

EFFECTIVE FACTORS ON EXPORT PERFORMANCE

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Abstract

Export is vital tool for countries to achieve goals of economic growth and prosperity. Rate of success of a company involved in export can be evaluated by export performance. There is no consensus about how to measure export performance. Global competition has put great pressure on export-based companies to set new and effective strategies in order to compete in the world market. Identifying the determinants of export performance in order to improve export performance is the most important factor of balance between economies of country with the global economy.

Keywords: Export, Performance, Global Competition

1. INTRODUCTION

Improving export performance of enterprises in the regional situation is important for governments and researchers. Export is well known way and has a long history of international trade. Many manufacturing companies expanding their international activities began with the export of goods and then accept gradually to other methods of entering foreign markets. In an era that production conditions for industrial and commercial enterprises in developed countries were still favorable and restrictive rules and regulations didn't impose by the government, goods produced in this country and its export abroad was considered a reasonable and profitable method. In this period, wages and other production costs are still too high that production in these countries compared to less developed countries be non-economic. Given these conditions, majority industrial goods produced in developing countries, particularly the U.S. and Europe and from there entered to international markets (Haghighi, 2010). Literature is evidence that manufactured goods diversification and export of a country is affected by knowledge and expertise –oriented (Amable, 2000; Rodrick, 2006; Hausmann & et al, 2007). The new wave of globalization began around 1980. The main characteristics of this wave were: Increasing exports and increase foreign investment. In during waves is a successful developing country that use comparative advantage of cheap labor and increase its industrial exports and reduce import tariffs. In addition to controlling related to exit capital from high-income countries gradually resolved, so 1998, foreign capital stock reached 22 percent of GDP in developing countries. Due to the changes that globalization has continued, this phenomenon by some developing countries was considered as potential for growth. Exports in the last three decades have been the main engine of growth in East Asian economies. Why and how acting countries in the international trade. Many economists think about why and how acting countries in the international trade. Among the theories presented, the law of comparative advantage, despite its shortcomings is still the greatest theory. Based on law mentioned, countries tend to export goods that they can produce with lower prices and costs. Since the emergence of this theory, several scholars have taken steps to quantify it, which leads to present different methods (Najafi Alamdarloo & Hassani, 2009). It is clear that export is one of the most important factors influencing economic growth. Export diversification is now consideration by many economic policymakers. Diversification of exports is to increasing the number of exported goods and reduces dependence on one source of income. Potential misdiagnosis and

potential ability of a country in export and failure to understand the best target markets of product, the exporters have been Lose many opportunities. Thus investigating products market can increase profitability and currency exchange of product and Identifying benefits of the products will affect in increasing competition in global markets.

2. THE CONCEPT OF EXPORT

Exports means to earn more currency for the country and the most traditional way to enter international markets is product. Governments are usually favored development strategy of export. Companies that give a positive response to received orders are called exporter of random. But active exporter is company that planning and tries for ordering (Farhangi & Lotfi, 2009). Export is vital tool for countries to achieve goals of economic growth and prosperity. Since export help to improve balance of payments, employment rates and living standards; therefore, the number of governments seeking to expand exports encourage more exports (Doaei & Hassani Robat, 2010). Export occasionally is passive method to entry the foreign market. In this method, occasionally company or according to his initiative or in response to unsolicited orders from abroad, its products are exported abroad. Actively export occurs when company is committed to export their goods to particular market. Either the company will produce the goods in their country or produced goods may or may not be applicable to foreign market. Export requires minimal changes in the production line, the investment and company's mission.

3. EXPORT DEVELOPMENT

Export development represents trend to freedom in international trade. This policy shows how much a nation notice to foreign markets and its needs. Export development is cause to increase employment and increase the skills (Hassanzadeh, Shaaban Elahi, 2008). Policy of export development is caused to strengthen free foreign trade, free foreign trade also led to the production and allocation of resources in a way that according to classical theory, the country has comparative advantage compared to foreign. Allocation of resources in the most efficient way of generating is caused to increase in domestic production and export earnings that are not possible only the foreign trade (Madhooshi & Tari, 2007).

4. VARIABLES RELATED TO EXPORT PERFORMANCE

Variables affecting export performance can be divided into two categories:

1- Variables related to the environment: For example, how to select and adaptability to market conditions, "Paul," in study states that to increase the chances of successful exporters who are willing to enter the market recently, a country must be selected to start that are closely related in terms of psychological. Psychological distance is a key variable in this case, that is including the factors that are preventing the flow of information to the market or from market. For example, differences in language and business procedures, culture and industrial development... is other factors related to the environmental variables of government and the economic infrastructure of the host country which could in turn impact on export performance.

2 - Variables related to company: In this case can be noted to factors such as the level of management commitment to export, having an international perspective from management, communication and image management about issues such as risk taking and opportunities available in domestic market. Variables related to the company's export performance can be divided into two categories: tangible and intangible factors. Tangible factors including distribution channels, exclusive products, timely delivery, product packaging, product, willingness to adjust to product, product quality and after-sales service, dealing with clients, researching and developing, the ability to use technology, suppliers are financial ability that impact on export performance.

Intangible factors include three categories: attitudes, skills and knowledge. Attitudinal factors: management commitment, perceptions of export, export orientation and international perspective, trust. Skill factors: the growth of relations between managers and employees, education and public management. Specific export skills such as foreign language, allocation of international finance, export knowledge and work experience of managers and knowledge factors (Nategh & Niakan, 2009).

Table 1) effective factor on export performance

internal	external	
Export Marketing Strategy General export strategy Export planning Export organization Using market research Product compliance, product strengths Compliance parts, price competitiveness Price determination, compliance promotion Intensity promotion, distribution channel compliance Management perceptions and attitudes Support and commitment to export International trend High export motivation Perceived benefits of export Perceived barriers of export		Controllable
Management features International management experience Experience / Education of Management Features and merits of company company size International competence of company Background of company Technology of company Company features Merits of company capabilities	Industry features Technology participated in the industry. Stability level of the industry. Features of the foreign market Attractiveness of export Competitiveness of export markets Barriers to export markets Features of the domestic market. the domestic market	Uncontrollable

(Nategh, Niakan, 2009).

Table 2) Summary of studies conducted

variable	Researcher & year	Structures
export performance	Hosseini & Mirjahanmard (2011)	Export sales growth Export profitability Export intensity Achieving expectations Competitor evaluation
export commitment	Haghighi et al (2008)	Separate department of export Choice of customer and entering foreign market Regular visits from export markets The use of export marketing research Planning and export control

Export performance	Haghighi et al (2008)	Market share Sales volume Profitability
Export experience	Haghighi et al (2008)	1- The number of years that the firm has attempted in export activities. - Number of countries where the company exports for them.
Export performance	Shoham, Albaum,(1994)	The actual growth of 5-year export Satisfaction of goals Number of export countries Changes of sales in 2 years Export-to-total sales ratio Success in exporting to the final consumer
Export performance	Karelakis et al (2008)	Export orientation (export sales as a percentage of total sales) Export growth (change in exports in a specified time period) Profitability of export Knowledge of export performance in the last 5 years Knowledge of recent export performance Knowledge of future export performance
International commitment	Papadopoulo, Marti'n Marti'n,(2010)	Number of employees international activities Methods number of commitment entry (entering, with or without a direct investment in the facilities) Entry modes commitment
Export performance	Archarungroj , Hoshino Yasuo,(1998)	Export orientation Profitability rate of export Export growth forecasted Export experience Export market coverage
Export performance	Sousa , Bradley (2008)	Meeting expectations How competitors rate firm's export performance Export orientation Profitability of export Growth in export sales

5. CONCLUSION

Export is vital tool for country to achieve their goals of prosperity and economic growth. Since exports will help to improve the balance of payments, employment rates and living standards; therefore, the number of governments seeking to expand exports encourage more exports. Unfortunately, major part foreign revenue comes from oil exports in Iran. So are trying to develop non-oil exports in order to complement and eventually replace to oil revenues. For developing countries, the export is caused to create jobs, earn money to buy a lot of goods that isn't produced in country. Since industrial products make a high value-added, their exports can be considered as the most important source of foreign exchange that to promote investment and increase the productive capacity in country can play a significant role. Identifying the determinants of export performance in order to improve export performance is the most important factor of balance between economies of country with the global economy.

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