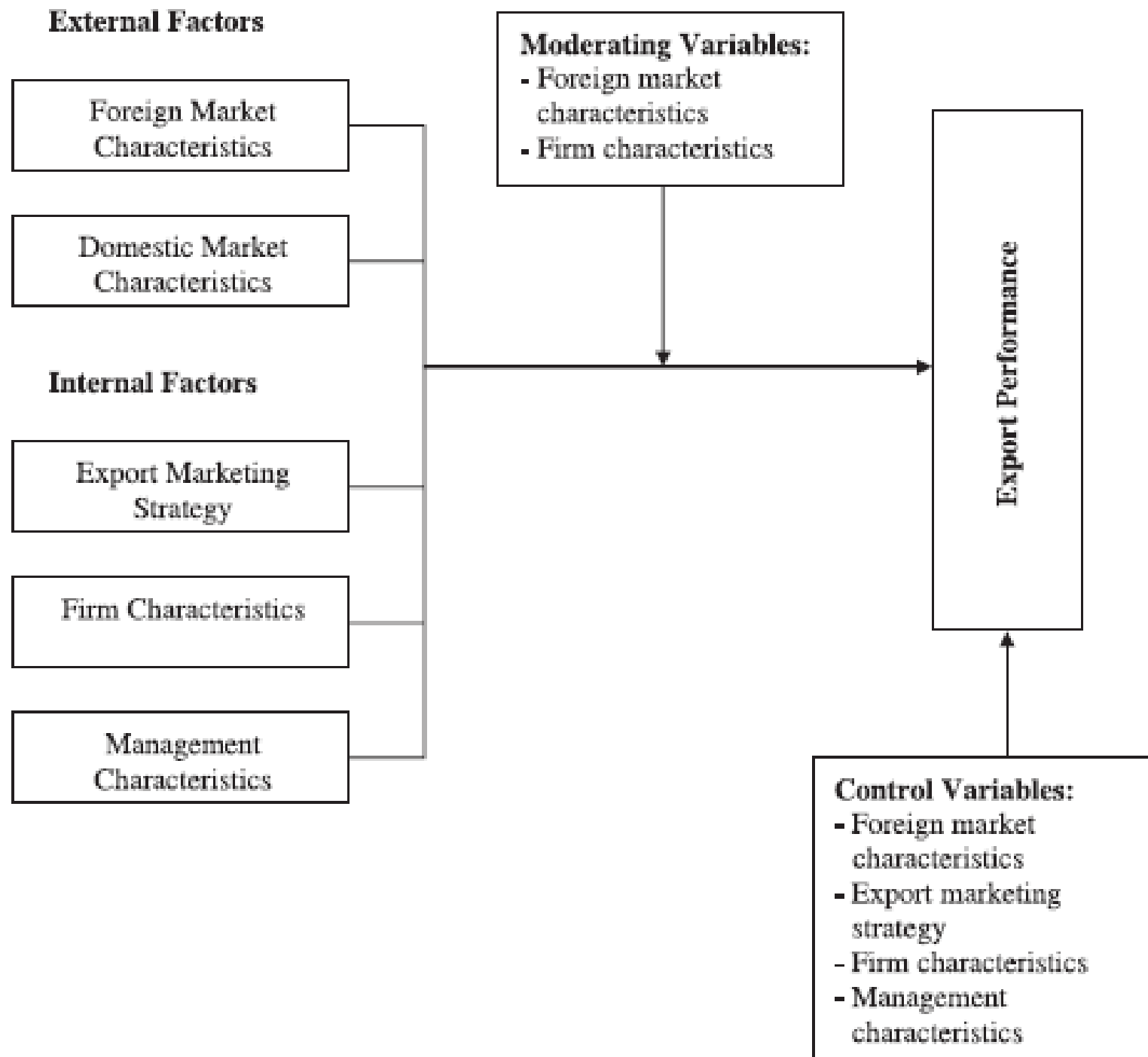


Export Activity of Greek Firms and Innovation

Framework for determinants of export performance



Export marketing strategy

- ❑ Factors related to the firm's export marketing strategy have been the most frequently cited antecedents of export performance.
- ❑ Studies focus on the extent to which the elements of the marketing program (product, price, promotion and distribution) are standardized or adapted across markets.
- ❑ The results have been inconsistent and often contradictory.

Export marketing strategy

- The strategic orientation

- Marketing research

- ❖ Strategic orientation: proactive/reactive orientation of the firm.

- ❖ Knowledge, and its acquisition and exploitation, has been declared as the key resource to create sustainable competitive advantages.

Export marketing strategy

- Market expansion
- Service strategy
- General export strategy
- Innovation
- Risk taking
- Export planning
- Distribution channel relationship
- Control

Firm characteristics

- Size

- International experience

- ❖ Size - resource availability.

- ❖ Size related properties - export activity

- ❖ International experience is more likely to select the most attractive markets and adapt the marketing strategy

- ❖ But in some cases size and international experience are not found to be related to export performance

Firm characteristics

- ❑ Market/Export Market orientation
- ❑ Capabilities and Competencies
- ❖ Market oriented firms are better able to recognize and respond to global changes and opportunities.
- ❖ The possession of capabilities and competencies enables a firm to identify the idiosyncrasies in the foreign markets, develop the necessary marketing strategies and implement them effectively.

Firm characteristics

- Degree of internationalization
- Organizational culture
- Production management
- Connectedness
- Conflict
- Firm performance

Management characteristics

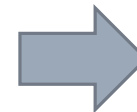
❑ Export Commitment and support

❑ Educational background

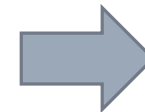
❑ International experience

❑ Innovative

❖ Committed managers carefully plan the entry and allocate resources



reduced uncertainty and marketing strategy implementation



better performance.

❖ Greater experience in international business have a better understanding of foreign markets, which may help a firm to identify opportunities while avoiding threats. (mixed results)

Foreign Market Characteristics

- Political and legal environment
- Cultural similarity
- Market competitiveness

- ❖ Government intervention can affect a firm's operations (e.g. exchange controls, trade barriers)
- ❖ Easier to manage similarities than dissimilarities
- ❖ Determinants of competitive intensity can impact exports (mixed results)

Foreign Market Characteristics

- Environmental hostility
- Channel accessibility
- Customer exposure
- Economic similarity

Domestic market characteristics

Export assistance

Environmental hostility

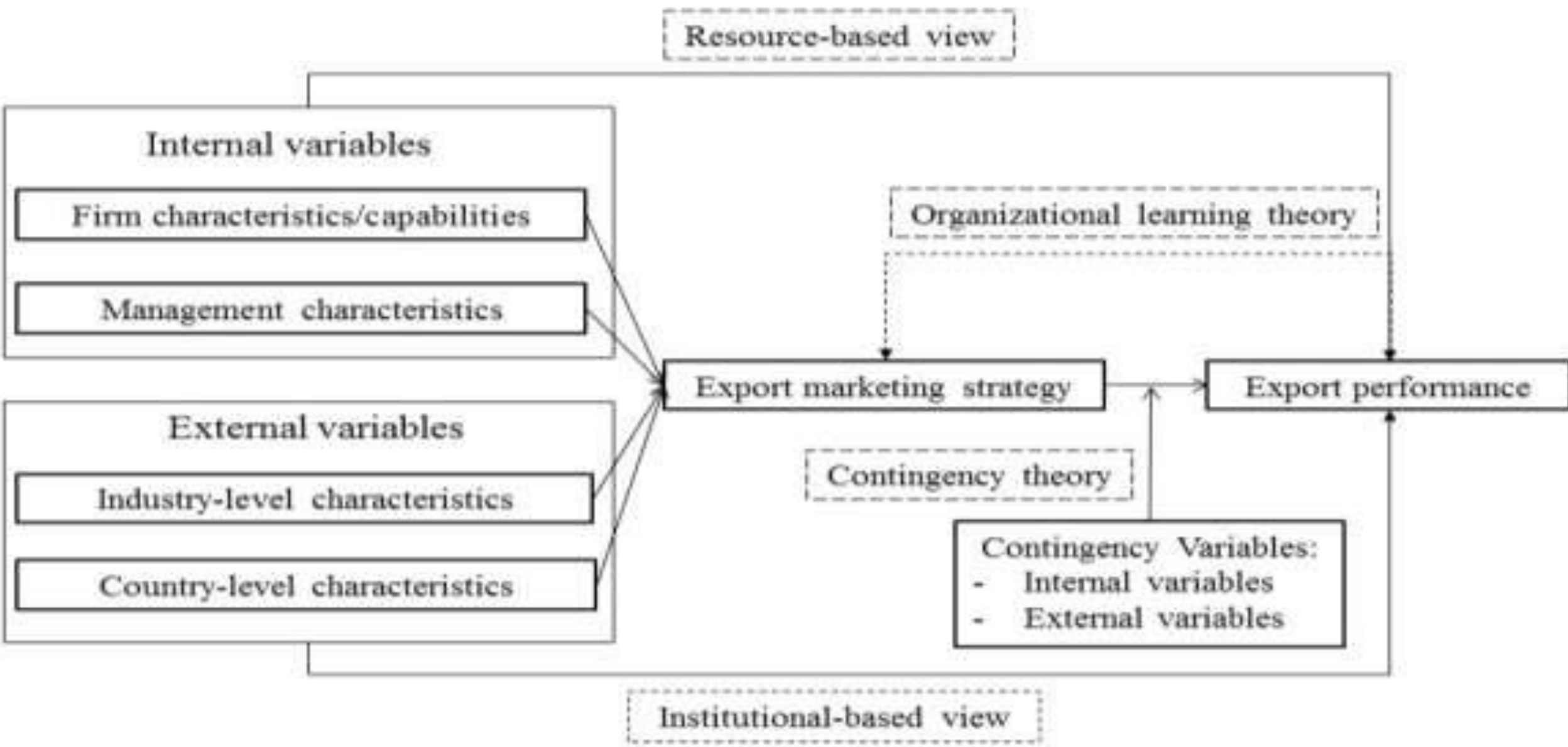
❖ As in the foreign environment, firms generally perform better when they operate in benign domestic environment

❖ Programs sponsored by government and nongovernment agencies that assist firms (act as an external resource) contribute to their performance.

Controls and Moderators

- ❖ Size and International experience are frequently used as control variables.
- ❖ Control variables are important for statistical and sampling related issues.
- ❖ Environmental turbulence is frequently used to moderate the relationship between export market orientation and export performance.
- ❖ Moderation effects are underexplored in empirical research.
- ❖ Recent suggestions for research : Institutional support to moderate the relationship between Innovation and export performance





Credit constraints

- ❖ A growing number of empirical papers looked at the links between financial constraints and export activities using data at the level of the firm.
- ❖ Studies use different measures of financial constraints & apply different econometric methods (implications for results comparability)

Wagner (2014)

Credit constraints

- Financial crisis has renewed the interest for the relationship between access to finance and international trade.
- Credit constraints can negatively affect exporting (even prevent it).
- Costs (fixed and variable) are generally higher for exporters.
- Exporters incur upfront costs (time lags to recover).
- Need for liquidity.
- Credit constraints are also important for imports and FDI.

Credit constraints

Measures/Sources:

- Balance sheet data
- Credit rating score
- Subjective assessments collected in surveys

Credit constraints

In general,

- Financial constraints affect export decisions
- Exporting firms are less financially constrained than non-exporting firms. [Direction of this link]
- Less constrained firms self-select into exporting,
- but that exporting does not improve financial health of firms.

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