variables for firms with low levels of adaptations and those with high levels of adaptations.

Table 7.2 Standardized and unstandardized coefficients

Var No.	Variable Description	Standardized Coefficient	Unstandardized Coefficient	Mean Low Adaptors	Mean High Adaptors
V21	Cultural values	0.377	0.282	2.07	4.02
V24	Laws (e.g. taxes)	0.392	0.249	1.91	3.80
V27	Strategic orientation	0.408	0.295	2.30	3.63
V32	Overseas experience	0.544	0.393	1.65	3.86
Constant	-3.533				

Source: Survey data

As shown in table 7.2, the following variables were identified as the *main discriminators of firms with low strategy adaptations against those with high strategy adaptations*:

- **Cultural attitudes and values (Variable V21):** The extent to which the organization strongly agreed or disagreed that the attitudes and values of consumers affected the desire by the organization to use standardized export marketing strategies.
- **Legislation (Variable V24):** The extent to which the organization strongly agreed or disagreed that the laws introduced by the host country affected the desire by the organization to use standardized export marketing strategies.

- **Strategic orientation (Variable V27):** The extent to which the organization agreed or disagreed that nationality is not important in selecting individuals for managerial positions.
- **Management's overseas experience (Variable V32):** The degree of management training in international business.

Table 7.2 also shows the mean scores for organizations with low levels of strategy adaptations and those with high levels of adaptations. The mean scores for those with higher adaptations were greater than the mean score of those with lower strategy adaptations across all the four discriminators. For example the mean score for low adapters corresponding to cultural values is 2.07, which is lower than that for high adaptors for the same variable (4.02).

7.2.2 Relative importance of the discrimination variables: adaptation.

Table 7.3 indicates the "Relative Importance" of each of the variables in discriminating between the two groups. The calculations were based on Green et al (1988) as cited in the Ogunmokun and Ng (2004) Relative Importance Model.

The data revealed that some variables contributed more to the discriminating function compared to others.

Table 7.3 Relative Importance of the discrimination variables

Var No.	Variable Description	Standardized Coefficient	Unstandardized Co-efficient	Differences in Group Means ($X\hat{j}$ 1 -$X\hat{j}$ 2)	Importance Value ($I\hat{j}$)	Relative Import Values ($R\hat{j}$)
V21	Cultural values	0.377	0.282	1.95	0.5499	24.1%
V24	Legislation	0.392	0.249	1.89	0.4706	20.6 %
V27	Strategic orientation	0.408	0.295	1.33	0.3924	17.2 %
V32	Overseas experience	0.544	0.393	2.21	0.8685	38.1 %
Total					2.2814	100 %

Source: Survey data

Wilks Lambda = 0.413 $p < 0.001$

Canonical Correlation = 0.766

Eigenvalue = 1.421

Correctly classified = 84.8%

Chi Square = 89.3 df = 4 p = 0.000*

The following is the *order of the four variables differentiating firms with low levels of adaptation from those with high levels of adaptation*:

1. Management's overseas experience (38.1 percent)
2. Strategic orientation (17.2 percent)
3. Cultural values and attitudes (24.1 percent)
4. Legislation (20.6 percent).

A **canonical correlation** coefficient of 0.766 implies that there is a substantive relationship between firms with low levels of strategy adaptations and those with high levels of strategy adaptations and the discriminant function. This measure indicates the degree of association between the groups and the discriminant function. A coefficient of zero means that there is no relationship, while large positive numbers represent increasing degrees of association with 1.0 being the maximum.

The **Wilks Lambda** of 0.413 is statistically significant at 0.001 level showing that the variables included in the model are significant discriminators between low strategy adapting organizations and high adapting ones. In addition, the rate of correct classification, which is 89.3 percent, shows that a considerable amount of the discriminatory function is accounted for by the above four variables.

The Chi square value of 89.3 with 4 degrees of freedom is significant at 0.000 showing that the probability of getting these results by chance is zero. The above variables are described and discussed further below:

- **Overseas experience of management**

The overseas experience of management, that is, having lived or worked abroad had the highest contribution of 38.1 percent to the discriminatory power of the function. Respondents were asked to rate the level of their overseas experience on a five point interval scale ranging from 1 “none” to 5 “substantial”. Having little or no overseas experience was cited more frequently (81.4 percent) by organizations with low levels of adaptations compared to those with high levels of adaptation (18.6 percent). The mean score for firms with high levels of adaptation corresponding to this variable was significantly higher than that of those with low levels of adaptation.

- **Cultural values and attitudes**

This was the second most powerful variable discriminating firms with low levels of export strategy adaptation and those with high levels of adaptation. This factor accounted for 24.1 percent of the total discrimination. Respondents were asked to indicate the extent to which they felt that cultural values and attitudes affected their endeavors to standardize marketing strategies (on a five point interval scale ranging from 1 “Strongly disagreed” to 5 “Strongly agreed”). Disagreement that cultural values and attitudes were an obstacle to the endeavors to standardize was cited more frequently by those with low levels of adaptation compared to those with high levels of strategy adaptation. This means that firms that are likely to adapt their export marketing strategies are those operating in an environment in which they face resistance related to attitudes and values of consumers if they want to sell a standardized product.

- **Political and legal factors.**

The third variable differentiating the low and high export strategy-adapting firms is related to the legal and political situation.

Respondents were asked whether they disagreed or agreed that the legislation in the export market was an obstacle to standardization on a five-point interval scale ranging from 1 “Strongly disagreed” to 5 “Strongly agreed”. The variable accounted for 20 percent of the total discrimination.

About 75 percent of the respondents that disagreed with the statement that this was an impediment for the firm were those with low levels of adaptation while 25.0% were those with high levels of strategy adaptation. The result shows that firms that are likely to adapt their export marketing strategies are those operating in an environment in which they face laws making it difficult to successfully sell a standardized product (Raven 1994).

- **Strategic Orientation of the Company**

Another factor, contributing towards the discrimination function, is the extent to which organizations strongly disagreed (on a five-point interval scale ranging from 1 “Strongly disagreed” to 5 “Strongly agreed”) that nationality, is not important in selecting individuals for managerial positions. This factor accounted for 17.2% of the total discriminating power. Disagreeing with the statement that nationality is not important in the selection of individuals was cited more frequently by organizations with low levels of adaptation compared to those with high levels of strategy adaptation.

7.3 Low levels of export performance versus high levels of performance

Table 7.4 shows all the 36 variables used to identify the ones that differentiated organizations with low levels of export performance from those with high levels of performance.

Table 7.4 All variables included in the discriminant function: performance

Var No	Description	Wilks Lambda	df	sig level
V1	Size of the firm	0.736	1	0.000
V2	Age of the firm	0.810	1	0.000
V3	No of years exporting	0.886	1	0.000
V4	No of years in the Post	0.998	1	0.670
V5	Level of education	0.980	1	0.149
V6	Product lifecycle (Local mkt)	0.941	1	0.013
V7	Product lifecycle (Export Mkt)	0.913	1	0.002
V8	Gross National Product	0.965	1	0.057
V9	Natural Resources	0.966	1	0.058
V10	Climate	0.957	1	0.033
V11	Topography	0.957	1	0.034
V12	Media	0.925	1	0.005
V13	Distribution Channels	0.926	1	0.005
V14	Competition level	0.914	1	0.002
V15	Cultural differences	0.939	1	0.011
V16	Material Culture	0.955	1	0.030
V17	Language	0.949	1	0.021
V18	Aesthetics	0.923	1	0.004
V19	Education and literacy	0.954	1	0.027
V20	Religion	0.967	1	0.064
V21	Attitudes and values	0.937	1	0.010
V22	Social Organization	0.929	1	0.006
V23	Political interference	0.997	1	0.567
V24	Legislation	0.935	1	0.009
V25	Import and Export Laws	0.836	1	0.000
V26	Mandatory requirement	0.960	1	0.040
V27	Strategic orientation	0.906	1	0.001
V28	Export Financial Resources	0.734	1	0.000
V29	Long Term Export Planning	0.719	1	0.000
V30	Strategy Implementation	0.702	1	0.000
V31	Organization design	0.748	1	0.000
V32	Management Commitment	0.720	1	0.000
V33	Overseas Experience	0.855	1	0.000
V34	Foreign Culture	0.739	1	0.000
V35	International Business	0.736	1	0.000
V36	Management Flexibility	0.823.	1	0.000

Source: Survey data

7.3.1 Standardized and unstandardized coefficients

Table 7.5, below shows the standardized and unstandardized coefficients of the main discriminator variables for the firms with low levels of adaptations against those with high levels of adaptations**.**

Table 7.5 Standardized and unstandardized coefficients: performance

Var No.	Variable Description	Standardized Coefficient	Unstandardized Coefficient	Mean Level of adaptation low	high
V1	Size	0.571	0.341	2.73	4.85
V5	Level of education	-0.325	-0.331	4.08	4.38
V9	Natural Resources	-0.556	-0.307	2.77	3.50
V12	Media	0.919	0.582	2.61	3.56
V15	Cultural differences	-0.501	-0.288	2.65	3.59
V16	Material Culture	-0.449	-0.287	2.96	3.68
V23	Political interference	-0.423	-0.291	2.38	2.21
V27	Strategic orientation	0.395	0.270	2.62	3.62
V30	Strategy Implementation	0.762	0.586	2.27	4.06
V35	International Business	0.583	0.449	2.62	4.26
Constant		-1.995			

Source: Survey data

In contrast to table 7.2 that highlighted four variables for adaptation, Table 7.5 shows the following **10 variables** that were significant discriminators based on the standardized coefficients for performance:

Size of the firm (Variable V1): This was measured using the number of employees.

Level of education (Variable V5): This was measured using an interval scale ranging from low levels of education to higher levels of education**.**

Economic factors (Variable V9 and V12): This relates to the extent to which respondents agreed or disagreed that the availability of economic services such as the media and natural resources affected the efforts by the organization to standardize export marketing strategies.

Cultural factors (Variable 15 and V16): As measured by the extent to which cultural differences (including material culture) affected the efforts of the organization to standardize marketing strategies.

Political and legal factors (Variable V23): The extent to which respondents agreed or disagreed that the organization faced legislative constraints imposed by the host country in its endeavors to standardize its marketing strategy.

Strategic orientation (Variable V27): The extent to which respondents agreed or disagreed (on a five point interval scale ranging from 1 "Strongly disagree" to 5 "Strongly agree") that "*Nationality is not important in selecting individuals for managerial positions*".

Strategy implementation (Variable V30): The extent to which respondents agreed or disagreed (on a five point interval scale ranging from 1 "Strongly disagree" to 5 "Strongly agree") that there was substantial amount of strategy implementation in the organization that is as shown by activities like monitoring, directing, evaluation and rewarding of the export venture.

Experience and training in International Business (Variable V35): The extent to which organizations had (on a five-point interval scale ranging from 1 "None" to 5 "Substantial") experience and training of the people involved in the main export venture.

7.3.2 Relative importance of the discrimination

Table 7.6 shows the relative importance of the discrimination variables for firms with low levels of export performance and those with high levels of performance. The calculations are based on Green et al (1988) as cited by the Ogunmokun et al 2004) Relative Importance Model. As shown in table 7.3.3, some variables contribute more to the discriminating function compared to others.

Table 7.6 Relative Importance of the discriminating variables: performance

Var No.	Variable Description	Standardized Coefficient	Unstandardized Co-efficient	Differences in Group Means (Xĵ 1 -Xĵ 2)	Importance Value (Iĵ)	Relative Import Values (Rĵ)
V1	Size	0.571	0.341	2.12	0.723	17.29%
V5	Level of education	-0.325	-0.331	0.3	0.099	2.37%
V9	Natural Resources	-0.556	-0.307	0.73	0.224	5.36%
V12	Media	0.919	0.582	0.95	0.553	13.22%
V15	Cultural differences	-0.501	-0.288	0.94	0.271	6.47%
V16	Material Culture	-0.449	-0.287	0.72	0.207	4.94%
V23	Political interference	-0.423	-0.291	0.17	0.049	1.18%
V27	Strategic orientation	0.395	0.270	1	0.270	6.46%
V30	Strategy Implementation	0.762	0.586	1.79	1.049	25.09%
V35	International Business	0.583	0.449	1.64	0.736	17.61%
Total				181		100 %

Source: Survey data

Wilks Lambda = 0.401 $p < 0.001$

Canonical Correlation = 0.774

Eigenvalue = 1.496

Chi Square = 89.659 df = 10 p= 0.000

Correctly classified = 93.3%

According to table 7.6 the ***order* of the variables** that differentiated firms with low levels of performance from those with high levels of performance was as follows:

1. Strategy implementation (25.09 percent)
2. Experience in International Business and Training (17.61 percent)

3. Economic infrastructure (natural resources and media availability combined) (18.58 percent)
4. Size of the firms (17.29 percent)
5. Cultural difference and material culture combined (11.14 percent)
6. Strategic orientation (6.46 percent)
7. Level of education 2.37 percent
8. Political Interference (1.1 percent)

A **canonical correlation coefficient** of 0.774 implies a strong relationship between firms with low levels of export performance and those with high performance and the discriminant function. This measure indicates the degree of association between the groups and the discriminant function. A coefficient of zero means that there is no relationship, while large positive numbers represent increasing degrees of association with 1.0 being the maximum.

The reported **Wilks Lambda** of 0.401 is statistically significant at 0.00 level showing that the variables included in the model are good discriminators between low performing organizations and high performing ones. In addition, the **rate of correct classification**, of 93.5 percent, shows that a considerable amount of the discriminatory function is accounted for by the above variables.

The Chi square value of 89.659 with 10 degrees of freedom is significant at 0.000 showing that the probability of getting these results by chance is zero.

The above variables are discussed in detail in sections below.

- **Management commitment to strategy implementation**

The commitment of management to strategy implementation was found to be one of the main factors for the success of some Zimbabwean firms. This factor contributed 25.09 percent to the discrimination factor.

Respondents were asked to indicate the extent to which they disagreed or agreed that there was substantial amount of strategy implementation as indicated by activities like monitoring, directing, evaluating and rewarding of the export venture. The majority of those strongly disagreeing with this were mainly low export performers.

- **Management experience and training**

The degree of management experience and training is the second most important factor which contributed 17.61 to the discriminating function.

Respondents were requested to indicate how they would rate (on a five point interval scale ranging from 1 "none" to 5 "substantial") the experience and training of the people involved in the main export venture. Low export performers compared to high export performers indicated little or minimal management training in international business more frequently. This means that highly successful firms are those that provide relevant international business training to their staff and management.

- **Economic infrastructure**

The extent of availability of economic services like the media and natural resources played an important role in terms of contribution to the discriminating function (18.58 percent). Respondents were asked to indicate the extent to which the following economic factors affected their endeavors to standardize marketing strategies, that is the availability of natural resources and requisite media. Most managers from the low export performers strongly disagreed that natural resources and media availability were obstacles to standardization compared to those of high export performers.

- **Size of the firm**

The size of the firm contributed 17.29 % to the discriminating function. Most low export performers were small firms that employed less than 100 workers.

- **Cultural differences**

The fifth factor in the discrimination function relates to the extent the organization encountered problems in relation to differences in culture in general and material culture in particular. It contributed 11.14 percent to the discrimination function.

Respondents were asked to indicate the extent (on a five point interval scale ranging from 1 "Strongly disagree" to 5 "Strongly agree") to which cultural factors including material culture affected their endeavors to standardize marketing strategies. The majority of those who strongly disagreed were the low export performers compared to high performers. This shows that highly successful firms are those that agreed that culture was an obstacle to the endeavors to standardize the product.

- **Company's strategic orientation**

According to Perlmutter (1986) the general strategic orientation of an organization may be ethnocentric (home country oriented), polycentric (host-country oriented), regiocentric (regional-oriented), and geocentric (international-oriented).

Respondents were asked the extent (on a five point interval scale ranging from 1 "Strongly disagree" to 5 "Strongly agree") they disagreed or agreed that "*Nationality is not important in selecting individuals for managerial positions*". This variable accounted for 6.46 percent of the total discrimination. Disagreeing that nationality is not important in selecting individuals was cited more frequently by organizations with low levels of performance compared to those with high levels of performance. This means that an organization that is likely to perform well in the international market is the one with a polycentric or an international outlook.

- **Level of education**

The level of education contributed 2.37 percent to the total discrimination function. Respondents were asked to indicate the highest level of education they attained as measured using an interval scale ranging from primary education up to a university degree. Low levels of education were cited more frequently by low performing organizations compared to highly performing ones.

- **Political Interference**

The extent to which the organization faced political interference in its endeavors to standardize its marketing strategy was also another discrimination factor accounting for up to 1.1 percent of the total discriminating power. Strongly disagreeing that political interference was an obstacle to standardize was cited more frequently by low export performers compared to high export performers. This means that highly successful firms are those that employed managers who could observe that political interference was an obstacle to the endeavors to standardize the product.

7.4 Summary

This Chapter has presented the *four* variables that discriminated between firms using low **export strategy adaptations** from those using high strategy adaptations. These are as follows:

- Management’s overseas experience,
- Strategic orientation,

- Cultural factors
- Legislation.

It also presented the *ten* variables that discriminated between firms that recorded low **export performance** from those that recorded high export performance. These are as follows:

- Strategy implementation,
- Experience in international business and training,
- Economic infrastructure
- Size of the firm
- Cultural differences and material culture,
- Strategic orientation,
- Level of education,
- Political interference.

The above results are discussed further in chapter 8. The discussion compares these results with the other previous studies. The implications on management, limitations and recommendations for future studies are also summarized under chapter 8.

Chapter 8

Discussion, Conclusion and Recommendations

8.1 Introduction

The purpose of this chapter is to discuss and consolidate the results described and presented in chapters 4, 5, 6 and 7. It presents a discussion of the results with reference to previous literature and the empirical evidence from other countries covered under Chapter 2. It draws the main conclusions and implications for management, indicating limitations and recommendations for the future. Motivated by the poor export performance by Zimbabwean companies, the significance of exports as a source of foreign currency, and the lack of understanding of export practices, the main objective of the study was to explore how adaptations of export marketing mix strategies improved export performance in Zimbabwe. An exploratory research design was used involving a survey of 105 exporters (see Chapter 3) to identify whether (a) there are significant differences between firms with low levels of strategy adaptation and those with high levels of adaptations or (b) there are significant differences between firms with low levels of performance and those with high levels of performance.

Comparisons were made in terms of the following factors:

- The organizational profile
- The respondents profile
- The product-market export venture (e.g. type of product exported, industry, major export market)
- Economic
- Cultural
- Commitment

- Political and legal
- Export experience and training.

8.2 Variables that explain whether firms with high levels of export strategy adaptations differed significantly with those with low levels of strategy adaptations:

Chapter 5 explored whether exporters with high levels of export strategy adaptations differed significantly from those with low levels of strategy adaptations in terms of the factors listed in section 8.1. The findings contained in Chapter 5 are discussed below:

8.2.1Organizational profile and strategy adaptation:

The chapter concluded that adaptation practices could be related to firm size, age, experience and ownership. The majority of the firms with low levels of adaptation practices were small (i.e. employed less than 100 people) compared to large ones. The result compares with previous studies (Brouthers & Brouthers 2001; Lefebvre & Lefebvre 2001; Sterlacchini 2001), which showed the existence of significant differences between firms with high levels of strategy adaptation and those with low levels of strategy adaptations with regards to size.

For Zimbabwe, the following are the possible reasons large local firms predominantly used high export strategy adaptations compared to smaller ones:

Firstly, adaptation is very expensive which means that large firms that have more resources at their disposal have a higher probability of adapting compared to smaller ones (Katsikeas 1994). Daniels (1994), Fafchamps, Pender and Robinson (1995) have concluded that large Zimbabwean firms are better resourced than smaller ones since they can easily access credits from the financial intermediaries. They pointed out that Zimbabwean bankers tend to shy away from the high costs and high-risk borrowers which are usually the small firms. Preference is given to large, established and profitable businesses.

Secondly, large firms are more likely to access new technology necessary for labeling and packaging adaptations (Gunning & Mumbengegwi 1995). The resources at their disposal assist them enter into strategic partnerships with foreign technological-based partners and thereby acquire the requisite technology for adapting products. This cannot be done by most of the small firms. Likewise, small firms in Zimbabwe face serious problems of acquiring relevant technology needed for production (Hoogenveen & Mumvuma 2000).

It was also observed in this study that more foreign-owned firms used high strategy adaptation compared to local ones**.** This is consistent with the findings by Naidu and Prasad (1994) and Madsen (1989), which showed that foreign-owned firms understand better the requirements of the foreign markets compared to local ones. It is for example, easier for a European multinational firm which is locally based to adapt its products to the requirements of the European markets compared to a locally- owned one (CTA 1994).

It was also observed that a higher percentage of highly experienced firms used adapted strategies. This is consistent with findings by Aaby and Slater (1989), Burton and Schegelmilch (1987) and Cavusgil and Noar (1987) who emphasized that knowledge and experience gained by an organization overseas generates a better understanding of the export market. Bigger firms usually have more experience and long term-acquired technical and management skills necessary to understand the importance of export strategy adaptation.

8.2.2 Product-Export Market Venture and Strategy Adaptation:

Chapter 5 showed that the product type and its life cycle in the local and export markets are related to export strategy adaptation. It was shown that local industrial goods are more likely to be standardized in the export markets than consumer goods. This is consistent with the findings by Avlonitis and Gounaris (1997) and Parasuraman (1983) who observed that firms selling industrial goods used more standardized strategies compared to those exporting consumer goods. In this study, out of 38 firms that exported industrial goods, 26 of them used standardized strategies. This showed that most industrial goods from Zimbabwe are likely to be exported using standardized export marketing strategies. The few companies that used adapted strategies for industrial goods could have done so just to comply with mandatory requirements usually associated with industrial goods such as electrical equipment (Kumar & Sagib 1994).

The product life cycle, also showed that more Zimbabwean firms at the "maturity stage" both in the local and export markets, adapted their strategies compared to those at the "introductory stage". This is reinforced by the traditional approach of the internationalization process where a firm slowly and gradually adapts to the environmental conditions prevailing in the market (Bilkey & Tesar 1977; Czinkota 1982; Johanson & Vahlne 1977; Miller & Friesen 1984). It has been observed that during the formative years, Zimbabwean firms choose to deal with markets that are similar to local practices and hence tend to use standardized marketing strategies (Humphrey 1998). However this is in contrast to the recent innovation theory, which says that even at the formative stages, firms can also adapt strategies because of the emergence of key information and communication technologies like the Internet, which allow for quick market information retrieval (McDougall & Oviatt 2000; Quelch & Klein 1996). Also, in the presence of other factors like a management with a strong international outlook, a firm can still use adapted strategies in the formative stages (Knight 1997; Madsen & Servais 1997). In addition, it may also be difficult for "mature" companies to adapt because they have to un-learn old routines before they can learn new ones, which can facilitate adaptation (Knight 1997). Information technology can therefore be used to adapt strategies in the early stages.

8.2.3 Economic factors and strategy adaptation:

Chapter 5 showed that adaptation practices are related to economic factors. The majority of firms that adapted strategies did so because they had encountered economic obstacles to standardize. These included differences in the gross national product, natural resources, topography, media and distribution channels and levels of competition. Likewise, Green (1982), Kotler (1996), Madsen (1989), Naidu and Prasad (1994) and Porter (1985) emphasized the linkage between export strategy adaptations and economic factors. The effect of the economic factors on Zimbabwean firms is discussed below:

Zimbabwe has been going through an economic decline averaging 4 % since 2000 characterized by the scarcity of foreign currency, high cost of borrowing and hyperinflation, a battered country image and low investments (Reserve Bank of Zimbabwe 2005). This affected the competitiveness of the country with regards exports (Fiscu 2001). However, the best way to achieve competitive advantage is to operate in a less competitive market environment, which can allow the use of standardized export strategies. The more intense the competition in the foreign market, the more the tendency to adapt the pricing strategy (Cavusgil & Zou 1994; Jain 1989). The study showed that the majority of the firms that adapted their strategies did so because they faced competitive obstacles to standardize. Organizations operating in highly competitive environments are forced to closely monitor activities of competitors and appropriately adapt their activities to in order to remain viable (Cadogan, Diamantopoulos & Siguaw 1999). Competitive pressures forced firms to reduce either prices or adapt products to meet specific requirements of the customers and to distinguish their products so as to gain competitive advantages over others.

Firms tend to adapt more of their strategies in developed markets, mainly to meet the needs of the affluent, sophisticated and educated consumers. European and South African markets are some of the key markets targeted by the Zimbabwean exporters. Given the observation by Sagib (1994) that adaptation increases with the economic well being of the market and its consumers, it was necessary for most Zimbabwean companies to adapt due to the difficulties they could have encountered if they were to use standard approaches in these more developed and sophisticated markets.

Another issue that could have made it difficult for Zimbabwean companies to use standardized marketing approaches, is that of differences in the availability and cost of advertising infrastructure such as the media (Jain 1989). Given differences regarding this, Zimbabwean firms had to come up with adapted ways of informing the buyers. A significant proportion of the firms in the study that used adapted strategies did so because they faced obstacles related to the availability of the media in the export market. The findings weaken the argument by Levitt (1983) and Jain (1989) that there is availability worldwide of information, TV and films, telecommunication and printed media.

In some African countries such as the Democratic Republic of Congo transport infrastructure was destroyed by civil strife (Fiscu, 2001). Any exporter to such a country is likely to face obstacles related to increased cost of freight to and from the main centers. A significant proportion of the firms in the sample with high levels of strategy adaptation strongly agreed that they faced obstacles related to distribution in their endeavor to standardize their strategies. It is therefore important to identify these obstacles and deal with them rather than be ignorant about them or pretend they do not exist. In the SADC region, Zimbabwean exporters can easily deal directly with retailers to distribute their goods but in the European markets because of the distance, it is necessary to adapt and market through brokers/middlemen. The long distance and associated high transport costs make it important for exporters to sell products, which are less bulky and of high value as they will be more competitive compared to bulky and low value products.

Because of the above economic constraints, it is not proper for Zimbabwean exporters wishing to standardize the marketing strategy in the foreign market to do so without a proper assessment of the impact. Instead it is important to appreciate the differences that exist and employ dynamic rather than static strategies.

8.2.4 Cultural factors and the adaptation strategy:

It was shown in Chapter 5 that adaptation practices are related to cultural factors, and these include general cultural differences, material culture, language, aesthetics, education and literacy, religion, attitudes and values and social organization. The majority of the firms that adapted strategies agreed that they did so because of cultural differences in the export markets. For example Mauritius which is one of the export destinations for Zimbabwean goods is made up of different religious groups such as Hindus and Muslims, with different tastes and consumption patterns as compared to Zimbabwe. Exporters could therefore face cultural problems when exporting to that country and this may necessitate strategy adaptation (Albaum, Strandskov & Duerr 1998; Dubois 1990; Hornik 1980). The majority of the firms that adapted their strategies in the study strongly agreed that they faced material culture in their endeavors to standardize their strategies. Other studies have also found that the levels of strategy adaptations differ in line with differences in values and social organizations (Dubois 1990). Based on the above results, it is therefore advisable that Zimbabwean firms adapt their strategies in order for their products to get positive perceptions in foreign markets.

The cultural background of the advertiser can affect the message form based on the cultural background of the recipient. This issue is linked to different languages used across countries. The majority of the firms that used an adapted strategy strongly agreed that they faced obstacles related to language in their endeavors to use a standardized approach. Education, literacy levels and languages have some implications with regards to the presentation of advert themes. When Zimbabwean firms are exporting to a French speaking country, it is necessary for them to use the French language as much as possible. This has the advantage of conveying the message better leading to product acceptance (Eriksson et al 2000).

Because of the above cultural constraints, it might not be appropriate for Zimbabwean exporters wishing to standardize the marketing strategy in foreign markets to do so without an extensive assessment of the impact. Instead it is important to appreciate the differences that exist and employ dynamic rather than static strategies.

8.2.5 Political/Legal factors and the Adaptation Strategy

The majority of the firms that adapted their strategies strongly agreed that they encountered mandatory requirements in their endeavors to use standardized strategies. Some of the problems encountered were related to import and export laws. The results compare well with the findings by Tremeche and Tremeche (2003) who discovered that Japanese companies, when exporting into the Arab market encountered cumbersome mandatory legal and administrative procedures, tariff and non-tariff barriers. This problem is linked to the different levels of regional integration and cooperation among various regions and countries across the world. Even within regions such as the Common Market for Eastern and Southern Africa (COMESA) and South African Development Community (SADC) to which Zimbabwe belongs, exporters still face legal difficulties related to import and export restrictions, travel visa requirements, strict work permits, high rate of protection, lack of transparency, corruption and bad governance (Fiscu 2001). Other regional blocs such as the European Union (EU) have their own mandatory requirements mostly with regards to product quality standards including the type of ingredients used, labeling and packaging requirements, rules of origin and EU safety standards (CTA 1994). These requirements are normally an obstacle to standardization. It is therefore not surprising that Zimbabwean companies in their endeavors to standardize their strategies regarded these as the biggest legal obstacle.

Political interference has been cited as a major problem in export markets (Raven 1994; Robertson & Wood 2000). However for Zimbabwe, only a few of the companies that adapted their strategies gave political obstacles as the hindrance in their use of standardized strategies. This could be explained by the fact that few Zimbabwean companies exported to more politically unstable regions.

8.2.6 Commitment to the Export Venture and export strategy adaptation

It was discovered in the study that most companies that adapted their strategies strongly agreed that they were committed to the export venture. As discussed previously, commitment is linked to the strategy adaptation (Cavusgil & Zou 1994; Castaldi, Sengupta & Silverman 2000; Lages & Melewar 2001; Ogunmokun and Wong 2004). For Zimbabwean firms, the relationship that existed between high adapters and commitment could be explained as follows:

Firstly, by allocating more resources towards the export venture firms are able to fund their strategies. Up to 74.5 % of the firms that used high levels of adaptation strongly agreed that they allocated more of production, financial and managerial resources towards the export venture. This is supported by previous evidence that managers committed to the organization are more willing to put in extra work (Aaby & Slater 1989; Etzioni 1975). The additional resources provided allows exporters to improve the depth of planning procedures in terms of market research and market analysis and thus make it easy for the implementation of adapted marketing strategies (Cavusgil & Zou 1994). Adequate planning and resource commitment reduces uncertainty and the marketing strategy is implemented effectively.

Firms with managers who are committed are likely to be characterized by optimism, enthusiasm, intuition, curiosity and unlimited thinking. More than half of the firms that used highly adapted strategies strongly agreed that they were also good at implementing their strategies. The link between commitment, implementation and strategy adaptation is very important for Zimbabwe given the fact that, the country has been known to produce good plans without any follow up (Reserve Bank of Zimbabwe 2005).

8.2.7 Training, experience and strategy adaptation

Managers with the relevant experience are more likely to adapt marketing strategies than those with less experience. Most of those firms that used highly adapted strategies had substantial experience and training in international business. This is consistent with previous studies (Ogunmokun and Ng2003; Lages and Montgomery 2001) that identified knowledge as being among the most important factors that influenced the extent of strategy adaptations. The lack of knowledge of foreign operations is one of the obstacles to the decision-making process with regards to adaptation of the export marketing strategy.

Overseas experience enabled the firms to adapt because it made it easier for the exporter to identify the idiosyncrasies in the export markets, develop an appropriate marketing strategy and execute it effectively. Understanding international marketing issues is normally seen as complex by the less experienced managers, (Cavusgil & Zou 1994) largely because they lack the required depth of knowledge of export markets and international operations (Loueter e tal 1991). The international experience helps the organization identify international opportunities as well as threats (Madsen 1989). Lages and Montgomery (2001) in their investigation of Portuguese firms discovered that international experience was positively linked to price adaptation. Reid (1989) also observed that factors like the ability to speak foreign languages, frequency of foreign trips and the levels of education affected the degree to which firms adapted their strategies.

8.2.8 Export performance and strategy adaptation

It was reported earlier that out of the 54 firms that used low strategy adaptation, the majority performed poorly. This shows that low strategy adaptation is significantly associated with low performers. This observation is in line with evidence from previous studies (Aaby & Slater 1989; Albaum, Strandskov & Duerr 1998; Cavusgil

& Zou 1994; Lages & Montgomery 2001; Ogunmokun & Wong 2004). On the other hand the findings weaken the argument by proponents of standardization such as Levitt (1983) who associated performance with standardization because of cost savings and better marketing process. However, it can be said that some commodities cannot be successfully sold in the export market in a standardized form because they would not satisfy foreign consumer needs and preferences. Adaptation must however be made according to the specific needs of a country which might be unprofitable in some markets if the product quality is poor (Burton & Schegelmilch 1987). This indicates that adaptation on its own is not an automatic solution. Possible reasons why adaptation improved performance are as follows:

Firstly, labor is cheap and available in Zimbabwe and this gives it a price comparative advantage compared to other countries in the SADC region (Humphrey 1998). This means that there is scope of adapting the price mix upwards while remaining competitive within the region. The pricing strategy can therefore be set according to customer demand and still be able to cover the production and marketing costs (Leonidou et al 2002; Loueter e tal et al 1991).

Secondly, supporting a distributor leads to a long-term relationship with the exporter, which results in mutual trust and a smooth export channel thereby promoting export sales. Strengthening export channels helps the firm implement the export market strategy more effectively (Cavusgil & Zou 1994). In the SADC region, Zimbabwean companies may manage to use their own distributions systems because of proximity. However they may need to adapt in areas further away from home such as the EU markets. This is consistent with findings by Beamish et al (1993) who reported that Canadian exporters that adapted their distribution strategies performed well.

8.3 Variables that explain whether firms with high levels of export performance differed significantly with those with low levels of performance:

Chapter 6 explored whether exporters with high levels of export performance differed significantly from those with low levels of strategy adaptations in terms of variables similar to the ones used in Chapter 5, namely:

- The organizational profile
- The respondents profile
- The product-market export venture (e.g. type of product exported, industry, major export market)
- Economic
- Cultural
- Commitment
- Political and legal
- Export experience and training.

The findings are discussed below:

8.3.1 Organizational Profile and Export Performance

The study found significant differences in the levels of performance between large and small firms. A significant proportion of the firms that performed well were the large ones compared to smaller ones. Aaby and Slater (1989) and Phillip & Wickramasekera (1995) are some of the authors who observed significant differences between firms with higher levels of performance from those with lower levels of performance with regard to sizes. Large firms performed better than smaller ones possibly because of the following factors:

Firstly, large firms engage in different but related production activities thus taking advantage of economies of scale and scope by incurring joint costs in production (Daniels 1994). Fafchamps, Pender & Robinson (1995) showed that large local firms have more opportunities in terms of financial, managerial and marketing resources than smaller ones. It is therefore possible that the poor performance by small firms in Zimbabwe is linked to shortages of working capital (Evangelista 1994). It has been seen that it was difficult for small-to-medium firms employing less than 100 workers to get bank financing (Jan and Gunning 1994), whilst it was almost automatic for large Zimbabwean firms to get funding. With enough capital, it can be said that large local firms are able to generate export market intelligence, implement efficient and rapid information dissemination and utilize effective decision support systems (Crick et al 1994). Based on the above information, it can be concluded that in order to perform well in the export market, firms must aspire to grow big so as to take advantages associated with largeness or size.

However, some small firms can be successful despite their smallness. This success is linked to strategy adaptation discussed previously. Small firms using adapted strategies can perform better than large ones that use standardized strategies (Lefebvre &Lefebvre 2001; Das 1994; Moen 1999). This observation shows that size on its own does not necessarily mean success as other factors like the export strategy also affect performance. Lefebvre and Lefebvre's (2001) supported the above observation by saying that size may be important in the first stages of internationalization but not thereafter. What is important is not the absolute, but the relative size of the firm.

The result of the age of the firm is similar to that of size, in that older firms performed better compared to younger firms in the export market. Likewise Soderbom (2004) and Das (1994) showed that when firms are in their infancy, the likelihood of export success increases relatively rapidly with age. However, this is up to a certain point since as they get older, the exports-age-profile relationship flattens out, reaches a maximum and starts to fall. This probably explains why some old firms in the sample performed badly compared to new ones. This observation is in line with the observation that young companies achieve better international success because of their ability to be innovative and flexible compared to older companies.

The results showed that more locally-owned firms did not perform well compared to foreign-owned ones. This is not surprising in the Zimbabwean context given the fact that foreign-owned firms have the same characteristics as big firms. Multi national enterprises are generally expected to export more since they enjoy certain benefits not available to locally-owned ones. These benefits include the following:

- Access to superior production technology, capital, management and marketing competence (Beamish 1993; Beamish & Delios 1997).
- The ability to produce efficiently and the possession of sophisticated international marketing networks that facilitate distribution (Beamish 1993; Wilmore 1992).
- Through economies of scale and the sharing of resources, they also benefit from being part of a multi-branch organization (Dijk 2002).
- The sharing of economic and political risks (Johnson et al 2001).
- High international experience.

In view of the above factors, it can be stated that multi nationals tend to perform better than local ones. In Zimbabwe, foreign-owned firms export larger proportions of their output than domestic-owned ones (Gunning & Mumbengegwi 1995). Given the fact that export success under this part has been partly measured using quantitative aspects of export sales, it is therefore not surprising that the results show more successful foreign-owned firms compared to locally-owned ones.

8.3.2 Product Export Market Venture and Export Performance

Chapter 6 showed that the product life cycle in the local and export markets and its destination is related to export performance. There are significant differences between the firms with low levels of export performance and those with high levels of export performance regarding the nature of the product exported. This means that export performance may not be related to the nature of the product exported. However with regards to product life cycle both in the local and export markets, more firms in the maturity stage compared to those in the introductory stage had high performance levels. The results confirm literature by Bilkey and Tesar (1977), Cavusgil (1980) and Czinkota (1982) who observed that firms performed badly during the formative stages of internationalization compared to during later stages. During the formative stage, they lack adequate financial and human resources to facilitate production and marketing. This restricts the extent to which they can improve export performance.

However, the innovation theory says that regardless of its absolute weaknesses in terms of financial and other material resources (plant, equipment and raw material), a firm may perform well due to other factors like the specialized knowledge possessed by the managers (Hunt 2000; Mahoney 1995). This means that even during the early stages of a product a firm can be a niche player that survives through the limited use of its resources and adapting to the demands of the international marketing environment (Knight, Madsen & Servais 2003).

To support the theory, Australian firms were already exporting a large proportion of their total production within the first two years of operations (Rennie 1993). Similarly Japanese firms have also successfully exported at or near the inception stage of the product (Knight, Madsen & Servais 2003).

Most of the Zimbabwean firms that exported to South Africa did not perform well besides the fact that this is their nearest market. Costs and communications difficulties tend to increase with geographic distance (Dow 2000) and thus it would be expected that the short distance between South Africa and Zimbabwe would reduce cost and make South Africa more profitable than Europe. Wagner (1995) provides a possible explanation by saying that the more distant the market is geographically, the higher the need for more planning by exporters and hence the more likelihood of success.

8.3.3 Economic Factors and Export Performance:

The majority of firms that performed well strongly agreed that they encountered economic obstacles in their endeavors to use standardized marketing strategies. To find out the reasons why those facing economic obstacles performed well, a two-level cross-tabulation analysis was done and it showed a significant relationship between strategy adaptation, economic factors and export performance. This suggests that export performance is related to economic factors through the strategy. The failure by a firm to identify economic obstacles may lead an organization to use weak export strategies resulting in poor performance. It is for this reason that some firms that encountered economic obstacles reacted by adapting and therefore performed well. Lages and Montgomery (2004) suggested that performance improves when there are higher, not lower levels of competition in the export market. In the study most of the high export performers indicated having faced obstacles related to competition in their attempts to standardize. Stiff competitive pressures led firms to increase their marketing orientations by designing innovative export marketing strategies, leading to better performance in the medium to long-term. This is because high competition facilitates self-assessments and re-orientation of their strategies necessary. Likewise, Das (1994) showed that successful exporters operated in turbulent and highly competitive environments.

It can be said that too much competition is a potential threat to success. However understanding the nature and source of the competition is a good starting point to overcome the threat. Firms that adopt this approach are therefore more prepared to find ways of overcoming a problem (Ogunmokun & Ng 2004). This can also mean that the unstable macroeconomic environment in Zimbabwe made managers adopt an entrepreneurial approach to enhance performance as reflected by the success observed among some Zimbabwean despite the local economic hardships. The study showed that most Zimbabwean exporters also faced competitive pressures in their export markets. It is important to note that in 1980, Zimbabwe was an inward looking economy characterized by monopolistic and oligopolistic market structures which discouraged competition (Gunning & Mumbengegwi 1995). However, the introduction of the Economic Structural Adjustment Programme (ESAP) in 1990 resulted in the emergence of more exporting firms and the opening up of the economy to external investors. This resulted in more competition which forced firms to become more innovative for their survival. This innovation involved the use of adapted and dynamic strategies in line with the conditions prevailing in the export markets.

8.3.4 Cultural Factors and Export Performance

The majority of the firms that performed well indicated that they faced cultural differences in their endeavors to standardize marketing strategies. This means that a company facing cultural obstacles is pushed by this to use export adaptation strategies to improve performance, while those not encountering any obstacles may relax and use inappropriate strategies leading to poor performance (Ogunmokun & Ng 2004). Also Lado et al (2004) argued that in order to export successfully, organizations must choose countries at a small psychic distance rather than too distant and exotic ones. This implies that Zimbabwean firms need to understand their export markets in terms of such factors as language, culture, level of education and political systems.

8.3.5 Political and legal factors and Export Performance

The majority of firms that performed well indicated that they encountered obstacles related to import and export laws and mandatory requirements in their endeavors to standardize marketing strategies. Tremeche and Tremeche (2003) also reported that export success was linked to legal factors and mandatory requirements. It is not surprising to get such results for Zimbabwe as any failure to foresee the need to address mandatory requirements will lead to products being denied entry into certain markets. It is in this context that most firms that performed well strongly agreed that they did face these legal mandatory requirements obstacles. They however managed to adapt their strategies accordingly. Ogunmokun and Ng (2004) also showed that firms facing legal problems like the freedom to convert or transfer export proceeds performed well because they were aware of them, and therefore designed appropriate ways to deal with them. In SADC which is the main destination of Zimbabwean exports, investment confidence has been adversely affected by factors such as difficulties to move capital, investment licensing controls, high transaction costs, and corrupt rent-seeking behavior, and travel restrictions, parallel markets of foreign currency, insecurity and uncertainty (CTA 1994; Humphrey 1998).

8.3.6 Commitment and Export Performance

The study showed that most of the firms that showed commitment to the export venture managed to perform well compared to those that were not. This finding is consistent with Cavusgil and Zou (1994) who observed that high management commitment allows a firm to aggressively go after export market opportunities and pursue effective export marketing strategies and thus improve performance. The commitment positively influences performance as it makes managers believe in themselves as well as the export venture. Managers in highly performing export sales organizations are more committed, motivated and team-oriented than those in less effective export sales units (Katsikeas, Leonidou & Morgan 2000).

8.3.7 Experience, Training and Export Performance

Chapter 6 showed the significant relationship between export performance and experience. Most companies that performed well indicated that they had substantial management overseas experience and knowledge of foreign culture obtained through training in international business. Similarly, Aaby and Slater (1989) found that organizations with relatively longer export experiences were more likely to perform better compared to those with shorter ones. A group of Zimbabwean exporters asked in 1994 to indicate why they exported less of their output gave the reason of the lack of export market knowledge or experience (CTA 1994). The following are some of the reasons why experienced firms performed well:

Experience allowed firms to establish good overseas contacts including agents, distributors and networks thus increasing the customer base leading to increased sales (CTA 1994). Also experience and training enables organizations to understand export procedures and documentation and thus avoid costly mistakes, become knowledgeable of the export environment opportunities, threats, and legal requirements on health, safety and product labeling (CTA 1994). Porter (1990) also argued that training and experience allows firms to easily acquire the necessary technology, which is then used to increase productivity and better export performance

Most organizations performing well indicated that they were able to speak foreign languages. This is consistent with findings by Cavusgil and Naor (1987) who observed that factors like knowledge of foreign languages, international orientation and open mindedness are key issues discriminating successful from unsuccessful export ventures.

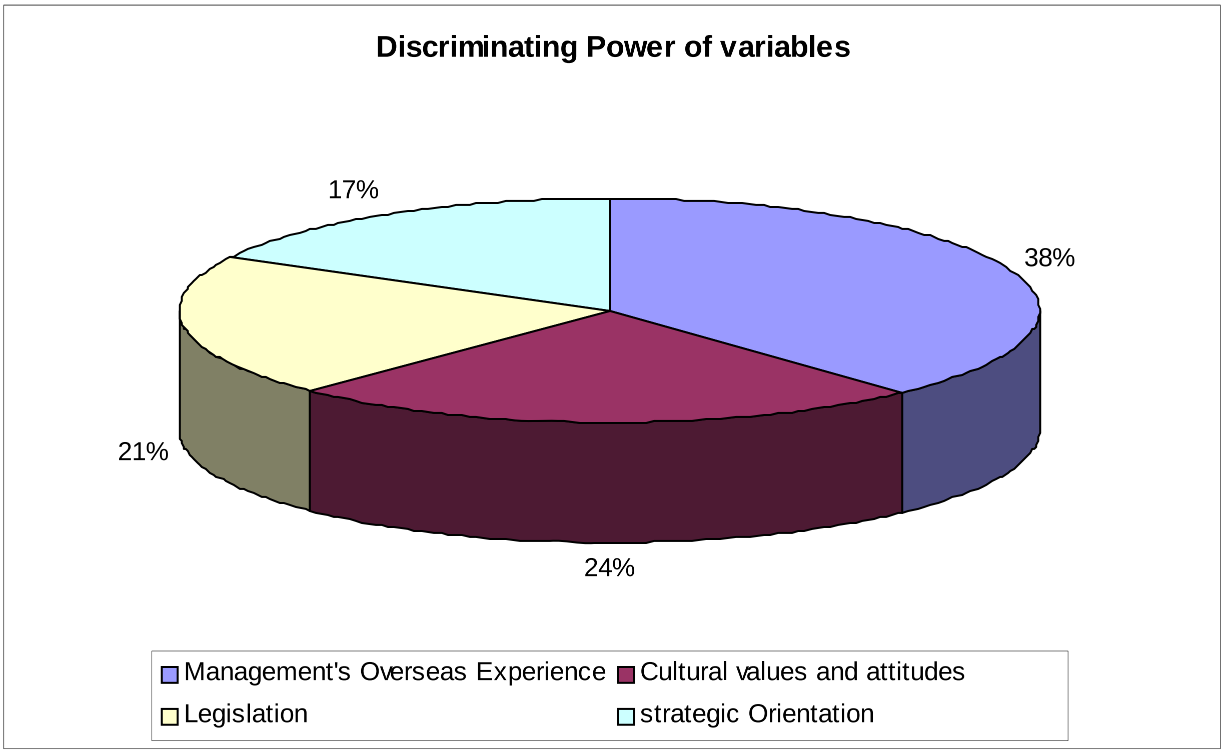
8.4 Factors that discriminate firms using low export strategy adaptations from those using high strategy adaptations

Chapter 7 analyzed factors that discriminate most firms with low export strategy adaptations from those with high export strategy adaptations. Unlike in Chapter 5 in which variables were assessed separately, this approach compared 36 possible discriminators simultaneously in order to determine the ones with the highest discriminatory power.

Of the 36 variables used, only 4 were major discriminators between firms using low export strategy adaptations from those using high strategy adaptations. These are presented below beginning with those with highest discriminatory powers:

- management's overseas experience (38.1 %)
- cultural values and attitudes (24.1 %)
- legislation (20.6 %)
- strategic orientation (17.2 %)

Figure 2: Variables that discriminate firms using low strategy adaptation from those using high strategy adaptation.



The following section discusses each of the variables that contribute most to the discriminatory power.

The overseas experience of management was the most important variable discriminating firms using low strategy adaptations from those using high strategy adaptations. The variable has the largest percentage of the discriminatory function's power. The difference in mean between the low adapters and high adaptors for this variable was higher than for other variables.

The other feature of the variable is that among the 54 firms which used low strategy adaptation only 6 had overseas experience. However, most firms that used high adaptations were highly experienced. The above features show how experience is important in separating the two groups and as such should attract the attention of management more than other variables. The results show that organizations that adapted export marketing strategies had more exposure to overseas markets compared to those that used low strategy adaptations. This is consistent with findings by Lages and Montgomery (2004) and Lages and Jap (2002) who found overseas experience as a key discriminator of firms using low strategy adaptations against those using high strategy adaptations.

The fact that experience has been seen to be the main discriminating variable between those firms that adapt and those that do not is not surprising for Zimbabwe as it has been observed over years (Humphrey 1998; Ndlela 1996; Tekere 2000). The importance of experience as a discriminator lies in the fact that two distinct groups of firms exist in Zimbabwe, i.e. those highly experienced and able to adapt and those with little experience and unable to adapt. Lack of experience by some Zimbabwean firms has its origin to the pre-independence period when the country had inward-looking and protected economy which promoted domestic production and not exports (Mlambo, Pangeti & Phimister 2000). The protectionism discouraged foreign competition. Most companies were satisfied dealing with the local markets because they made sufficient profits to sustain themselves (Humphrey 1998). This environment exposed few companies to overseas experience. The few exporters were those of raw or unprocessed materials and commodities like tobacco, gold and other minerals which are exported using standardized export marketing strategies **(**Avlonitis & Gounaris 1997; Parasuraman 1983**).** In 1980 export of commodities accounted for nearly 70% of the total exports in Zimbabwe (Reserve Bank of Zimbabwe 2005).

A significant number of Zimbabwean firms exported to South Africa only and as such did not have a wider scope of the necessary export market experience. Ndlela (1996) argued that Zimbabwe exports have been affected by an over-reliance on the hitherto captive South African market and thus failed to obtain strategies for the wider regional and international markets. The other shortcomings were the limited public export promotion initiatives to assist firms with export experience through public export promotion schemes (Brooks & Frances 1991; Dalgic 1998). Despite the challenges, some exporters in Zimbabwe still managed to gain experience over years that assisted managers to deal with economic challenges, cultural factors, political and legal factors.

Cultural values and attitudes was the next most important variable discriminating between firms using low strategy adaptation against those using high strategy adaptations. The discriminatory power of cultural factors at 24% was lower than that of experience. The majority of the firms using low strategy adaptations did not face any obstacles related to cultural values in their efforts to standardize strategies. However, a number of those that adapted their strategies faced cultural value obstacles to standardize strategies. This is largely because Zimbabwean exporters deal with the following two distinct destinations with regards culture (a) markets with similar values and attitudes like South Africa, and other SADC countries. These markets do not differ much in terms of values and attitudes and exporters to these markets do not face many cultural obstacles to standardize strategies. (b) markets with different values and attitudes like the Asian countries and other European markets where exporters do face some degree of cultural obstacles to standardize strategies. The results compare well with a study of Australian exporting organizations that showed that aesthetics and material culture were the two most important factors discriminating firms using low levels of adaptation from those employing high levels of adaptation (Ogunmokun & Wong 2004). Zimbabwean firms have to therefore study the cultural factors like values and attitudes and adapt marketing strategies that overcome cultural impediments.

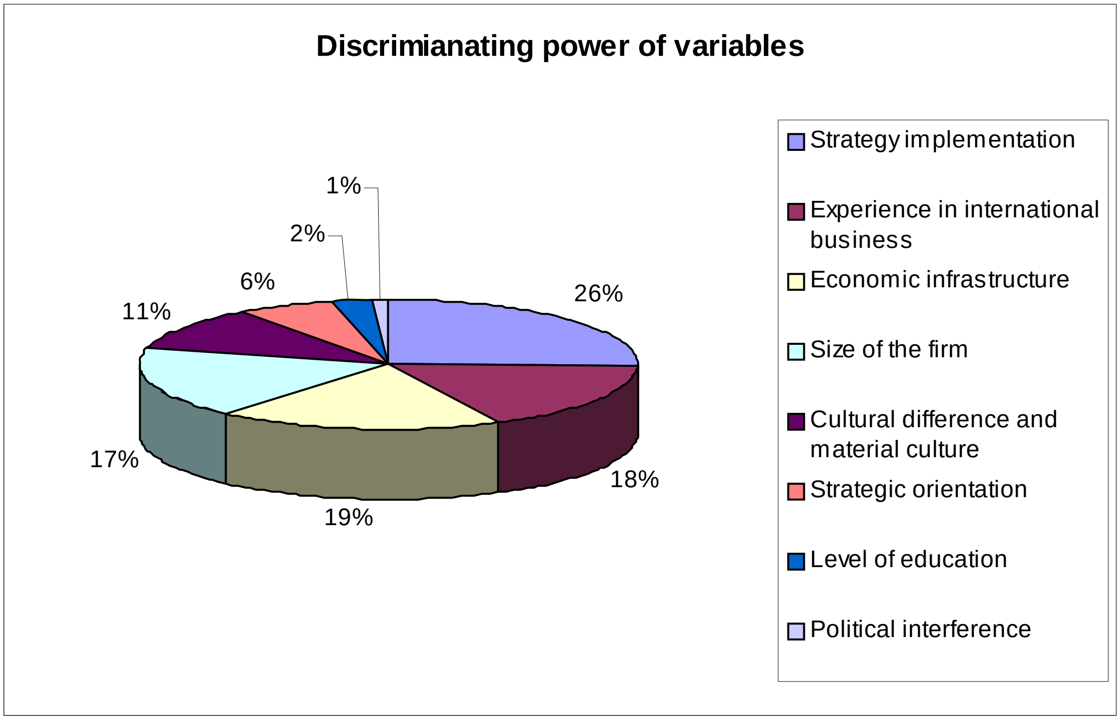
Legislation and strategic orientation came third and fourth in terms of discriminatory power respectively. This means that besides experience and cultural factors, there is need to analyze the legislative environment and come up with the appropriate strategic orientation, which ensures the necessary flexibility for adaptation.

8.5 Factors that discriminate firms with low export performance from those with high export performance

Chapter 7 also examined 36 variables in order to assess their ability to discriminate firms that recorded low export performances from those that recorded high export performances. The following 8 variables were identified as the main discriminators:

- Strategy implementation (25.09 %)
- Experience in international business and training (17.61 %)
- Economic infrastructure (18.58 %)
- Size of the firms (17.29 %)
- Cultural differences and material culture (11.14 %)
- Strategic orientation (6.46 %)
- Level of education (2.37 %)
- Political interference (1.1 %)

Figure 3: Variables that discriminate firms with low export performance from those with high levels of performance.



The results showed that ***strategy implementation*** was the most important variable that discriminated firms that recorded low export performances from those that recorded high export performances. This variable took a quarter of the discriminatory function's power. Out of a total of 71 low export performers, 55 of them did not implement their strategies while only 16 did implement them. In contrast, out of 34 firms that performed well, 27 of them implemented their strategies. This result showed that strategy implementation is a key factor separating the two groups of firms. Castaldi, Sengupta and Silverman (2001), Lages and Melewar (2001) and Katsikeas and Skarmeas (2000) also identified strategy implementation as a key discriminator between successful and unsuccessful exporters. In Zimbabwe, it is not surprising that strategy implementation has been found to be the key discriminator as it has been observed in the past that there are too groups of exporters i.e. (a) those good at export business plan formulation but poor at implementation (Humphrey 1998; Imani Development 1995) and (b) those that formulate business plans and proceed to implement them. The prevailing macroeconomic environment has made it difficult for most Zimbabwean firms to import the requisite equipments for strategy implementation (Madungwe 2001). This explains why some of the strategies formulated are not implemented. However it must be noted that despite the challenges facing Zimbabwe, some firms continued to perform well possibly due to their ability formulate and implement appropriate strategies.

Based on the results of the study it can be said that the commitment of management to strategy implementation is necessary so as to achieve better performance by Zimbabwean companies.

The second most important variable identified was *experience and training*. This shows the existence of two distinct groups of firms in Zimbabwe i.e. (a) those that are experienced and good performers and (b) the less experienced and poor performers. Cavusgil and Zou (1994) and Cadogan, Diamantopoulos and Siguaw (1999) also identified experience as a major factor that made some organizations more successful than others. Ogunmokun and Ng (2004) also found out that encountering international marketing expertise difficulties was mentioned more frequently by organizations with low levels of export performance compared to those with high levels of export performance. A study of Canadian exporters by Kammath, Rosen, et al (1989) also found that managerial characteristics, like quality and skills of top managers were essential factors differentiating successful exporters from non-successful ones. The results show that Zimbabwean companies that want to perform well in the export market should promote relevant training programmes aimed at improving competence within the company.

The ***economic infrastructure*** was the third most important variable identified as discriminating firms with low export performances from ones with high export performances**.** The result shows a better performance by firms which encountered economic infrastructure obstacles in their endeavors to standardize strategies.

Consistent with this result, previous literature by Thomas, Martin and Nash (1990), Ssemogerere and Kasekende (1994), McGuiness and Little (1981), Rabino (1980) and Green (1982) found that successful firms differed from the poor performers in that they tended to identify economic-related problems in the export market and addressed them.

The ***size*** of the firm was the fourth most important variable that discriminated most of those firms that recorded low export performances from those that recorded high export performances. This result means that organizations that performed well were large in size compared to smaller ones. The result supports previous studies by Sterlacchini (2001), Reid (1982), Tookey (1964), and Phillip and Wickramasekera (1995) that emphasized the size of the firm as a factor differentiating high performing firms from those that did not perform.

A positive linkage was also found between the firm and the size of food processing firms in Southern New South Wales and North Eastern Victoria, Australia (Phillip & Wickramasekera 1995). The origin of the success for large firms appeared to emanate from the strengths associated with more resources and the ability to adapt the marketing strategies (Aaby & Slater 1989). It is apparent from the results that small firms in Zimbabwe have been subject to discriminatory practices by the financial institutions in the past, which favored large firms at the expense of small ones.

Cultural differences were identified as the fifth most important variable that discriminated most firms with low export performances from those with high export performances. The result means that organizations that performed well strongly agreed that they faced obstacles of cultural differences in their endeavors to standardize strategies. The success appears to emanate from the fact that managers of highly performing organizations encountering cultural problems are better prepared to deal with them than those from low performing firms (Buzzel 1968; Dubois 1990; Ogunmokun & Ng 2004;). The results are similar well to a survey involving European exporters in which it was discovered that 18 % of firms of Small to Medium Enterprises (SMEs) experienced difficulties with foreign customers due to cultural differences. However because some of these companies managed to address these difficulties, only 4 % actually performed poorly due to cultural differences (CILT 2005). This was due to the fact that most firms adapted their strategies accordingly. For example under the CILT study 93 % of Portuguese firms adapted their language strategy and most Bulgarian companies were found to use German and Russian to trade it in those countries.

In this study, most of the firms that faced cultural problems adapted their marketing strategies in line with the culture of the host country. These findings show that Zimbabwean companies that want to succeed in the export markets should be prepared to adapt strategies to meet the cultural needs of the host country.

The following other factors contributed to the discriminatory power, although at a lower level.

The ***Strategic orientation*** of the company was the sixth most important factor that discriminated most firms with low export performances from those with high export performances. Organizations that performed well were those that were export oriented in their strategy. Consistent with this finding, Ogunmokun and Ng (2004) found that a manager willing to turn his or her interest towards the outside world is likely to be successful in the export business. In Uganda the international orientation of corporate managers was high and significantly discriminated between exporting and non-exporting firms (Bankunda 2004). The source of this success appears to be driven by the ability to meet the unique needs of individual buyers or groups of buyers in the foreign markets (Albaum, Strandskov & Duerr 1998). Other studies have also shown a positive relationship between success and adaptation of strategy to the needs of the host countries needs (Kotler, Leong & Tan 1996; Keegan 1989; Styles & Ambler 1996).

The result shows that Zimbabwean firms that are likely to perform well in the export markets are those that agree that nationality is not important in selecting individuals for managerial posts and hence look for the best managers regardless of nationality.

The ***level of education*** was the seventh most important variable that discriminated most of those firms that recorded low export performances from those that recorded high export performances. Organizations that performed well had more educated managers than those without. To succeed in the export market, they should employ managers with the right level of education and who can take informed decisions. Education raises focus and vision while at the same time brings the ability to interpret export market information (Burton & Schegelmilch 1987). Leonido et al. (1989), Brouthers and Brouthers (2001) and Ball and McCulloch (1992) also suggested that better educated managers are more likely to succeed in the export market because this enhances knowledge. Storey (1994) also showed that managers of poor-performing firms were found to have less education and less knowledgeable about the export markets. However Stump, Athaide and Axinn (1998) and Evangelista (1994) did not observe any significant impact of education to export success.

Political interference was the eighth most important variable that discriminated most of those firms that recorded low export performances from those that recorded high export performances. Better performing organizations strongly agreed that they encountered legal obstacles in their endeavors to standardize their strategies. This result compares well with Ogunmokun and Ng (2004) who observed that the legal environmental obstacles were cited more frequently by the managers of the high performing firms compared to those of low performing firms. The main reason is that managers who are able to identify such threats become fully prepared to deal with them than those who do not. Tremeche and Tremeche (2002) also observed that a company faced with political challenges in the export market may overcome these challenges by strengthening relationships with local distributors thereby reducing the perceived political risks. Under this study most Zimbabwean firms that faced problems of political and legal nature went on to adapt their marketing strategies and this appears to have helped them perform well.

8.6 Theoretical implication and contribution to knowledge

A major theoretical contribution of this study is that it supports and enhances the Conceptual Framework linking export performance to strategy adaptation (Cavusgil and Zou 1994). Export success has been found to be linked to how the firm is able to adapt its product marketing mix in line with the specific needs in foreign markets. However, the study at times contradicts other writers like Levitt (1983) and Jain (1989) who suggested that the World is a single large market and wants are therefore the same and as such adaptation does not work. The study has instead shown wide differences across countries with regards to buying patterns, lifestyles, economic conditions, political and cultural factors makes adaptation necessary.

However, the study has also shown that the link between strategy adaptation and export performance is not a direct relationship. Factors like the firm's export experience, commitment, and strategic orientation should be co-aligned with the strategy to improve export performance. The study also reveals that some specific products like industrial goods are sold in a standardized format mainly because of mandatory requirements for standard performance features.

Another contribution of this study is that it reinforces the existing literature and adds a geographical dimension to the topic by replicating previous findings to Zimbabwe. The study uses a sample of 105 firms, to apply an established conceptual framework of export marketing strategy and performance in Zimbabwe. Cavusgil and Zou (1994) recommended the replication of the principal features of the marketing strategy-performance relationship within different regions and/or different countries as a way of promoting the theory in the field. Dalgic (1994) also argued that further empirical studies on the relationships between export strategy and performance still need to be carried out. This study therefore responded to the above recommendations by testing these models in Zimbabwe using the following variables (1) Organizational profile, (2) Respondent's characteristics (3) Product-Export market venture (4) Economic factors (5) Cultural factors (6) Political and legal factors (7) Commitment to the export venture (8) Experience and education of the managers and (9) Export performance.

These variables have been previously identified as significantly associated with strategy and export performance (Castaldi, Sengupta & Silverman 2001; Cavusgil & Zou 1994; Dijk 2002; Julian 2003; Lages & Montgomery 2001; Lages & Jap 2002; Ogunmokun & Wong 2004). The findings of the research largely re-affirms the central issues raised in literature as most of the variables were found to be significantly associated with both strategy and export performance as discussed in sections 8.2 and 8.3.

The study also applied the discriminant analysis on 36 variables and identified those that strongly discriminated firms with low levels of export strategy adaptations from those with high levels of export strategy adaptations: In this context it contributes to the export adaptation strategy theory by providing evidence that shows that factors affecting adaptations are multi-dimensional. It also shows that a firm that is more likely to adapt strategies is the one which has a combination of the following characteristics:

- A management with high overseas experience
- Sensitive to cultural values existing in the export market
- Sensitive to legislative requirements in the target marker
- Has an export orientated strategy

The adaptation theory has always been characterized by a debate regarding what factors contribute to its desirability versus standardization (Hoang 1997).The study contributes to this debate by identifying the above variables which are associated with the success of adaptation versus standardization.

In the same context the study contributes to the theory by enhancing the conceptual framework that links performance to strategic, environmental and firm characteristics. The study identified a combination of the following characteristics:

- Good at strategy implementation
- Experienced in international business and training
- Sensitive to economic infrastructure prevailing in the export market
- Large in size
- Sensitive to cultural differences and material culture prevailing in the export market.
- Have an export strategic orientation
- Employs managers with right level of education
- Sensitive to political interference prevailing in the export market.

The identification of these variables contributes to the theoretical debate regarding the desirability of adaptation versus standardization by indicating certain conditions which ensure improved performance as a result of proper use of marketing strategies taking into account both internal and external factors. Whether adaptation or standardization is used, it is important to consider the above factors which are associated with export success.

In coming up with these variables, this study made use of existing conceptual models and on an exploratory basis was able to identify various gaps in literature which the present study would contribute to fill up over time as it has provided additional information on the applicability of the export strategy adaptation-performance models in a developing country and to identify variables, which can be targeted by management in their endeavors to adapt strategies and improve performance.

8.7 Practical Implications and recommendations for management and Public Policy.

The study results give some guidance for Zimbabwean exporting organizations in their efforts to achieve and sustain high performing export ventures. It indicates the various factors associated with the export strategy adaptation and performance. These include; the firm characteristics such as its size, age, ownership and the sector. The other factors are; the product export-market venture, economic, cultural, political and legal factors, and commitment to the export venture, experience and training. Significant differences are shown between firms with low levels of adaptations and those with high levels of adaptations with regards to the factors. Those firms that adapted export-marketing strategies performed better than those that used standardized strategies.

The following points give an illustration of some of the possible reasons for improved export performance which management should consider and use as a basis for benchmarking for success:

(1) Adaptation allowed successful firms to deal with various economic, cultural and political variables prevailing in the host country. Companies that performed well acknowledged the existence of obstacles related to economic, cultural and legislative factors and as such had adapted their strategies to deal with them.

(2) Zimbabwean companies seeking to succeed in the export market should consider using adapted export-marketing strategies depending on the requirements of the intended markets in terms of price, product characteristics, promotion and distribution.

(3) The discriminant analysis showed the following four key variables that are important in discriminating firms with low levels of adaptations from those with high levels of adaptations; overseas experience, strategic orientation, cultural values and legislation. For adaptation to succeed, it is therefore important for management to consider the following points:

- Put in place programmes that promote management to acquire overseas experience either through regular visits abroad or staying overseas. The results showed that the majority of firms that used high strategy adaptation had high export experience compared to those with low experience. Exporters are therefore urged to acquire the right amount of education and experience.

- Develop and implement an export strategy orientation, i.e. put in place policies that take cognizance of the need to promote the export venture instead of local sales. An export-oriented strategy should be reflected in the way the organization hires its staff. The more qualified and experienced export personnel an organization has, the more export oriented the organization becomes. This demand putting in place an export oriented business plan prior to start up.

- Encourage exporters to respect cultural values of the host country when designing export-marketing strategies. This could be done by offering cultural awareness training for exporters and study visits to various destinations with diverse cultures. Disagreeing that cultural differences were an obstacle to standardize was cited more frequently by organizations with low levels of adaptations compared to those with high levels of strategy adaptations.

- Encourage exporters to deal with the political and legal forces prevailing in the host countries of export. Failure to react to political and legal factors will make it difficult to design relevant strategies in any given external market.

- Firms should also be aware of economic obstacles that are likely to affect their strategies and possible adapt accordingly

(4) The discriminant analysis showed the following eight key variables that are important in discriminating firms with low levels of performance from those with high levels of performance: Strategy implementation, Experience in international business and training, Economic infrastructure, Size of the firms, Cultural differences and material culture, Strategic orientation, Level of education and Political interference

To improve export performance, it is therefore important for management to consider the following points:

- Encourage exporters to be committed towards export strategy implementation. This should be reflected by allocating adequate human and financial resources towards the implementation of agreed strategies. It should also take into consideration the following factors: planning, prioritizing, monitoring, prompt decision-making, directing, coordinating and motivating staff. Managers should put in place implementation plans, showing who is doing what, when and why as well as responsibility, feedback and accountability. Managers should ensure ownership of strategies and commitment towards implementation.

- Exporters should design appropriate business training programmes relevant to export activities. This could include issues related to foreign languages, opportunities and threats of foreign markets, foreign markets networking and general export marketing strategies related to product design, pricing, promotion and distribution.

- Zimbabwe exporters need to identify any economic obstacles, which may make it difficult to use standardized marketing strategies. Countries differ with regards to economic infrastructure facilities like energy and power supply, telephone line and transmitting facilities for mobile telephone, roads, railways, airports, climatic conditions etc. When such differences exist between Zimbabwe and the export destination, it might be necessary to adapt production and marketing strategies in line with the available infrastructure. For example, infrastructure like seaports and airport facilities directly affect the way goods are distributed. Also the pricing strategies can be affected by cost of infrastructure to move goods across borders.

- Growth is an indicator of success and on its own brings other benefits like the ability to acquire financial support from banks. It is therefore important for Zimbabwean exporters to strive to become large. This will result in more resources to improve capacity to adapt marketing strategies. Largeness would enable a firm to make use of marginal costing in the export market and take advantage of fixed costs when entering it.

- Identify cultural factors, which prevent standardization and adapt accordingly. Zimbabwean firms export to countries, which differ in terms of cultural variables such as usage of languages, material culture and general cultural differences. Since these factors affect the way business is done and export performance, Zimbabwean exporters are advised to study and understand them. For example understanding a language enables one to communicate better and effectively with foreign buyers and suppliers and to learn more about the business environment, share ideas about the production and marketing issues. The following suggestion by Usunier (2000) to deal with cultural barriers could be useful to Zimbabwean exporters:

  : Being willing to adapt

  : Being aware of cultural blocks to translation

  : Avoid negative stereotyping

  : Good prior preparation in inter-cultural understanding.

- Identify political factors, which prevent standardization and adapt accordingly. Political and legal environments vary from country to country as reflected by differences in variables such as systems of governance, exchange rate management policies, export taxes, international property rights, gray markets, subsidies, corruption, Foreign Investment protection rules, expropriation and confiscation rules, import controls, price controls and restrictions on the involvement of private sector in certain industries. Given these differences, Zimbabwean export managers are advised to study these differences and react accordingly. It is only through understanding why and how governments regulate their business activities that an exporter can better analyze and respond to governmental actions.

- Increase participation in trade exhibition, promotional programmes and export training programmes organized by public bodies such as ZimTrade. There is need for exporters to send their staff to work occasionally abroad where they would get the opportunity to learn other countries' cultures.

Public policy makers and public bodies such as ZimTrade could also benefit from this study by putting in place advisory services and training programmes that are dovetailed to the findings of this study as follows: They should understand the differences that exist between exporters in terms of levels of success and other characteristics such as the type of the product, the export market, ownership and the target markets. This analysis will assist public bodies to understand specific problems faced by firms and hence design appropriate strategies. Encouraging firms to network could be one way to make firms discover relevant strategies for specific markets. For example by encouraging unsuccessful firms to interact with successful ones may lead to use information sharing about export strategies and success factors.

8.8 Limitations of the Study and direction for further research:

The study has the following limitations, which require a cautious interpretation and application of the results.

(1) The data used was collected from a single source within the sample organizations (i.e. top export managers). Although care was taken to identify the right persons within the organization, biased value judgments could not be ruled out during the process of completing the questionnaire, as respondents could be tempted to give desired and not actual responses (Zikmund 2000).

(2) It was also collected from a single point in time and used a cross-sectional design hence it was not possible to explore issues of causality which usually require data to be collected at two different points in time using the longitudinal design. As such no attempt was made to establish a causal relationship between the independent and dependant variables. This approach could have helped to get a better understanding of the relationships among the variables.

(3) The sample size (N = 105) can be considered small and therefore it is recommended that in future the subject matter be explored further with a much larger sample to reinforce the variables discussed in the study. A larger sample could permit generalization of the results and hence assist with the coming up of the appropriate export strategies and performance models. A large sample would assist future researchers to make use of other strong data analysis tools such as multiple regression analysis.

(4) Another limitation for this study is that it was carried out during a period of macro-economic instability in the country. Most companies were severely affected by the unstable environment which was characterized by high inflation of around 2, 200 % in March 2007, the highest in the world. The challenges faced by companies also included high interest rates and depressed local demand. These factors partly contributed to the poor export performance. In order to isolate the distortions associated with timing of the study, future researchers could consider using longitudinal and time based series analysis (Hair 1998).

(5) Most variables in the study have been measured qualitatively. This has been caused by lack of reliable, comparable and up to date quantitative data related to export sales, export profitability and other economic and demographic factors. Capacity building programmes to assist developing countries to collect more reliable data are currently going on in most developing countries including Zimbabwe. It is expected that future research studies will take advantage of this and use more quantitative data which are more accurate than that based on perceptions.

While noting the limitation above, it is also important to note the strength of the study with respect to the following: The instruments used to gather the data were subjected to a substantial pilot testing and quality checks by experienced researchers. The data collection process was also subject to close examination of reliability and validity checks as described under Chapter 3. Variables used were operationalised based on previous research. The study is therefore useful as it also brings further insights into the export practices of Zimbabwean export organization within the scope of other previous work done in this area.

8.9 Conclusion:

The purpose of the study was to explore whether there are significant differences between firms with low levels of strategy adaptation and those with high levels of adaptations and whether there are significant differences between firms with low levels of performance and those with high levels of performance. Using a sample of 105 firms the study concluded that adaptation practices and export performance could be related to firm size, age, experience and ownership. The results showed that the product type and its life cycle in the local and export markets could be related to export strategy adaptation. They also showed that adaptation practices and performances are related to economic, cultural, political and legal factors. Adaptation is also related to the export commitment, experience and strategic orientation of the firm. The major discriminators between firms using low export strategy adaptations from those using high strategy adaptations were as follows:

management’s overseas experience, cultural values and attitudes, legislation, strategic orientation. The major discriminators of firms that recorded low export performances from those that recorded high export performances were as follows: Strategy implementation, Experience in international business and training, Economic infrastructure, Size of the firms, Cultural differences and material culture, Strategic orientation, Level of education and Political interference. The results are useful in advancing the conceptual framework linking export performance to strategy adaptation. It also provides a starting point for design appropriate public export advisory services and formulation of strategies to improve export performance by management. Lastly, it provides guidance on how future studies in this area could be improved.

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Appendix 1:

The outcome of pre-testing, reliability and validity checks:

The process of pre-testing involved mailing the questionnaire to a representative sample of 16 firms. This was accompanied by a pre-paid self addressed envelope. Other companies received the questionnaire via the e-mail, while others got them through hand delivery. After a week, follow ups were through phone calls to the whether companies had received and attending to the questionnaire. Forty three percent (N =7) were completed and returned before any reminder had been made while 50 % (N= 8) were returned after two to three reminders. In total 93% (N=14) questionnaires were returned. There was only one non-response. This success rate may be attributed to the relatively small sample size, which made it easy for more than one reminder to be made to the companies. The high response rate assured success in the main survey.

General overview of the questionnaire

The feedback revealed that questions were not difficult or sensitive in terms of words, terms and concepts. The general understanding coincided with what was expected. This increased the level of confidence towards the appropriateness and validity of the instrument.

Specific observations

Time taken to complete the questionnaire:

- The follow up enquiries showed that most companies were able to complete the questionnaire in between 22 to 26 minutes time. The cover letter accompanying the questionnaire for the main survey was revised to reflect this average time.

Characteristics of the respondents

- As per instructions, most questionnaires were completed by export managers or export personnel (see table 1 below). Those not completed by export managers, were completed by senior managers with better knowledge of the company's export practices. Most of the respondents (N =11) were University graduates whilst the rest were Diploma holders.

Appendix table 1: Characteristics of respondents

Firm	Title of respondents	Highest education attained	Experience with the post (Yrs)	Contact details
1	Export Manager	University	6-10 yrs	Available on request
2	Export Manager	University	3-5yrs	Available on request
3	Export Manager	Diploma	6-10yrs	Available on request
4	Managing Director	University	Above 10yrs	Available on request
5	General Manager	University	1-2yrs	Available on request
6	Export Officer	University	1-2yrs	Available on request
7	Marketing Director	University	3-5yrs	Available on request
8	Development Manager	University	3-5yrs	Available on request
9	Commercial Manager	University	3-5yrs	Available on request
10	Export Manager	Diploma	3-5yrs	Available on request
11	Export Manager	University	Less than 1yr	Available on request
12	Export Administrator	Diploma	1-2yrs	Available on request
13	Production Manager	University	3-5yrs	Available on request
14	Export Manager	Diploma	1-2yrs	Available on request
15	Export Manager	University	3-5yrs	Available on request

Source: Pre-test data

Characteristics of the responding firms and variation in responses

Appendix table 2 shows the characteristics of the sample. It is made up of both young and old firms with 40% of them having been in existence for periods of between 1-10 years whilst 53.3% having been in existence for more than 30 years.

Forty percent of them had been exporting during the past 10 years while 26.7 % had been exporting for more than 30 years.

The main export destinations are SADC region (46.7%) (excluding South Africa) and the rest export to South Africa.

About 73% are Zimbabwean owned with the rest being either foreign owned, joint owned or foreign owned subsidiary.

Their export performance ranged from those making substantial losses (23.1%), those making small losses (7.7%), those breaking even (23.1%), those making a small profit (38.5%) and those making substantial profits (7.7%).

The different characteristics help in addressing the research objectives.

Tables 3 to 6 indicate that firms differed in their export marketing strategies enabling us to learn more about the nature of these differences.

Appendix table 2: Basic Characteristics of the Firms

Variable	Indicators	Frequency	Percentage
Age of the firm	Under 1 yr	0	0
	1-10 yrs	6	40
	11-20yrs	0	0
	21-30yrs	1	6.7
	More than 30yrs	8	53.3
Variable	**Indicators**	**Frequency**	**Percentage**
Number of yrs exporting (firm)	Under 1 yr	3	20
	1-10 yrs	6	40
	11-20yrs	1	6.7
	21-30yrs	1	6.7
	More than 30yrs	4	26.7
Variable	**Indicators**	**Frequency**	**Percentage**
Product's major export market	South Africa	6	40.0
	United Kingdom	0	0
	Germany	0	0
	SADC	7	46.7
	Europe	0	0
	Asia	0	0
	Other	2	13.3
Variable	**Indicators**	**Frequency**	**Percentage**
Type of product exported	Consumer durable	4	26.7
	Consumer non durable	5	33.3
	Industrial Good	2	13.3
	Service	3	20.0
	Other	1	6.7
Variable	**Indicators**	**Frequency**	**Percentage**
Form of ownership	Zimbabwe citizen	11	73.4
	Foreign owned	0	0
	Joint Venture	2	13.3
	Foreign owned	2	13.3
Variable	**Indicators**	**Frequency**	**Percentage**
Profitability of the export venture	Making a substantial loss	3	23.1
	Making a small loss	1	7.7
	Breaking even	3	23.1
	Making a small profit	5	38.5
	Making a substantial profit	1	7.7

Source: Pre-test data.

Consistency regarding export product and indicative reliability.

- Thirteen of the respondents were consistent with regard to the instruction that they chose a product currently being exported during the last three years and answered all the questions with reference to that specific product only.

However 2 of them switched products to suit a particular question. The questionnaire was revised by underlining and putting in bold the section and emphasizing answering all questions with reference to that specific product. **(See final draft)**

- Cronbach alpha was used to give the indicative reliability of the scales used from the pre-test sample. This is a test reliability technique that requires only a single test administration to provide a unique estimate of the internal consistency and reliability.

  The Alpha coefficient ranges in value from 0 to 1. The higher the Alpha is, the more reliable the test. Usually 0.7 and above is acceptable for internal consistence (Nunnally 1978). The measure is calculated by:

$$\alpha = \frac{N.\bar{r}}{1 + (N-1).\bar{r}}$$

Where N = Refers to the number of items and r-bar is the average inter –item correlation among the items.

Using the pre-test data (See data matrix) and the SPSS reliability analysis computer package, the results obtained are as follows:

Number of Cases = 12.0 (with all items included)
Number of items = 103
Alpha = 0.9638

Since Alpha is greater than 0.7 the conclusion is that the data generation is reliable and free of random errors.

Questions that need some minor amendments

- **Item A3**: This reads, "*Indicate the product's major export market*?" This question caused some confusion with regards to the alternative answer No. 4 on Southern Africa Development Community (SADC). Some respondents could not to recall member states under SADC and hence they marked alternative 7 (Other) while still referring to members of SADC.

  Resolution: Instead of amending this question care will be taken during data entry and editing to rectify this anomaly by ticking item 4 if the respondent is referring to SADC member states. Incorporating all the members of SADC

will only make the questionnaire very lengthy. In any case it is only one company out of 15, which made this mistake. However alternative four is amended to read:
4. *Southern Africa Development Community (SADC) (excluding South Africa*). **(See final draft***).* This amendment is made to ensure that the alternative does not overlap with the alternative 1 (i.e. South Africa)

- Question D15, asks for the total number of full time employees in the company. However, it was found that 2 of the respondents included casual workers making it difficult to compare the firm's figures with the others who gave full time employees only. The questionnaire has been amended by underlining the words "**full time"** so as to ensure that respondents give figures for full time employees only. **(See final draft)**

- **Item D16**: This item reads " How big was your sales volume in 2003".

  Most respondents indicated that this question refers to USD value only and not in local currency as putting the Zimbabwe dollar will make alternative answers to overlap due to the unstable exchange rate in between the Zimbabwe dollar and the US dollar. Therefore the local currency has been removed. **(See final draft).**

- Questions E11 to E19 requested respondents to indicate the extent to which certain strategic objectives were **set** by the management, while questions E20 to E28 wanted respondents to **evaluate** the extent to which the strategic objectives were achieved. Some respondents (N = 2) indicated that the two questions were similar. The questionnaire has therefore been revised by under lining the words "**set" and "achieved"** in both the two set of questions and indicating that question E20 to E28 are a follow up to E11 to E19 . **(See final draft)**

Conclusion

Most respondents indicated that the questionnaire is straightforward, covers a lot of ground, unambiguous, simple and easy to fill in. In addition, no major concepts in the export marketing strategy for Zimbabwe are missing. The pilot test results shows that the questionnaire is adequate, valid and reliable to justify it (with minor amendments) to be applied in the main survey.

It is therefore being recommended that the main survey begin.

Appendix 2:

Letter of introduction

…………………………………………………….

…………………………………………………….

Dear Sir,

I am currently pursuing a Doctor of Business Administration course at the University of Southern Queensland in Australia. As part of this course, I am conducting a study into the export marketing practices of Zimbabwean companies.

Since your experience and opinions are important in finding ways of improving export-marketing strategies in Zimbabwe, your company has been selected randomly to participate in this study. I would be grateful if you could take about 25 minutes of your busy time to complete the attached questionnaire. The instructions for completion are contained on the first page of the questionnaire.

All information collected will be kept entirely anonymous and used solely for this study.

Please return the completed questionnaire in the pre-paid self addressed envelope to Mr. K Sibanda, Box HR 8262, Harare. You may also e-mail the questionnaire using the following e-mail number- Sibandak@zarnet.ac.zw

The executive summary of this research shall be submitted to you if you complete the attached form at the end of questionnaire and return it together with the questionnaire. For any clarification, please feel free to contact Mr. Sibanda on 091326349 or 797801.

Thank you for agreeing to participate in this research and for your cooperation.

Khutula Sibanda:

Appendix 3:

Final Questionnaire used

Instructions

The questionnaire is to be completed by the firm's Export Manager or the Marketing Manager. If not possible, the questionnaire should be completed by anyone with in-depth knowledge of the firm's export activities.
In responding to the questionnaire, please place a **tick** or a circle when requested to indicate your answer to each of the questions.
Please choose a **product** that your firm is **currently exporting** within the last three years and answer all questions in relation to that specific product.
NOTE: Please answer every question. Thank you.

SECTION A: **BACKGROUND INFORMATION ABOUT YOURSELF AND YOUR ORGANISATION**

A1 How old is your company? (***Please tick one number***)
1 Less than 5 years
2 5-10 years
3 11-20 Years
4 21-30 Years
5 More than 30 Years

A2: How many years has your company been exporting? *(Please tick one* ***number)***

1 -Less than 5 years
2 5-10 years
3 11-20 Years
4 21-30 Years
5 More than 30 Years

A3. Indicate the product's major export market. (***Please tick one number***)
1 South Africa
2 United Kingdom
3 Germany
4 Southern Africa Development Community (SADC) (excluding South Africa)
5 Europe
6 Asia
7 Other (Please Specify)____________________

A4: **Consumer durable** refers to goods that are usually used over an extended period e.g. cars while **Consumer non durable** are normally consumed at once or on few instances such as food. **Industrial goods** are mainly used for industrial purpose e.g. machinery. **Services** relates to intangible goods such as entertainment.

Based on the above definition, **How would you describe this product that your company has been exporting within 3 years (Please tick one number)**

1 Consumer durable
2 Consumer non-durable
3 Industrial good
4 Service
5 Other (Specify)____________________________

A5 To which **industry/sector** does your company belongs? **(Please tick one number)**
1 Agriculture and Forestry
2 Mining and Quarrying
3 Manufacturing
4 Electricity and Water
5 Construction
6 Finance and insurance
7 Real Estate
8 Distribution, Hotels and restaurants
9 Transport and Communication
10 Public Administration
11 Education Services
12 Health Services
13 0ther

A6: Please specify the form of **ownership** of your company**? (*Please tick one number*)**
1 Zimbabwean citizen owned
2 Foreign owned
3 Joint Foreign owned
4 Foreign owned subsidiary

A7. What is the title of your position within the organization?____

A8. Please indicate how long you have held this position? **(Tick one)**
1 Less than 1 year
2 (1-2 years)
3 (3- 5 years)
4 (6-10 years)
5 above 10 years.

A9. What is the highest level of education you have attained? **(Please tick one number)**
1 Primary education
2 Secondary education

3 Apprenticeship/Trade qualification
4 Diploma
5 University degree or higher.

SECTION B: EXPORT MARKETING ACTIVITIES

NOTE: A product may be marketed in a **similar way** in the Zimbabwean market and in **major export market** with regard to product features, promotion, pricing and distribution. Please indicate whether your product is marketed in the **same way** or **totally different way** in its **major export market**?

Use the following rating:
1 Same Way: 5 Total Different:

	Same Way				Totally Different
Product/Service Activities (***Please tick one number***)					
B1. Product/Service brand name	1	2	3	4	5
B2. Characteristics of the product /service (e.g. quality, color, texture)	1	2	3	4	5
B3. Product/service labeling & packaging	1	2	3	4	5
B4. Product/service warranties	1	2	3	4	5
Product/Service Promotion Activities (***Please tick one number***)					
B5.Basic Advertising theme	1	2	3	4	5
B6. Media channels for advertising	1	2	3	4	5
B7. Role of Sales Promotion objectives (Coupons, free samples, displays)	1	2	3	4	5
B8.Role of Public relations/publicity	1	2	3	4	5
B9. Creative expression	1	2	3	4	5

Pricing Activities (*Please tick one number*)

B12.Determination of pricing strategy /method.	1	2	3	4	5
B13. Concession of credit	1	2	3	4	5
B14. Price discounts policy	1	2	3	4	5
B15. Use of Margins	1	2	3	4	5

Distribution Activities
(*Please tick one number*)

B16. Criteria for selection of distributors	1	2	3	4	5
B17. Transportation strategy	1	2	3	4	5
B18. Distribution budget	1	2	3	4	5
B19. Distribution network	1	2	3	4	5
B20. Role of sales force	1	2	3	4	5
B21. Management of sales force	1	2	3	4	5
B22. Role of middlemen/dealers	1	2	3	4	5

SECTION C ENVIRONMENT

STANDARDISATION: *is defined as marketing the **same product** the **same way** in both the **Zimbabwean market** and **the export market**. There are various obstacles to standardization such as differences in the **economic environment**, **culture**, political environment and legal environment.*

With reference to your major export market and the product you have been exporting within the last 3 years, indicate whether you strongly agree or strongly disagree that the following factors were an obstacle in your endeavors to standardize the ~~your~~ product.

Use the following rating:
1 = **Strongly disagree** 5 = **Strongly agree**

	Strongly Disagree				**Strongly Agree**
Economic environment (*Please tick one number*)					
C1. Per capita GNP (Gross National Product)	1	2	3	4	5

C2. Availability of natural resources	1	2	3	4	5
C3. The Climatic condition (e.g. can affect product packaging)	1	2	3	4	5
C4. The topography (e.g. rivers & mountains Can affect physical distribution)	1	2	3	4	5
C5. Media Availability (e.g. can affect type of advertisements)	1	2	3	4	5
C6. Availability of distribution channels	1	2	3	4	5

	Strongly Disagree				**Strongly** Agree
Cultural Environment (*Please tick one number*)					
C7. Cultural differences between the Zimbabwean market and the export Market	1	2	3	4	5
C8. Material culture (e.g. furniture size can be affected by the size of building constructed)	1	2	3	4	5
C9. Language differences (Affects packaging, labeling, Averts etc	1	2	3	4	5
C10. Aesthetics Refers to perception about beauty and Good taste. Can affect design and Color of products & packaging and Choice of brand names	1	2	3	4	5
C11. Education and literacy (Consumer's level of education can Affect advertising and package labels	1	2	3	4	5
C12. Religion Affects attitudes and behavior (e.g. differences in eating habits between Christians and Moslems)	1	2	3	4	5
C13. Attitudes and values of consumers (Attitudes toward wealth and acquisition, toward change, and toward risk taking					

can affect acceptance of new
products 1 2 3 4 5

C14. Social Organization
This refers to the way people relate
To each other e.g. size and nature
Of family & different roles for
Women may all influence marketing
Activities 1 2 3 4 5

	Strongly Disagree				Strongly Agree

Political Environment
(*Please tick one number*)

C15. Political interference
Any foreign government action that
Affected the firm' operations) 1 2 3 4 5

Legal environment
(*Please tick one number*)

C16: Laws (e.g. taxes affect pricing) 1 2 3 4 5

C17. Import and Export laws
(e.g. tariffs and quotas) 1 2 3 4 5

C18. Mandatory requirements
(e.g. measures to meet environment
Standards) 1 2 3 4 5

<u>**TARGET MARKET (*Please tick one number*)**</u>

C19. Competition in the export market 1 2 3 4 5

C20. Which of the following best describes the stage of your product's life cycle in the Zimbabwean market? (*Please tick one number*)

~~a.~~ Introductory (The product has just been launched)
b. Growth (Sales start rising quickly and profits is large)
c. Maturity (Sales slow down/static and profit is falling)
d. Decline (Sales decline and profit is low or negative)

C21. Which of the following best describes the stage of your product's life cycle in its major **export market**? **(*Please tick one number*)**

1 Introductory (The product has just been launched)
2 Growth (Sales start rising quickly and profits is large)

3 Maturity (Sales slow down/static and profit is falling)
4 Decline (Sales decline and profit is low or negative)

SECTION D: FIRM CHARACTERISTICS

STRATEGIC ORIENTATION OF THE COMPANY:

To what extent do you agree or disagree with the following statements:
Use the following rating:
1 = Strongly disagree 5 = Strongly agree
(*Please tick one number*)

	Strongly **Disagree**			Strongly **Agree**	
D1. A Manager who joins the company from **any country** has an equal chance to become a Chief Executive Officer in **your company**.	1	2	3	4	5
D2. In the **next five years** there is a high Probability that a **non-Zimbabwean** will be the Chief Executive of your company.	1	2	3	4	5
D3. In the **next five years**, there is **high** probability of one or more **non-Zimbabwean** citizens acting as directors of the company	1	2	3	4	5
D4. In this company**, nationalist is not Important** in selecting individuals for managerial positions	1	2	3	4	5
D5. The company believes that it is important that the majority of the top Management **remains Zimbabwean.**	1	2	3	4	5

COMMITMENT

With reference to the main exported product over the last two years, to what extent do you agree or disagree with the following statements?

1 = Strongly disagree 5 = Agree
(*Please tick one number*)\

Strongly **Disagree** Strongly **Agree**

D6. Substantial amount of production,
Financial and managerial resources are

Committed to support the export of the product	1	2	3	4	5
D7. There was a substantial degree of long term Export planning as indicated by the number of market research and market screening Studies etc	1	2	3	4	5
D8. There was a substantial amount of strategy Implementation through activities such as Monitoring, directing, evaluation and rewarding of the export venture	1	2	3	4	5
D9. There was a high degree of relevance and Appropriateness of the organizational design for the export department and its integration within the organizational structure.	1	2	3	4	5
D10. There was significant top management Commitment to the export product.	1	2	3	4	5

MANAGEMENT EXPERIENCE AND EDUCATION

With reference to training programmes and people involved in your main export venture during the past three years, how would you classify them? Use the following rating:
1 =None to 5 = **Substantial (*Please tick one number*)**

	None				Substantial
D11. The level of management's overseas Experience, having lived or worked abroad	1	2	3	4	5
D12. Degree of knowledge of foreign culture and the ability to speak fluently the foreign Languages	1	2	3	4	5
D13. Degree of training in international Business, e.g. attended formal courses and Export seminars	1	2	3	4	5
D14. The degree of management flexibility and the level of motivation, teamwork and customer orientation	1	2	3	4	5

SIZE:

D15 What was the total number of **full time employees** working in your firm last year? **(2003**). (***Please tick one number***)

1 Less than 9 employees
2 10- 19 employees
3 20-49 employees
4 50-99 employees
5 100-499 employees
6 > 500 employees

D16: How big was your Sales Volume in 2003? (***Please tick one number***)
1 (Under US$16,000)
2 (US$16,001-US$66,000)
3 (US$66,001-US$166,000)
4 (US$166,001-US$500,000)
5 (Above US$500,000)

SECTION E: EXPORT PERFORMANCE INDICATORS:

E1: What percentage of your firm overall performance is accounted for by the export of this product on average (**i.e. the export intensity of the organization**) Use indicators such as ration of export venture sales or profitability to the overall sales of the company? (***Please tick one number***)

1 Less than 10%
2 (10%-19%)
3 (20%-29%)
4 (30%-39%)
5 Above 39%

With reference to ways of measuring export performance, to what extent do you rely on the following indicators? Use the following rating:
1 = to a very small extent **2 = to a small extent**
3 = Occasionally **4 = to a great extent**
5 = to a very great extent

(Please tick one number)

		Very small Extent				Very large Extent
E2	Export Sales Volume	1	2	3	4	5
E3	Export Profitability	1	2	3	4	5
E4	Export market share	1	2	3	4	5
E5	Meeting Strategic objective	1	2	3	4	5

E6 How **satisfied** are you with the **overall export performance** of this product that you have been exporting-in the last three years? (***Please tick one number***)

Very **Very**

Unsatisfied **satisfied**

1	2	3	4	5

Indicate the rate of growth in export sales for this product in its major export market in the first three years (or less if applicable) by ticking the appropriate category in each column.

	Export sales growth	Negative	No growth (0%)	1-5%	6-10%	11-15%	16-20%	0ver 20%
		1	2	3	4	5	6	7
E7	Year 1							
E8	Year 2							
E9	Year 3							

E10 Is this particular product export venture currently making a profit, breaking even or making a loss? (*Please tick one number*)

1 Making a substantial loss
2 Making a small loss
3 Breaking even
4 Making a small profit
5 Making a substantial profit

Indicate the extent to which the following strategic objectives were set by the management for this product in its major export market using the following scale 1 – To a small extent to 5 = To a large extent (*Please tick one number*)

	To a Small Extent			To a great extent	
E11. Increase market share	1	2	3	4	5
E12. Opportunity to earn foreign currency	1	2	3	4	5
E13. Tax benefits or incentives	1	2	3	4	5
E14. Increase in sales	1	2	3	4	5
E15. Gain a foothold in the export market	1	2	3	4	5
E16. Respond to competitive pressure	1	2	3	4	5
E17. Increase profitability of the company	1	2	3	4	5
E18. Responding to enquiries abroad	1	2	3	4	5
E19. Increase the aware ness of the product.	1	2	3	4	5

Indicate to what extent ~~are~~ these strategic objectives are achieved by your company using the following scale 1 – To a small extent to 5 = to a large extent. This is a follow up from the strategic objective set above. (*Please tick one number*)

	To a Small **Extent**			To a great **extent**	
E20. Increase market share	1	2	3	4	5
E21. Opportunity to earn foreign currency	1	2	3	4	5
E22. Tax benefits or incentives	1	2	3	4	5
E23. Increase in sales	1	2	3	4	5
E24. Gain a foothold in the export market	1	2	3	4	5
E25. Respond to competitive pressure	1	2	3	4	5
E26. Increase profitability of the company	1	2	3	4	5
E27. Responding to enquiries abroad	1	2	3	4	5
E28. Increase the aware ness of the product	1	2	3	4	5

To the best of your knowledge, how does your firm compare to its competitors in your export market of this product with regard to the issue below?

Use the following rating: (1= Much lower; 5=Much higher)

E29	Profitability	1	2	3	4	5
E30	Return on investment	1	2	3	4	5
E31	Sales Growth	1	2	3	4	5
E32	Market Share	1	2	3	4	5
E33	Overall Performance	1	2	3	4	5

To the best of your knowledge, how satisfied is your firm regarding the performance of this product in its export market
Use the following rating (1=Not satisfied; 5 = Very satisfied)

		Not Satisfied			**Very Satisfied**	
(E34)	Profitability	1	2	3	4	5

(E35)	Return on investment	1	2	3	4	5
(E36)	Market Growth	1	2	3	4	5
(E37)	Market Share	1	2	3	4	5
(E38)	Overall Performance	1	2	3	4	5
(E39)	Achievement of objectives	1	2	3	4	5
(E40).	Increase in sales	1	2	3	4	5

Many thanks for your cooperation

If you would like a copy of the summary of the research findings, please fill in you details below and submit it together with the completed questionnaire.
Name of the Company……………………………………………………………..

Address………………………………………………………………………………………
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E-mail Number………………………………………………………………………..