การศึกษาเชิงประจักษ์ แบบจำลองของปัจจัยด้านทรัพยากรของผู้ส่งออกที่มีผลกระทบต่อผลประกอบการ

นาย พงษ์ศักดิ์ เลิศธรานนท์

The Empirical Study of the Model of Exporter's Resource-Based Determinants of Performance

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งานวิจัยนี้มีวัตถุประสงค์ในการเสนอ และทดสอบแบบจำลอง เพื่อศึกษาว่าทรัพยากรจำเพาะขององค์กรที่
ไม่สามารถจับต้องได้ และที่ไม่สามารถซื้อขายได้จะมีผลกระทบต่อผลประกอบการส่งออกของบริษัทในด้านต่างๆ
หรือไม่ นอกจากนี้ยังทำการศึกษาถึงข้อสมมุติสำคัญของ ทฤษฎีทรัพยากรขององค์กร ที่กล่าวว่า บริษัทที่มีผล
ประกอบการแตกต่างกันจะมีระดับของทรัพยากรองค์กรที่แตกต่างกันด้วย โดยการวิจัยนี้จะเน้นศึกษาไปที่ทรัพยากร
ขององค์กรที่สำคัญ 3 ตัว คือ ความสามารถในการใช้กลยุทธ์ทางธุรกิจ ความสามารถในการจัดซื้อ และการใช้แนวคิด
ด้านการตลาดในการส่งออก ตามสมมุติฐานแล้ว ทรัพยากรเหล่านี้ซึ่งสามารถเพิ่มขีดความสามารถในการแข่งขันให้
แก่บริษัทได้ จะมีความสัมพันธ์เชิงบวกต่อผลประกอบการทางธุรกิจ โดยการศึกษานี้ ใช้ผู้ส่งออกที่อยู่ในอุตสาหกรรม
แปรรูปอาหารเป็นกลุ่มตัวอย่างในการวิจัย และได้ข้อมูลจากแบบสอบถามจำนวน 281 ชุด

การวิจัยนี้ได้ใช้ทฤษฎีทรัพยากรขององค์กรในการศึกษา โดยตามทฤษฎีแล้ว การที่บริษัทใดๆมีผลประกอบ
การที่ดีนั้นเป็นผลเนื่องมาจากบริษัทมีทรัพยากรองค์กรที่เหนือกว่าบริษัทอื่นๆ ซึ่งผลจากการศึกษาข้อมูลเชิงประจักษ์
โดยใช้เทคนิคการวิเคราะห์โมเดลสมการ โครงสร้าง ให้ผลที่สอดคล้องกันกับทฤษฎี โดยพบว่า ระดับของทรัพยากร
องค์กรในด้านของความสามารถในการใช้กลยุทธ์ทางธุรกิจ และความสามารถในการจัดซื้อ จะมีผลเชิงบวกอย่างมีนัย
สำคัญต่อผลประกอบการในด้านการขยายตัวของยอดส่งออก ผลกำไรของการส่งออก และการรักษาฐานลูกค้าส่งออก
ของบริษัท อีกทั้งยังพบว่าการใช้แนวคิดการตลาดในการส่งออกของบริษัท มีความสัมพันธ์เชิงบวกอย่างมีนัยสำคัญต่อ
การขยายตัวของยอดส่งออก และการรักษาฐานลูกค้าส่งออกของบริษัทอีกด้วย อย่างไรก็ดี การศึกษาครั้งนี้ไม่พบ
ความสัมพันธ์ในเชิงบวกอย่างมีนัยสำคัญ ของการใช้แนวคิดการตลาดในการส่งออก ต่อผลกำไรของการส่งออก ทั้งนี้
อาจเป็นเพราะบริษัทให้ความสำคัญกับการเพิ่มยอดขาย และการรักษาฐานลูกค้าส่งออก มากกว่ามุ่งเน้นผลสำเร็จทาง
ด้านผลกำไรที่สูงเท่านั้น และอาจเป็นเพราะว่าหากขายสินค้าในราคาที่สูงกว่าคู่แข่งเกินไป ก็อาจทำให้เสียลูกค้าไปได้
เพราะลูกค้าไวต่อผลต่างของราคาขายระหว่างผู้ผลิต

เมื่อทำการศึกษาเปรียบเทียบระหว่างกลุ่ม พบว่ากลุ่มบริษัทที่มีผลประกอบการสูง จะมีทรัพยากรองค์กร
ดังที่กล่าวข้างต้นสูงกว่าอีกกลุ่มบริษัทหนึ่งที่มีผลประกอบการต่ำอย่างมีนัยสำคัญ จากผลการศึกษาเหล่านี้ จึงสรุปได้
ว่า บริษัทที่ให้ความสำคัญในการพัฒนา ความสามารถในการใช้กลยุทธ์ทางธุรกิจ ความสามารถในการจัดซื้อ และการ
ใช้แนวคิดการตลาดในการส่งออกนั้น จะมีความได้เปรียบในการแข่งขัน และมีผลประกอบการที่เหนือกว่าคู่แข่ง

นอกจากนั้นการวิจัยนี้ยังศึกษาว่า ระหว่างบริษัทที่มีประสบการณ์สูง กับ บริษัทที่มีประสบการณ์ต่ำ จะมีผล
ประกอบการที่ต่างกันอย่างมีนัยสำคัญหรือไม่ ผลปรากฏว่าผลประกอบการของทั้งสองกลุ่ม ไม่แตกต่างกันอย่างมีนัย
สำคัญ ในทำนองเดียวกัน ผลประกอบการของกลุ่มบริษัทขนาดใหญ่มิได้แตกต่างกันกับของกลุ่มบริษัทที่มีขนาดเล็ก
ด้วย ซึ่งหมายความว่า ตัวแปรด้านประสบการณ์ของบริษัท และขนาดของบริษัทนั้น มิได้เป็นตัวแปรสำคัญที่สามารถ
บ่งชี้ได้ว่า บริษัทใดจะมี ผลประกอบการที่เหนือ หรือ ด้อยไปกว่ากัน ผลอันนี้เป็นการยืนยันว่า ความแตกต่างด้าน
ทรัพยากรองค์กรคือตัวแปรสำคัญที่ส่งผลกระทบต่อผลประกอบการของบริษัท

สาขาวิชาบริหารธุรกิจ ลายมือชื่อนิสิต...

ปีการศึกษา 2549 ลายมือชื่ออาจารย์ที่ปรึกษา...

ลายมือชื่ออาจารย์ที่ปรึกษาร่วม...

PHONGSAK LEARTHARANON : THE EMPIRICAL STUDY OF THE MODEL OF EXPORTER'S RESOURCE-BASED DETERMINANTS OF PERFORMANCE. THESIS ADVISOR : ASSISTANT PROFESSOR PAKPACHONG VADHANASINDHU, D.B.A., THESIS CO-ADVISOR : PROFESSOR ACHARA CHANDRACHAI, Ph.D., 200 pp. ISBN : 974-14-3392-1.

The purposes of this research are to propose and test the parsimonious model of the impacts of intangible and nontradable firm-specific resources on various aspects of export performance and to examine whether the assumption of resource heterogeneity holds between firms with different performance level. In this research, the focus is on firm's strategy implementation ability, purchasing capability, and export market orientation. This set of variables, allowing firms to have competitive advantage, is hypothesized to be positively related to firm export performance. The sample data was derived from questionnaires answered by 281 exporters in food processing industry.

Resource-based theory serves as the theoretical foundation of this research. It suggests that superior firm performance can be explained by possession and utilization of superior firms resources. To test the hypothesis, structural equation modeling technique was employed. In general, the findings, congruent with the theoretical notion, showed that level of strategy implementation ability, and purchasing capability were significantly and positively related to all aspects of export performance measures including export sales growth, export profitability, and export customer retention. Export market orientation was found to be significantly and positively related the two export performance measures of export sales growth, and export customer retention. The significant and positive relationship between export market orientation and export profitability was, however, not found. Possibly, this could be due to the firms' priority in meeting the goals of export sales growth and retaining customers rather than trying to achieve high profitability level at the expense of the former two goals. In addition, customers may be price sensitive to the differences in price among manufacturers, making charging higher price difficult.

This research also performed subgroup analysis to statistically compare level of firm resources between firms in high performance group and those in low performance group. Empirical findings revealed that firms in high performance group possessed significantly higher level of firm resources than the firms in the other group. Based on the findings, it was found that companies who treasured the importance of developing their strategy implementation ability, purchasing capability, and export market orientation would have competitive advantage and enjoy superior performance over their rivals.

In addition, this research also made a comparison of performance between groups. The two grouping variables are number of export years (high vs. low experience) and number of employees (large vs. small firm). The results revealed no significant difference of performance between groups. The findings thus confirm previous conclusion that it is the difference in firm resources, rather than in experience or firm size, that explains performance differences among firms.

Field of Study : Business Administration   Student's Signature...........................

Academic Year 2006   Advisor' Signature...........................

Co-advisor's Signature...........................

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Introduction

Introduction

There are a number of modes of entry to penetrate foreign markets. However, the mode of entry into foreign market of most firms with limited resources is primarily through export, which is a part of a continuum of market entry modes, since it involves low level of risk and resource commitment (Bradley, 2002). Given that the majority of firms in Thailand are still in the initial stage of their internationalization process with export as a dominant mode of foreign market entry, and since export revenue is one of an important growth engine that propels Thai economic prosperity, trade liberalization that characterizes today world economy necessitates the examination of Thai exporting firms' underlying factors that enable them to succeed in their export business and enjoy competitive advantage in the markets.

In general, export research has long been an important research stream in international business among researchers (Bilkey, 1978; Aaby, & Slater, 1989, Chetty, & Hamilton, 1993). It is also a major research issue of recent decades (Thirkell & Dau, 1998; Balabanis, Theodosiou, Katsikea, 2004). Its importance has kept on growing as international business increases and competition with foreign firms intensifies. Growing interest in exporting in recent decades can be attributed to its substantial advantages (Leonidou, 1998). That is, engaging in international business yields numerous benefits for both firms as well as their countries—such as enable firms to exploit scale economies or have greater chance of full capacity utilization, earn foreign currency, drive economic development, create employment opportunity and so on. The importance of exporting to the prosperity of nations and firms has been well documented and thus created interest among academic researchers (Balabanis, Theodosiou, Katsikea, 2004). Jatusripitak (1986), for example, noted that export is a major channel to earn foreign currency to pay for the nation's import bills. To improve a nation's wealth and promote economic prosperity, sufficient foreign currencies need to be generated. Research exploring the factors enhancing export success of firms will thus not only beneficial to individual exporting firms, but also to the nation as a whole. With its significance, research in export has

increasingly gained more and more recognition among scholars as a legitimate field of research inquiry (Zou, & Stan, 1998).

As aforementioned, given the advantages that exporting brings about, not any more should companies operate their business without looking beyond their national boundaries. Firms confined themselves in such a narrowly defined market will not only forego the benefits of international trade, but they will also become prey of the foreign aggressive movers who come to set foothold in their domestic markets. Such firms are putting themselves at a major disadvantage vis-à-vis their competitors who have adopted a more proactive global business perspective (Leonidou, 2004). Firms need to be active players in international arena. Merely perceiving exporting business as a top up capacity filler (Williamson, 1991) or peripheral business activity is not the way to go, since such perception will only lead the exporters to nowhere.

Rapid changes in economies, technologies, international communication, legislative, and attitude around the globe have posed challenges for further development of this stream of research. Hypercompetitive and turbulent business environment in global market has called for the reconsideration of the bases which firm's competitive advantage are built upon (Balabanis, Theodosiou, Katsikea, 2004).

Recently, research interest in firms' internal capability as determinants of export performance is a dominant stream of export performance research (Balabanis, Theodosiou, & Katsikea, 2004), since these invisible resources could be strong source of competitive advantage for exporting firms. Similarly, Fahy, Hooley, Cox, Beracs, Fonfara, and Snoj (2000) noted that research concerning with firms' valuable resource and capabilities is being given increased research attention in the literature. There has been considerable interest in the management literature concerning an increased emphasis on capabilities to enhance firm performance (Vorhies, & Harker, 2000).

Firm capabilities, or firm's invisible resources (Fahy, 2000), are nurtured and developed within a firm rather than acquired externally in order to enhance firm's performance and outperform competitors. Resource based view theorists argue that the sources of a competitive advantage locate in the distinctive, hard-to-duplicate resources or capabilities the firm has developed (Balabanis, Theodosiou, & Katsikea, 2004). Fahy (2000) noted that the most likely source of competitive advantage as advocated in resource-based literature usually lies in firm's nontradable, idiosyncratic

capabilities, since they are often more difficult to duplicate than the physical resources like plant or equipment. Given that competitive advantage derived from capability-based resources aren't unlikely to be competed away by a simple duplication effort, research emphasizing on the examination of firm capability-based resources will continue gaining research interest in the export performance literature (Balabanis, Theodosiou, & Katsikea, 2004). Accordingly, this dissertation focuses on empirically examining the impact of firm's invisible and nontradeable resource/capabilities on export performance.

Based on literature review, in order to be successful, firms are often recommended to be market oriented (Slater & Narver, 2000) by being receptive and responsive to market knowledge. Marketing academicians and business educators would suggest firms to learn the needs of customers and serve them accordingly. In simple words, firms must be able to offer good quality products at the right price to their customers. Hunt and Morgan (1995) argue that market orientation could be an important firm resource, which is nontradable in nature, that brings important information, thus sharpening firm's competitive edge. In addition, to address customer needs and response to competition, firm must develop a strong purchasing capability that enables firm to acquire necessary inputs that is of the right quality at a reasonable total cost. Purchasing is the primary operation that starts the quality process of final product, significantly affecting price of the final products, and influencing firm's competitive advantage (Ellram, & Carr, 1994; Dobler, & Burt, 1996; Das, & Handfield, 1997). Besides, research has revealed that strategy is a critical factor for firm success (Weinzimmer, 2000; Wheelen, & Hunger, 1998). According to Porter, firms can build competitive advantages through the implementation of the three strategic dimensions of cost leadership, differentiation, and focus (Miller, & Dess, 1993) to cope with competition. The possession of the capability to implement these strategies effectively will help in gaining competitive advantage and improving performance of firm.

In sum, the focus of this dissertation will be on the impact of capability to implement business strategy, export market orientation, and purchasing capability on firm's export performance. The research will be conducted on Thai food exporting companies. These constructs are, however, under-researched areas in export research

literature (e.g. Aaby, & Slater, 1989; Zou, & Stan, 1998; Chetty, & Hamilton, 1993; Cadogan, & Cui, 2004; Cadogan, Diamantopoulos, & de Mortanges, 1999), despite their recognized importance in their respective fields. Extensive literature review revealed that their performance implications are rarely examined with exporting firms in developing countries. Despite their practical relevance and importance to the success of Thai food industry, little is known regarding the impact of these factors on the performance of exporting firms in this industry.

Diamantopoulos and Cadogan (1996) noted that research in market orientation has largely focused their attention on firms in *domestic* context, despite its potentially important role in export operation. Similarly, Cadogan, Diamantopoulos, & de Mortanges (1999), in spite of the call for more investigation, observed that there are relatively very little empirical research that explicitly study the impact of a market orientation on firm's export performance. In addition, most previous studies primarily examined the construct of market orientation and its relationship to business performance in western countries (Sin, Tse, Yau, Chow, & Lee, 2003), relatively little empirical research is done in developing countries context. This dissertation thus contributes to the existing knowledge pool by explicitly examining the relationship between market orientation and *export* performance of firms operating in *developing* economy, namely Thailand.

Regarding purchasing capability, Carr and Pearson (2002) suggested that purchasing function is a strategic resource for the firms since it directly affects the competitive factors of quality and cost saving. Effective purchasing can affect export performance, firms should thus develop an effective purchasing capability which helps them to achieve superior performance. An extensive literature review reveals that empirical research explicitly examining the impact of purchasing capability on export performance is very limited. Given that ineffective purchasing can potentially hurt export performance and leave company at disadvantage, a research investigation is needed in order to draw a solid conclusion, based on empirical evidence, regarding its impacts on export performance. Besides addressing this theoretical void in the literature, researching on purchasing capability is also of relevance to exporters, since raw material cost usually accounts for large proportion of total cost. Specifically, according to National Food Institute, cost of raw materials constitutes around 65% of

total production cost in Thai food processing industry. An interview with the manager of Thai Frozen Foods Association reveals similar finding, pointing out that raw material cost represents the highest proportion of total cost. Thus, addressing this area of inquiry will not only fill theoretical gap in export literature, but also is of practical concern to exporting firms.

For business strategy, despite the call for the examination of generic strategy of export operation (Aaby & Slater, 1989), there are relatively few studies examining the strategies and performance aspects of exporting firms (Aulakah, Kotabe, and Teegen, 2000). In addition, the strategy concept and related studies are usually grounded in the data from *industrialized* countries (Kim, & Lim, 1989). Only little is known regarding competitive strategies of exporting firms in developing economies like Thailand. Kim and Lim (1989) suggest that empirical evidence found in industrialized country can't be immediately generalized or transferred to developing countries, hard evidence is needed to make an empirical based-conclusion. Research studying this linkage will thus contribute to the literature by providing the empirical testing to strategy-performance linkage to determine if findings developed and found in Western countries is applicable to exporting firms operating in developing country (Kim, & Lim, 1988, Zou & Stan, 1998).

Despite the growing importance of export to developing economies in Asia, much export research was primarily conducted in the USA, Canada, and European countries (Leonidas, 1998). Different economic conditions and different infrastructural bases might affect research finding (Leonidas, 1998). Thus, much export research remains to be done in other countries to verify the validity of concept and verify research findings in different contexts.

Research Questions

This dissertation seeks to shed more light on the previous research findings on the impact of firm strategy implementation, firm's purchasing capability and market orientation on firm export performance. Specifically, this dissertation emphasizes on investigating the performance implication of intangible firm resources including ability to implement business strategy, purchasing capacity, and export marketing orientation (EMO) on export performance of Thai food exporters. This study is

interdisciplinary in nature since the constructs in research are grounded in three main business disciplines, namely strategic management, purchasing, and marketing disciplines.

The main research question of this dissertation is "What are the impacts of the firm-specific factors of ability to implement business strategy, purchasing capability and EMO on firm export performance? Does they have any bearing on the performance?" In addition, the linkage between purchasing capability and ability to implement business strategy and the linkage between EMO and ability to implement business strategy will also be examined.

Research Objectives

Based on the previous discussion, this dissertation seeks to address the following research objectives.

1. To determine the impact of ability to implement business strategy on Thai firms' export performance.
2. To determine the impact of purchasing capability on Thai firms' export performance.
3. To determine the impact of the recently researched export market orientation (EMO) construct in international business literature on performance of Thai exporting firms.
4. To determine the relationship between purchasing capability and ability to implement business strategy.
5. To determine the relationship between export market orientation and ability to implement business strategy.

Research Rationale

Scholars in export performance research have recently shown a research interest in the contribution of firms' resource and capability to export success (Balabanis, Theodosiou, & Katsikea, 2004; Dhanaraj, & Beamish, 2003). Particularly, based on resource based theory, scholars argued that strong base from which firm's competitive advantage is derived lies in non-tradable, intangible, and idiosyncratic firm resource or capability (Dierickx, & Cool, 1989; Balabanis,

Theodosiou, & Katsikea, 2004). Thus, export performance research should focus on examining the impact of these firm-specific resource or capability on firm's export operation.

Based on comprehensive literature review (e.g. Cadogan, Diamantopoulos, & Siguaw, 2002; Cadogan, & Cui, 2004; Baldauf, Craven, & Wagner, 2000; Carr, & Pearson, 2002; Fahy, 2000), industry publication, and insights from interviews, this dissertation proposes to investigate the impact of intangible firm internal factors, namely, export market orientation, purchasing capability and ability in implementing business strategy on firm export performance.

Increasingly, export marketing researchers have shown a growing interest for export market orientation construct (Cadogan, & Cui, 2004). As aforementioned, surprisingly, despite the call for investigation of export market orientation on export performance (Cadogan, Diamantopoulos, & de Mortanges, 1999), currently there are relatively few attempts that explicitly address this issue. Paticularly, research about market orientation on firm's export performance is still in an early stage of development. Its claimed positive effect on various dimensions of export performance is scarcely established (Cadogan, Diamantopoulos, & Siguaw, 2002). While market orientation has been advocated by past studies in helping firms to operate successfully, the studies are primarily confined to the studies of domestic operation of firms. That is, most research about market orientation rarely investigates the market orientation and performance linkage specifically in export setting (Cadogan, & Diamantopoulos, 1995).

In addition, among the research that specifically explores relationship between market orientation and export performance, those studies are still very limited in their geographical scopes. They were primarily conducted in North America or Europe (Cadogan, & Cui, 2004; Cadogan, Diamantopoulos, & Siguaw, 2002). While there is some attempts to widen the study's context as seen in recent studies (e.g. recent studies were conducted in Israel (Rose, & Shoham, 2002), and Turkey (Akyol, & Akehurst, 2003)), Cadogan and Cui (2004) noted that research on export market orientation is *still* not well understood in non-Western context. Empirical validation for Asian developing countries is still lacking. Akyol and Akehurst (2003) argue that findings of research are country-specific, and it can be dangerous to make a

generalization to firms in other countries. Similarly, based on Kohli, Jaworski, and Kumar (1993), it was noted that market orientation concept is often studied or written with western context in mind, it is therefore important to see if the positive effects of market orientation on performance can be empirically found in non-U.S. economies especially in developing countries. In addition, research findings didn't always show supporting evidence for the contribution of market orientation to firm success. Cadogan, Diamantopoulos, and Siguaw (2002), for example, didn't found the positive impact of market orientation on export growth with US samples. More insights based on empirical research are thus needed to clarify its impact on firm export performance and to reject or verify its generalizability to firms in countries that differ from U.S. economy. In order to shed more light on the impact of export market orientation construct and to address the lack of empirical investigation in Asian developing countries in current literature, this dissertation contributes to extant literature by examining export market orientation's impacts on Thai exporter's performance.

Although numerous researchers have examined the strategies and performance aspects of multinational corporations or MNCs (Aulakh, Kotabe, & Teegen, 2000; Wood, & Robertson, 1997), relatively few conceptual advances have been made regarding firms whose international participation is primarily through export operations (Aulakh, Kotabe, & Teegen, 2000). Since there are few studies that specifically investigate the links between strategy and success or failure of exporting firms, the existing export literature is in need of more empirical evidence to support the generalization of the strategy-performance linkage to exporting firms (Wood, & Robertson, 1997). This warrants future export performance research that incorporates strategy as the study variable. Also, to enrich our knowledge in export performance research, this dissertation seeks to determine if the claimed performance implication of generic strategies developed in Western countries is transferable to or evident in firms operating in developing countries (Kim, & Lim, 1988, Zou & Stan, 1998).

Purchasing is normally the point where the quality process in the firm begins, and it is the area where firm can improve or destroy its competitive advantage. Despite its strategic importance to firm, however, according to Das and Handfield (1997), the purchasing discipline has not received as much share of research interest as other research fields. Recently, Chen, Paulraj and Lado (2004) have also addressed

this theoretical gap for purchasing. They noted that the claims of the strategic role of purchasing have not been fully subjected to rigorous theoretical and empirical scrutiny, despite its potentially significant contribution to the firm's bottom line. The relatively inattentive interest in purchasing research is especially pronounced in export performance stream of research (e.g. Aaby, & Slater, 1989; Zou, & Stan, 1998). Extensive literature review reveals that empirical test regarding its impact on export performance is lacking in current export literature. An export study incorporating such construct would thus add a research momentum to this under-researched area. In addition, addressing this area is also of great relevance to practitioners since it has been acknowledged that purchasing is influential to the quality of final products, and it is responsible for a very large proportion of total production cost. An improvement on purchasing capability will thus contribute tremendous benefits to exporting firms.

Export performance involves both financial and non-financial aspects. However, many export performance studies focus only on financial aspects. From extensive review of export marketing literature, and to the knowledge of the author, only a few researchers attempt to quantify the non-financial export performance in term of customer retention. This dimension of performance is important, since it can affect profitability of firm. Nonetheless, rarely is export performance measured in term of customer retention. Surprisingly, despite its recognized strategic importance to firms in diverse industries such as tourism and insurance, its importance as an indicator of firm performance has not yet been fully visible in export research stream. Thus, besides the commonly used firm performance measurements, customer retention as a dimension of firm performance (e.g. Narver, & Slater, 1990) is also employed in this dissertation to fill this research void in export performance research.

Scope of the Study

The expansion of Thai economy has been propelled by the development of its international trade with foreign countries. Specifically, Thailand's export sector has been the dominant source of revenue for the nation over the past decades. According to Department of Export Promotion (DEP), the export value in 2005 is US$110,883

million, representing 15% growth rate over last year. And food industry is one of the top export revenue earners for our country.

This study seeks to test the proposed model with Thai food exporters. Thailand is a dominant food producing and exporting country in the world. Based on DEP, food export is one of the fastest growing industries generating revenue for the country. Generally speaking, the development and expansion of Thai food industry is supported by a number of factors including abundance in natural resources and favorable growing condition, good foreign market demand, supporting industry (e.g. printing and packaging industry), reasonable labor cost, various forms of government support from farm-to-market (e.g. technological, financial, and marketing support), and production technology advancement. Given the strengths in term of diversity of food supply especially agricultural products, as well as production skills and technology with world-class quality standard, Thailand has a very high potential to be a strong player to produce and supply food to world market.

According to Department of Export Promotion (DEP), there are around 1,153 Thai food exporters involving in the business of canned food/foods in containers, chilled/frozen foods, dried/dehydrated foods, semi-processed foods from animals. According to Competitive Benchmarking Project for Thai Food industry prepared by National Food Institute or NFI (2005), the total export value of this industry accounts for around 7 - 8% of GDP during 1997-2004. And it is the industry with the largest number of employees, based on the report in 2001 of National Statistical Office (NSO). Given its economic contribution, this industry is thus an important growth engine for Thai economy.

This industry also has a good prospect in world market. According to Thai Food Processor's Association, the export statistics of, for example, canned seafood is 16,328.8 Million Baht during Jan-June 2004, and 19,563.8 Million Baht during Jan-June 2005. The importance of our food export can be best manifested by our position in world market. Based on NFI publication (2002) and an interview with the manager of Thai Frozen Food Association, Thailand is currently a world-leading exporter for shrimp. Also, Thailand is a major exporter of processed and canned fruit. The export figure is 16,061.1 Million Baht during Jan-June 2004, and 16,604.7 Million Baht during Jan-June 2005. Statistics of Food and Agricultural Organization of the United

Nations reveals that Thailand is in rank number one for the export of canned pineapple and concentrated pineapple juice. Acknowledging its importance to Thai economy, the 9th National Economic and Social Development Plan realizes the necessity to develop the competitiveness of this industry at nation and firm levels and aims for Thailand being a major food producer and supplier to the world.

Overview of the Thesis

This dissertation is organized into seven chapters. Brief overview of each chapter is described below.

In Chapter 1, brief background of export research stream is introduced. The research rationale is explained. This part focuses on the identification of research gaps that motivate the initiation of this dissertation. Next, research questions as well as research objectives of the study are presented. The chapter ends with a section on the scope of the study.

In Chapter 2, past studies relating to the development of the proposed model of this dissertation are extensively presented. The chapter begins with the discussion of export performance research. Following is the discussion of resource-based theory. And the rest of the chapter focuses on the extensive review of relevant literature. This includes the discussions concerning with business strategy, purchasing capability, market orientation as well as its variant in IB, namely, export market orientation.

In Chapter 3, industry background is discussed. The chapter provides a broad overview of this industry in such areas as main export products, main export markets, and competition from foreign countries.

In Chapter 4, proposed research model is introduced. Research hypotheses are conceptually developed and presented for the empirical tests in subsequent chapter.

In Chapter 5, research methodology chapter, it covers the discussion of data collection method, constructs operationalization, and planned data analysis.

In Chapter 6, data from respondents are analyzed in this section. Relationship among constructs is statistically examined. The chapter ends with the statistical tests of hypotheses and supplementary analysis.

In Chapter 7, the research findings are discussed. Implications, and limitations of the research are presented. Future research is also recommended in this chapter.

Chapter 2
Literature Review

In this chapter, relevant past theoretical and empirical studies are described. A section on export performance research is first discussed. Discussion about resource-based theory, describing the assumption of resource heterogeneity and imperfect mobility, then follows. This theory will be used as the theoretical foundation for the development of export performance model in the chapter 4. This chapter ends with the literature review of strategy, purchasing capability, export market orientation, and environment, respectively.

Export Performance Research

Given the increasing importance of cross-border trading to the economic stability and growth of nations, many research focuses on identifying and studying organizational determinants of export success (Aaby, & Slater, 1989). Export performance study has become an important stream of research (Zou, & Stan, 1998).

International exchange or export activity is important to create and maintain good standard of living of people in a nation. Therefore, the importance of export has been stressed by both public and private sectors. And whether a company likes to participate in the international trade or not, finally it cannot avoid the effects of business globalization (Darling, & Seristö, 2004).

The significance of export to nations and firms has been highly recognized by scholars and results in the voluminous studies on export. Geographical location of research is, however, mostly concentrated in developed countries. For example, many export studies have been conducted in USA, or Canada (Aaby, & Slater, 1989; Baldauf, Cravens, & Wagner, 2000). Therefore, it is not clear whether the findings from these studies are also valid in other countries (Baldauf, Cravens, & Wagner, 2000).

While there is a gradual trend of an increasing number of studies that were conducted outside the USA (e.g. European research has now made more contribution to export research (Leonidou, 1998)), a lot more export research need to be done in other countries (Zou, & Stan, 1998). The need to widen the geographic location of research is driven by the fact that the differences in economic conditions, social, legal,

and infrastructural bases can have an influential effects on organizational factors, thus affecting firm export operations in countries differently (Leonidou, 1998). Generally, research findings can be generalizable to firms with the context similar to that of firms under the study, and the findings cannot apply to firms in different contexts. So researchers normally can't make a solid conclusion regarding the nature of relationship between constructs in a particular setting without empirical evidence.

For example, researching the impact of EMO on export performance Cadogan, and Cui (2004), claimed that while studies on EMO was already conducted in North America, export research about EMO in China is still lacking since current understanding on EMO is primarily from "Western perspective". It can be potentially dangerous and misleading to infer generalizations from research findings from the US or Canada economies to firms in other countries whose stage of economic development and infrastructure are different (Katsikeas, Piercy, & Ioannidis, 1995). Given the inherent danger of making inappropriate generalization, Cadogan, and Cui (2004), therefore, investigated the linkage of EMO and export success specifically with firms in China to extend the external validity of past findings.

As earlier example shows, though most export performance studies was initially conducted in developed economies like US, there seems to be an increasing interest on export-related research from other part of the world (Zou, & Stan, 1998). Gradually, an export research has been conducted in other non-US countries (e.g. in Asia or Latin America). Researchers now gradually witness export research that are conducted in countries other than those in USA, Canada, or Europe.

Given the significant impact of export to the wealth of any nation, scholars have recently seen export research that comes from less researched countries like those in Africa. As an illustrated example, an export research done in Africa is briefly described. This research is a clear indication that export performance research is a field of study that attracts interest of researchers from several parts of the world (Zou, & Stan, 1998). The research claimed that there have been major changes, over the past two decades, in economic policy in many African countries from ones where government controls were extensive to more open, market-oriented ones. The changes are also accompanied with a reduction in protection and a liberalization of the exchange rate. These efforts could be viewed as the attempts to emulate the

success and developments of the Asian economies that have bolstered their presence in world market. All these measures have eased the past difficulties for international trade in Africa. It was found that export performance and nation's income growth are very closely linked. And the collapse of many African economies after being independent was caused by the collapse of their exports (Söderbom, & Teal, 2003). This finding thus buttresses the importance of export revenue to the economic growth of the nation and signifying the importance of export performance studies.

Given the clear evidence of export revenue in contributing to economic success of country, government and managers alike need to have the understanding of how to successfully manage export business successfully and the understanding of the impact of export performance drivers (Baldauf, Cravens, & Wagner, 2000). Obviously, the improvements of export performance of firms will ultimately contribute to the improvement of nation export revenue as a whole.

Because the primary question that is of concern to management revolves around the issue of how to run export operation successfully, there are writings on how to pursue export business. The preaching is normally based on the mixture of strategic management and marketing disciplines. Darling and Seristö (2004), for example, have delineated the ten keys steps that exporter can use as a general guideline to be successful in export business. These ten steps include 1) analyze market opportunity, 2) assess product potential, 3) establish market entry mode, 4) make a commitment, 5) allocate necessary resources, 6) identify technical issues, 7) develop strategic marketing plan, 8) organize operational team, 9) implement marketing strategy, and 10) evaluate and control operations. These tens are described below.

First, in order to proactively set the footstep in export market, firms must understand the nature of market. Since information is power in the market, management needs to understand the competitive situation and the needs or requirements of customers in order to seize export opportunity successfully (Darling, & Seristö, 2004). That is, firm must have the market intelligence. Second, management should avoid taking it for granted that the success of product in domestic market is a guarantee to export success. Often, firms need to examine if their products need any modification or need an improvement on quality or on other dimensions or

not to serve foreign markets in order to response to their needs correspondingly (Jain, 1996; Darling, & Seristö, 2004). Third, export is a foreign market entry mode that normally requires relatively low level of investment compared to other modes of entry like setting up a production plant in foreign country (Bradley, 2002). The limited availability of capital resource usually inhibits firms to establish foreign branches to export their products. Firm may thus choose to export its products from a domestic production base to independent buyers in foreign markets or export through contractual distributors (Darling, & Seristö, 2004). Forth, export business requires commitment from management (Aaby, & Slater, 1989; Zou, & Stan, 1998). Managers must attach strategic importance to export operation of the firms and view it as an important business opportunity that deserves continued and careful management (Darling, & Seristö, 2004). Viewing export business simply as the absorbers of excess production is detrimental to the successful export operation. Scholars have recognized the importance of management commitment. For example, it was found that the lack of willingness by management to commit resources to export could adversely affect performance (Aaby, & Slater, 1989; Zou, & Stan, 1998). On the other hand, management involvement in export business was found to enhance performance (Aaby, & Slater, 1989). Aaby and Slater (1989) suggested that manager must have an international vision, and favorable attitude towards export to become successful exporter. Fifth, firms need to allocate resources to support export operation (Darling, & Seristö, 2004). These resources usually involve sufficient management time, capital, and knowledge of firm personnel. Sixth, firms need to understand and avoid the pitfalls or problems that may arise from such technical issues as the documents commonly used in exporting, methods of payment, and legal procedure and requirements. Seeking advice from experts or knowledgeable persons in these areas is recommended to avoid potential problems (Darling, & Seristö, 2004). Seventh, a strategic plan is needed to put all the previous considerations, facts, or opinions into one workable plan of action (Kotler, 1997; Darling, & Seristö, 2004). Eighth, personnel from various parts of the firms must be actively involved, and managers must make sure that appropriate responsibility has been assigned to them. Ninth, once the plan is laid out, and people organized (Darling, & Seristö, 2004), firms are now ready to carry out the implementation step. At this step, firm should

also take the advantage of learning by doing to further to improve its export operation. Tenth, firms need to closely and constantly monitor the ongoing export operation to determine what actions or improvements need to be carried out. This step is needed on a regular basis since it is the basis for the continued success in export operation (Darling, & Seristö, 2004). In subsequent paragraphs, the discussion of commonly studied variables in export performance research follow.

In export performance literature, a common dependent variable among the export studies is export performance (Aaby, & Slater, 1989; Zou, & Stan, 1998). Aaby and Slater (1989) noted that, among the fifty-five studies under their review, there are two primary ways to assess export performance.

The first method is to classify firms as either exporters or non-exporters. The second method is to assess export performance along some dimensions of export success (Aaby, & Slater, 1989). For second method, the most commonly used dimensions are growth in export sales and percentage of total sales accounted for by exports. The primary objective of the studies employing first method is to develop a profile of the variables that can categorize firms into either category (i.e. exporters or non-exporters). Thus, a primary analytical technique is discriminant analysis. The underlying assumption of this method of performance measurement is that exporting per se is sufficient to ascribe success to a firm (Aaby, & Slater, 1989: p.16). However, this is not necessary true. This kind of rough measurement will very likely produce confounding results because, in either exporter group or non-exporter group, there can be a mixture of poor performing and high performing firms. By classifying a firm into the exporter category, researcher can't logically interpret that the firm has good performance.

Given the limitation of the first approach, the second approach of measurement, which really measures export performance along some dimensions of export performance rather than simply assuming that being exporters per se is equivalent to success, is superior to the categorical approach (Aaby, & Slater, 1989). The primary objective of the studies that employ the second measurement approach is to assess the impact of independent variables on, say, export sales growth or export intensity (Aaby, & Slater, 1989). A primary method of analysis is multiple regression (Aaby, & Slater, 1989), and it is the most often used one (Zou, & Stan, 1998). And

the dominant method for data collection in export performance research is through mail survey (Zou, & Stan, 1998; Leonidou, 1998). This is for the reason of cost-effectiveness (Leonidou, 1998).

Regarding the measurement of export performance, export performance researchers traditionally relied on single measures of export performance (Zou, & Stan, 1998; Baldauf, Cravens, & Wagner, 2000). Since export performance is multi-facet in nature, such traditional measurement gave only one dimensional view. Therefore, recent researches tend to employ multiple measures of performance (Baldauf, Cravens, & Wagner, 2000). It is argued that using multiple measures of export performance would enhance the accuracy of the reading of exporters' performance (Shoham, 1998). As noted by Zou and Stan (1998), there is still no consensus among scholars on how to measure export performance. However, the most commonly used measures are export sales, profitability (Aaby and Slater, 1989), and composite scales. The latter refers to measures that are based on overall scores of many performance measures (Zou, & Stan, 1998).

The majority of studies (including this research, see Appendix 1 for subjective measurement items) measured performance by using the perceptual evaluations of managers due to the difficulties to access data and management's unwillingness to reveal figures to outside researchers. Specifically, researchers usually encounter problem of securing objective measures of organizational performance. This is especially true for privately-held firms (Dess, & Robinson, 1984). Access to performance data is normally restricted and the data is not publicly available for private firm. However, there is evidence that shows the general reliability and acceptability of self-reported data on performance (Venkatraman, & Ramanujam, 1986). Dess and Robinson (1984) reported a strong association between self-reported objective measures and subjective measures of economic performance. They also noted that subjective measures can also be useful in operationalizing non-economic dimensions of organizational performance. In addition, the use of subjective measurement of export performance is also appropriate because it is the management perception rather than objective reality *per se* that plays a greater role in influencing strategic choice of firm (Hambrick, & Mason, 1984). Besides, since managers constantly evaluate the objective reality of their respective firm performance through

their perception and interpretation, it is credible to adopt perceptual measures of export performance (Katsikeas, Piercy, & Ioannidis, 1995). In the next paragraph, export performance drivers in the past studies were discussed.

Past studies on export performance suggest that there are basically two broad categories of factors explaining firm export performance: factors internal and external to the firms (Aaby, & Slater, 1989; Zou, & Stan, 1998; Chetty & Hamilton, 1993; Thirkell, & Dau, 1998). The internal factors could be categorized as firm characteristics, firm capability, and strategy. The external factor refers to the environmental force, which is generally not studied much in past research (Aaby, & Slater, 1989; Chetty, & Hamilton, 1993; Thirkell, & Dau, 1998). Since internal factors are more directly controllable than external factor, past studies generally focus more on examining the impact of these managerially controllable factors of firm characteristics, firm capability, and strategy (Aaby, & Slater, 1989; Chetty & Hamilton, 1993). Each of these three are discussed in the following paragraphs.

Regarding firm-management characteristics (such as management perception, or management commitment), past export studies usually examined the relationship between these factors and the decision to export. Jatusripitak (1986), for example, postulated a relationship between various management perceptions and firm's export decision. Using the first approach of export performance measurement discussed earlier (i.e. export vs. not to export dichotomy), he noted that the decision of firms to engage in exporting was directly driven by three major factors including 1) favorable management perceptions about export operation's contribution to the firm, 2) management's perception about export risks (for example, if firms perceive that other firms who engage in export operation benefit from exporting, then firms are likely to have lower level of perceived export risk and are likely to export.), and 3) management's perception about firm's capability to handle export operation.

Similarly, management commitment in export was also reported to have a linkage with the propensity to export (Aaby, & Slater, 1989), and with the export performance (Zou, & Stan1998). Favorable perception to profit likelihood in export market or management's perceived export advantages is also found to have impact on export performance (Chetty, & Hamilton, 1993; Zou, & Stan, 1998). Though these past studies, to some extent, might tell us about the existence of the correlation

between management characteristics (e.g. management perception of export advantages or management perception of export profit potential) and export decision/operation, they mainly discussed about export/not-to-export decisions. Given that the advantages of export has been made widely and publicly known by media, business school, and educational institutes, nowadays there are already a number of firms that are already committed themselves to export business. Therefore, further exploring management perceptions or commitment in export may not be fruitful. In addition, as can be seen from the discussion, this line of research didn't specifically add to our understanding about what resources/capabilities allow exporters to enjoy superior performance over the others. Addressing this later question should be of immediate interest to scholar and managers alike.

Regarding strategy, past studies often conceptualized it as marketing mix elements. And the big question is usually in term of standardization *or* adaptation of the strategy (Balabanis, Theodosiou, Katsikea, 2004). After several years of fierce debate on this issue, research generally suggests that the choice of standardization vs. adaptation is dependent on the idiosyncrasies of the markets (Balabanis, Theodosiou, Katsikea, 2004). This means that firms are unlikely to succeed unless they respond appropriately to the idiosyncrasy of the market. By taking responsive decisions and actions corresponding to the specific nature of market, firms are, in effect, addressing market needs. So, the important issue actually lies in the understanding of the market needs.

In order to have the right response, firms should have a thorough understanding of the market and should acquire market information concerning with the needs and wants of customers, related regulations, competitive moves, and the likes. This information must then be disseminated to the relevant personnel so that firms can have the appropriate responses and make a market offering that meets customers' requirement and preferences (Cadogan, & Cui, 2004).

Forty years of studies on standardization/adaptation duality (Balabanis, Theodosiou, & Katsikea, 2004) suggest that responding appropriately to market idiosyncrasies necessitates firms to know the market information (i.e. have the market intelligence). Instead of further researching on the standardization/adaptation duality, future research effort should focus on studying the capability of firms to get, share,

and respond to market intelligence. After all, it is the acquisition, dissemination, and responsiveness to market intelligence that enable firms to have a better informed decisions in serving the customers.

Comprehensive literature review revealed that, in recent years, export performance researchers have shown a growing interest in export market orientation due to the importance of market intelligence to export success (Fahy, Hooley, Cox, Beracs, Fonfara, & Snoj, 2000; Cadogan, & Cui, 2004; Cadogan, Diamantopoulos, & Siguaw, 2002). This market orientation might be thought of as intangible firm resource or capability that firm should develop in order to build competitive edge over their competitors.

Hunt and Morgan (1995) noted that market orientation is a valuable resource creating competitive advantage to the firms. This line of research in exploring the importance of intangible, firm-specific resource or capability is consistent with the recent interest in resource-based theory of export performance scholars (Balabanis, Theodosiou, & Katsikea, 2004).

Lastly, the last group of factors is firms' capability. This group of variables is promising for future research endeavor. Grounded in resource-based theory, internal firm's resources could effectively explain the export performance difference among firms. In recently years, there is a research interest among scholars to study the contribution of firm's nontradable capability-based resources in export performance literature (Balabanis, Theodosiou, & Katsikea, 2004). These resources could be the capabilities that are internally developed by firms.

According to resource-based theory, firms possessing superior resources or capability will outperform the others. However, not all types of resource are capable of allowing firms to enjoy sustained competitive advantages and higher performance. Such resources as foreign language skills, computer skill, machines, or equipments, which are not resistant to simple duplication by competitors (i.e. normally, these resources are easily acquirable in factor market), are unlikely to provide prolonged advantages for firms.

The resources that are neither easily acquirable nor easily imitated, rather than being widely available and easily duplicated, are more likely to provide firms with sustainable competitive advantages and superior performance. Based on the review of

recent studies on performance and research interest in export performance (Balabanis, Theodosiou, & Katsikea, 2004), there are recent research work among scholars in : 1) business strategy implementation (Baldauf, Cravens, & Wagner, 2000), 2) purchasing capability (e.g. ability to identify attractive source of supply and maintaining good relationship with suppliers) (Chen, Paulraj, & Lado, 2004; Piercy, Kaleka, & Katsikeas, 1998), and 3) export market orientation (Cadogan, Diamantopoulos, & de Mortanges, 1999; Cadogan, & Cui, 2004). These three resources are chosen as the focus of this research because of their being likely sources of sustainable competitive advantage. Specifically, they are nontangible, nontradable, and not easily mobile across firms. Neither are they widely bought and sold in factor market. Instead, these resources must be internally developed by the firms. These attributes make these resources likely source of sustained competitive advantage for firms. Literature generally noted firms possessing high level of these resources would achieve high performances. Given the intangible nature of these three resources, and their being source of sustainable competitive advantages for achieving higher performance level, this set of resources is chosen for model building in this study. However, the external validity of past findings supporting the impacts of these constructs on firm export performance is limited due to their geographical research locations that concentrate mainly in developed countries, making it difficult to generalize findings to other dissimilar economies. In addition, extant literature also fails to provide empirical evidence on the *simultaneous* impacts of these three resources on export performance. Research on the performance implication of an individual resource was normally done in *isolation* of one another. This gap in the literature makes it impossible for us to make a solid and empirical based conclusion regarding the simultaneous impacts of these non-tradable resources on firm export performance.

Based on research gap identified above, coupled with recent research interest of export performance scholars in resource based theory to explain performance differential among firms (Balabanis, Theodosiou, & Katsikea, 2004), the focus of this dissertation will be on examining the impacts of purchasing capability, firm's market orientation, and ability to implement strategy on various export performance measures (Cadogan, & Cui, 2004; Baldauf, Cravens, & Wagner, 2000, Ellram, & Carr, 1994).

Following is a section dedicated to the discussion of resource based theory, which will be used as the theoretical foundation of the proposed research model in this study. Immediately presented after the end of this section is the discussion on the linkages among competitive strategy implementation ability, purchasing capability, and export market orientation. Then, these resources, which are the focus of this dissertation, will be discussed thoroughly in the subsequent sections. This chapter ends with the discussion about environment, which will be incorporated in the research model for control purpose.

Resource Based Theory

According to Wernerfelt (1984), resources and products are two sides of the same coin for the firms. Both perspectives are reflected in the strategic management literature. Wernerfelt (1984), however, believes that it is beneficial to view and analyze the firm from the perspective of firm's resources rather than firms' products, because such view enables firms to manage its resource position over time. It is the development and utilization of relevant firms resources and capabilities that brings about competitive advantage (Hall, 1992; Hall, 1993).

The notion of "looking at firms as bundle of resources can be traced back to the seminal work of Penrose in 1959" (Wernerfelt, 1984: 117). But the idea of looking at economic entity from resource perspective is not the privilege of resources based theorists. Such notion is also evidenced and embraced in the concept of strategy, which is traditionally expressed in terms of the resource position or strengths and weakness of the firm. In addition, it has also been employed in economic analysis (Wernerfelt, 1984). However, the resources in economic analysis were primarily confined only to land, labor and capital.

The interest in employing resource-based theory to explain factors behind firms' success is partly driven by the inadequacy of neoclassical theory to explain why one firm can outperform the others. In order to see the limitation of neoclassical theory and explanatory power of resource-based theory, the neoclassical theory as well as its underlying assumptions is first described in the paragraphs that follow. Resource based theory is then gradually introduced and explained. The underlying assumptions of this theory are also presented.

The neoclassical theory assumes that market has perfect competition (Hunt, & Morgan, 1995). It also assumes that all firms have the same production function. That is, firms are homogeneous in term of their resources and capabilities. Resources are assumed to be perfectly mobile across firms to maintain equilibrium. Therefore, no firm-specific capabilities are allowed.   In neoclassical theory, the role of management in competition is simply to adjust the quantity of production to response to changes in product prices and cost of the resources or input. In addition, firms are also assumed to possess perfect information, for example, regarding customer needs. And this information is costless to acquire (Hunt, & Morgan, 1995).   Also, neoclassicist makes an assumption that customers have perfect information about availability, characteristics, benefits, and prices of all products. Their tastes and preferences are assumed to be homogeneous within an industry, and hence no customers want to pay premium price for higher quality products. As a result, no firm will produce a product that is of superior quality than the standard product (Hunt, & Morgan, 1995).

In neoclassical theory, firm performance is assumed to be largely affected by firm's industry environment (Hunt, & Morgan, 1995; Rumelt, Schendel, & Teece, 1991). *Heterogeneity* of firm resources and capability among firms is ignored as the possible determinants of firm performance. As mentioned in the above discussion, neoclassical theory views all firms in an industry as homogeneous economic entities having similar capabilities and resources. And these resources can flow freely among firms, reflecting the assumption of completely mobile resource. With these assumptions, neoclassical theory *cannot* explain performance of firms as resulting from the possession of different firms resource or capabilities. Its underlying assumptions of firm homogeneity preclude the possibility of neoclassical theory to do so (i.e. explaining firm performance from the perspective of firm's resources and capabilities). However, in today economy, it's conceivable that firms are not necessarily similar in term of their resources or capabilities. A firm can be viewed as a collection of heterogeneous resources. Strictly embracing neoclassical assumptions might not be consistent with today economic reality.

In contrast with the assumptions of neoclassical theorists, the market-based economies in many countries are characterized by diversity and heterogeneity in term

of firm resources, skills, and capabilities. This is consistent with resources based theory where firms do have the chance to outperform competitors by devising and pursuing strategy that is based on their heterogeneous and imperfectly mobile resources (Barney, 1991). Instead of simply manipulating product quantity, the management responsibilities are concerned with exploitation, development, and accumulation of the critical resources and capabilities (Hall, 1992; Hall, 1993; Dierickx, & Cool, 1989).

Scholars and practitioners would agree that a number of assumptions held by neoclassical theorist are not consistent with the real practices of firms in today economies. To illustrate, under resources based theory, firms do incur costs to learn customer needs, so that firms can cater to that needs with the right products of the right quality. Customers neither have perfect information. Firms need to create customer awareness about the existence of firms' products, and disseminate information to them about products features, and benefits. This example shows that firms do incur some costs to develop and accumulate market orientation, which is an intangible resource, in the organization, to enable firm to understand customers' needs and satisfy them accordingly (Hunt, & Morgan, 1995).

According to resource-based theory, firms are more likely to achieve superior performance based on the intangible resources (Hunt, & Morgan, 1995) which collectively constitute a strong platform for competition for the firms and can vary from firms to firms. Given the above explanation about the inappropriate assumptions of neoclassical theory to explain firm performance differences, the focus now turns to a more thorough discussion of resource-based theory.

In resource-based theory, firm resources at a given time refer to tangible and intangible assets, which are tied semi-permanently to the firm (Wernerfelt, 1984). Firm resources could be viewed as either strength or weakness for firms. According to Barney (1991), the author noted that firm resources could include such things as assets, capabilities, organizational processes, firm attributes, information, knowledge that are controlled by a firm that enable the firm to conceive of and implement strategies. And these firm resources can be basically classified into three categories, namely physical capital resources, human capital resources, and organizational capital resources (Barney, 1991).

Resource-based theory suggests that firm's competitive advantage is a function of firm resources rather than that of industry structure (SubbaNarasimha, 2001). In other words, resource-based theory explains that the performance differential among firms should be explained by inter-firm differences in term of their resources and capabilities. This notion is well supported by Barney 1991's article, which is very influential in reintroducing firm-level determinants of performance (Barney, 2001). Barney (1991) argued that the study of sources of competitive advantage and the impact of firm's internal characteristics on firm performance need to rest on two fundamental assumptions. First, resource based view suggests that firms within an industry or a group can be heterogeneous in term of the strategic resources they control (Barney, 1991). Resource heterogeneity means that firm has an assortment of resources that is in some ways unique (Hunt, & Morgan, 1995, p. 7). Second, these resources are not necessarily perfectly mobile across firms, so heterogeneity among firm is not necessarily short-lived as assumed in neoclassical theory (Barney, 1991). Specifically, imperfect mobility means that resources are not commonly, easily, or readily bought and sold in marketplace (Hunt, & Morgan, 1995, p. 7). The conditions of resource heterogeneity and resource immobility are two important assumptions of resource-based theory (Barney, 1991).

With its focus on firm's resources and capabilities, resource-based theory has contributed significantly to the explanations of performance differences among firms. Thus, the resource-based view of the firm (RBV) has emerged in recent years as a popular theory of competitive advantage (Fahy, 2000). The focus of many resource-based theorist is to answer the questions related to competitive advantage like under what conditions firm resource will produce high return, or what properties resource should possess to create sustained competitive advantage.

Addressing the issue of a resource's potential to generate return, Wernerfelt (1984) noted that in certain situation, firm resource's return may be depressed. These include 1) the situation when the production of a resource itself or one of its critical inputs is controlled by a monopolistic group, 2) the situation when the products resulting from the use of the resource can be sold in monopolistic markets (e.g. there is only one customer in the market), and 3) the situation when there is the availability of substitute resources.

A firm resource must possess the following four attributes in order to have potential to be source of sustainable competitive advantage. These attributes are valueableness, rareness, imperfect imitability, and substitutability (Barney, 1991). These attributes are shortly described. First, the resource must be valuable in such a way that it must enable firm to exploit opportunities or neutralize threats in order to improve firm's efficiency and effectiveness.

Second, the resource must be rare among current and potential competitors. That is, not many companies should possess or can acquire or develop the resource with ease.

Third, the resource must be imperfectly imitable. The imperfect imitability is facilitated when a) the ability of a firm to obtain a resource is history dependent, b) the link between the resources and a firm's sustained competitive advantage is causally ambiguous, or c) such resources are socially complex (Barney, 1991).

Finally, the resource must not have substitute resources that are themselves either not rare or imitable. This means that if there is a substitute resource which is not rare or imitable, a firm can't rely on the strategy based on the use of that resource to build a sustained competitive advantage, because many other firms will also be able to implement similar strategy based on the substitute resources they possess.

Schroeder, Bates, and Junttila (2002) conducted a study with manufacturing firms about their manufacturing performance and found that such resource as standard equipment and employees with generic skills acquirable in factor markets are not as effective in achieving high performance as proprietary processes developed by the firm. They found that the latter influential resources are shaped by the firm's own experience and its learning process. Such resources are more powerful sources of firm competitive advantages than highly mobile resources acquirable on factor market.

Fahy (2000) noted that resource based theory contributes to the understanding of why performance difference among firms persists. Academically, resource based theory has assumed a critical role in strategic management research since its focus is on how firms can achieve competitive advantage, which is at the heart of strategic management literature (Dhanaraj, & Beamish, 2003; Fahy, 2000; Barney, 1991). In addition, the theoretical richness of RBV is also embraced by researchers in

marketing (Hunt, & Morgan, 1995) as well as purchasing disciplines (Carr, & Pearson, 2002) to help explain the impact of firm-specific resources that contribute to the success of firms.

Linkage Among Studied Constructs

This dissertation seeks to test the simultaneous impacts of purchasing capability, competitive strategy implementation, and export market orientation on firm performance in export setting in the proposed holistic and parsimonious research models, which will be presented in chapter 4. Prior to the presenting literature review of the three firms resources, the linkage among them is discussed first in the following paragraphs. The discussion begins with the explanation of why firms should focus on developing hard-to-duplicate and nontradable resources like purchasing capability, competitive strategy implementation ability, and export market orientation. The linkage among studied constructs is then gradually introduced and explained.

Based on recent interest in export performance literature discussed previously (Balabanis, Theodosiou, & Katsikea, 2004) and the knowledge from resource based theory, export performance scholars should focus their effort on studying the impacts of hard-to-duplicate firm resources or capability since they can provide defensible competitive advantages for firms. Possession of these resource and capability can greatly help firms win over the competition.

As discussed earlier, resources that are easily acquirable in factor market (e.g. foreign language skill, modern machines or equipment) only provide short-term advantages for the owners. They are not resistant to simple duplication effort of competitors, hardly making them sources of sustainable competitive advantage.

The resources that are more likely to be of interest to scholars and firms alike, however, should be immune or resistant to the threat of immediate imitation efforts. These resources should generally be intangible and firm-specific in nature to discourage resource mobility. They should also not be easily acquirable in factor market.

Consistent with the above discussion, purchasing capability, competitive strategy implementation ability, and export market orientation share these common characteristics, and, therefore, could be the likely sources of sustained competitive

advantages for firm rather than other resources that can be easily bought and sold in factor market. Below is the discussion of the importance of these firm resources and the linkage with one another. The discussion briefly begins with the significance of purchasing capability to companies' operation.

Management literatures often discuss the importance of sourcing capability. This capability has a companywide effect since it is the lifeblood and heart of any manufacturing firm. To keep the operation up and running, purchasing should function properly. Clearly, strong purchasing capability is a key resource contributing to the competitiveness of any firm. This capability is not easy to be imitated just by simple duplication effort by competitors. It is not easily acquired in the factor market just like other physical resources. The capability is also generally of use to specific firms. For example, the relationship, trust or goodwill suppliers that have towards a firm are not the resources that could be mobile from one firm to another firm. They are what each firm has to develop on their own. Similarly, the knowledge of supply conditions, or the access to supply sources is also important resource that each firm has to take time to build and accumulate over time by themselves.

Material availability, reliability of supply source, ability to acquire raw materials in a timely manner, and input of good quality standard are some of the key areas that purchasing is responsible for. If purchasing of a firm is able to function well, firm's competitiveness will be greatly enhanced. On the other hand, if purchasing functions poorly, overall competitiveness of firm will be unavoidably deteriorated. Failure to consider developing purchasing capability as a key resource makes firm forgo the important opportunity to make significant improvements that can have companywide effect

This GIGO (garbage in garbage out) rule applies to any manufacturing firm whether they are simply serving their customers as OEMs and/or are exporting under their own brand names. As an example, in an OEM situation where competition is usually fierce, ineffective purchasing (e.g. uncompetitive total cost of material acquisition, substandard quality, longer lead time to acquire material, interrupted flow of material availability) can adversely affect company's abilities (and reputation) in proposing competitive offerings, differentiating itself from others, being responsive to address specific needs of customers. Clearly, given the companywide impacts of

purchasing just described, the ability to successfully implement competitive strategy also depends greatly on the effectiveness of purchasing function. No matter how hard firms try to gain competitiveness from implementing competitive strategies, they can hardly succeed and will unlikely be able to catch up with the competition if they are plagued with problems resulting from their incompetent purchasing. Purchasing capability can thus either hinder or promote firms' ability in implementing their competitive strategy successfully.

Besides, to fully benefit from their strength in purchasing capability and strategy implementation ability, firms need to be export market oriented too. Firms good at purchasing, and adept in implementing competitive strategies can't fully tap onto the advantages of these two resources unless they have the knowledge of market intelligence and response to it effectively.

Specifically, firms that don't keep track of important developments in market needs, changes in market trends or conditions, new rules or regulation that might affect the firms, emerging opportunities, or competitive moves that can threaten or weaken competitiveness of the firms could obviously lag behind their competitors. This information once gained needed to be shared to all relevant departments in the firms, so corrective, initiative or responsive actions can be taken. This ability to gain, disseminate and response to market intelligence is called export market orientation or EMO, which will be fully described in later section.

Firms that fail to adhere to EMO practices are turning their back to critical information that can shed light for the firms on important issues concerning with competition, customers, and other factors that might impact firms. These are the crucial knowledge that would enable firms to address the needs of their customers appropriately. The acquired information from various sources would allow firms to make better judgments on how to response to competitor moves and address customer need appropriately.

In summary, the potential impacts on firm export performance of the three firm resources of purchasing capability, strategy implementation ability, and export market orientation are significant. Firms with *simultaneous* strengths in all three areas would very likely outperform or win over those firms with an outstanding ability in

just only one or two of these areas. Therefore, simultaneous developments on these three firm resources is rewarding for firms.

In the next section, literature review regarding each of the three constructs is discussed in detail in order to provide background knowledge about these constructs. Also, each section will comprehensively explore what previous studies were conducted in each of these areas in order to better understand their performance implication. The knowledge from this section will then be used as the foundations for the building of research model presented in chapter 4.

The Strategy Concept

The strategy concept has long been in use in industry and business education. The concept was developed in the late fifties and early sixties and during this period the concept was popularized by a number of well-known academicians such as Chandler and Ansoff (Hatten, Schendel, & Cooper, 1978). While early literature on strategic management during 1970s has been largely conceptual or descriptive in nature, Hatten, Schendel, and Cooper (1978) urged that the advancement in the field be made by moving beyond descriptive or qualitative and conceptual models to quantitative models. In 1980, Porter further popularized the field by introducing a generic business strategic framework in his book -- Competitive Strategy. According to Porter, a firm *can pursue* low cost, differentiation, and focus strategy. Given that the framework of Porter has a tremendous impact on business research and business education in strategic management field, business strategy implementation and conceptualization in literature as well as text is often discussed in term of Porter's competitive strategies.

The term strategic management, which is based on strategy concept, has replaced the term long-range planning and business policy as a better description of the wide perspective and responsibilities of the manager (Ansoff, 1972; Wheelen, & Hunger, 1998; Hatten, Schendel, & Cooper, 1978). The notion of strategy suggests that firms within a given industry should choose competitive means toward their ends according to their mix of resources. According to Hambrick (1980), the concept of strategy has played central role for business policy and organizational theory. Scholars have recognized business strategy as powerful predictor of many of

organizational phenomena and examine its impact on firm performance. For example, using regression analysis, Weinzimmer (2000) have recently examined the impact on firm growth of strategic aggressiveness to pursue either differentiation or cost leadership strategy. The empirical results reveal that there is a positive and significant impact of strategic aggressiveness on organizational growth. This suggests that strategies pursued by firms are significant in explaining growth. Similarly, Aulakh, Kotabe and Teegen (2000) examined the performance implication of strategic construct. With pooled dataset analyzed by OLS regression technique, they found that both low cost strategy and differentiation strategy are significant explanatory factors of performance. Dhanaraj and Beamish (2003) adopted a resource-based theory, which is an increasingly important school of thought in the business strategy literature, and proposed a model that empirically tests a linkage between export strategy and export performance. Positive and significant relationship between export strategy and export performance were found. In the latter study, the word 'strategy' is, however, loosely used since Dhanaraj and Beamish (2003) conceptualized export strategy as degree of internationalization. So, to some extent and for some researchers, the construct might be deemed a misnomer. Thus, in the following section, the meanings of strategy will be presented to illustrate the conceptual domain of this construct.

Organizational strategy is a summary account of the principal characteristics and relationships of the organization and its environment. It is a dynamic plan of action that describes how firms should react to environmental influences (Green, Lisboa, & Yasin, 1993). It gives a guideline for firms to achieve and sustain competitive advantage over their competitors (Fahy, 2000). Strategy enables firm to manage the fit between environmental turbulence and organizational competence (SubbaNarasimha, 2001). This is because strategy is the mechanism that firms use to align themselves with their environments (Hitt, & Ireland, 1985). It helps firms in determining how an organization defines its relationship to its environment in pursuit of its objectives (Bourgeois, 1980).

Strategy might be viewed as a conscious and deliberate process of thought. It is formulated to support specific goals of organizations (Griffin, 1996). It is developed consciously, deliberately, and purposefully as guideline for pattern of

actions to create a good match between firm's competences and its environment. On the other occasions, however, firms may have strategy that is of emergent nature. That is, in addition to intended strategy described above, the strategy can emerge (Griffin, 1996; Wheelen, & Hunger, 1998). A pattern of resource allocation, decisions or actions will develop over time and emerge as firm's strategy (Griffin, 1996).

It's important to note that a distinction is often made between corporate, and business strategy. While the concern of corporate strategy is on the choice of industry roughly similar to portfolio decision in investment theory, the concern of business strategist is how to compete within a specific industry, what competitive advantage can be gained to compete with competitors. Business strategy is more specific than corporate strategy because it guides managers how to best deploy their resources to develop competitive advantage in a specific market (Hatten, Schendel, & Cooper, 1978). Importantly, strategy, whether good or bad, will ultimately has an influence on firm performance (Hatten, Schendel, & Cooper, 1978).

Generic Strategy

According to resource-based theory, the ability to implement strategies itself is a resource that can produce strategic advantage for firms (Barney, 2001). Unlike firm physical resources such as machines, the ability to conceive and implement strategy is idiosyncratic to each firm and accumulated over time, and thus not freely tradable on factor market (Dierickx, & Cool, 1989). Firms can possesses this ability to a varying degree (Miller, & Dess, 1993). Since nontradable assets rather than tradable assets are more likely to contribute to sustained competitive advantage of the firm, the development or acquisition of the former type of assets is especially of important to the company's superior performance (Dierickx, & Cool, 1989). Below is a review of literature of Porter's strategic framework.

Though industry can affect firm performance, an individual firm also has room to get above average return in its industry. Above-average returns is possible. Accordingly, Michael Porter's introduced a framework describing three generic competitive strategies. Porter proposed that the three generic strategies are possible approaches for individual firms to "outperform other firms in an industry" (Porter, 1980, p. 35). Whether or not a firm will attain above-average performance in its

industry or outperform its competitors depends on its ability to pursue or implement these strategies. Firms inherently having inferior ability to pursue the competitive strategies successfully will have no superior advantages over the others, thus achieving mediocre or poor business performance. Based on the notion of resource heterogeneity, since not all firms are equally capable of implementing competitive strategies effectively and efficiently to the same degree, the difference in ability/talent to pursue competitive strategies can account for performance differences among firms.

The strategies provide the firms with the means to gain a competitive advantage and outrun others. He forewarned firms that don't develop its competitive advantage in at least one of these three strategies will get "stuck-in-the-middle", and low profitability is likely to result (Miller, & Dess, 1993). The following is the overview of each strategy Porter suggested.

First, the overall cost leadership strategy means that firms have to emphasize to achieve low cost relative to competitors. Firms might do this by possessing and managing proprietary technology, trying to increase market share and achieve economy of scale, or trying to reduce unnecessary expenses or overhead. Specifically, Hill (1988) suggested that firms can realize cost savings in a number of ways. First, firms can reap economies due to learning effects. Second, the concept of economies of scale enable firms to achieve lower cost once certain level of output is reached. Lastly, the cost can be reduced by economies of scope, which involves the sharing of firm resources.

Second, firms applying differentiation strategy must offer products or services that have different and valuable characteristics for the customers. Ideally, firms should target at customers who are not highly price sensitive. Differentiation may include anything other than price (e.g. reputation, advertising, delivery, financing service) that might positively influence buying decision. It is important to note that differentiation is possible even for seemingly homogeneous products, although this looks counterintuitive to some people. To illustrate, in e-commerce business, according to Kim, Nam, and Stimpert (2004a), firms have many ways to achieve differentiation such as through website design, advertising, e-newsletters, and customized recommendation. For example, even if books are considered

undifferentiated products, Amazon.com has shown that the book buying experience Internet browsers have can be different. The software that Amazon uses enables it to offer the browsers to see customized web page based on past searching habits. This allows Amazon to engage in anticipatory marketing by suggesting book titles that might possibly interest the potential buyers (Kim, Nam, & Stimpert, 2004a). This clearly demonstrates that firms can differentiate themselves not only on product features alone, but also on any other non-price aspects including but not limited to design, brand image, reputation, technology, and services (Miller, & Dess, 1993).

Lastly, for the focus strategy, firm will limit itself to serve only some specific products or cater to the needs of particular segments of customers or to the needs of specific geographic markets. When the needs for product of the customers within a selected niche are homogeneous, firms can achieve an advantage by limiting its offerings for narrowly defined market (Miller, & Dess, 1993). When a firm limits itself to produce only some specific products, its investment would not be spread too thinly over too many products. Focus strategy can be pursued in conjunction with cost leadership and/or differentiation strategies (Porter, 1980). Customer groupings based on preferences or requirements, geographical areas, and limited product lines can serve as the bases of focus strategy.

From their study, Miller and Dess (1993) found that Porter's strategic model, despite its simplicity, is a parsimonious way that can effectively describe the complexity of firm overall strategy. Since conceptualization or measurement is an important issue in strategic research, this is a reason why one of the most popular and the most familiar methods to conceptualize strategy among academicians and managers alike is that of Porter (Nayyar, 1993). Since 1980s onwards, Porter's generic strategy framework have been adopted and studied extensively and considerable supports have been established to confirm its existence. A number of researchers have used the Porter' s framework to capture managers' perception of their firm strategy. The measurement seeks to measure differences in the extent to which firms emphasize various competitive dimensions (Nayyar, 1993).

Since Porter's framework is mostly adopted in empirical studies with US sample, researchers should try to extend the study to other non-US setting. For example, it was argued that the applicability of findings of generic strategies which is

developed in the United States to other nations especially developing ones should be made with caution (Green, Lisboa, & Yasin, 1993). Indiscriminate extensions of findings to other setting should be done with care since the different level technological development and different culture among nations can have an impact on managerial decision making and strategies employed (Green, Lisboa, & Yasin, 1993).

Despite the adoption of the same generic strategy framework, different researchers however measured the strategy construct differently. Namely, whereas some treat strategy construct as categorical, the others didn't. In some research, however, treating the strategy construct as a category may not be suitable. According to Miller and Dess (1993), Porter's model should be presented as three *dimensions* of strategy rather than three generic *categories* of strategy. The former approach allows researchers to preserve more of the data than the discrete category approach (Miller and Dess, 1993). Firms can put more or less emphasis, to a varying degree, on any of these three dimensions, so the measurement should be treated as the question of "degree" rather than "either/or" question. They argued that businesses fall somewhere along a *continuum* on all three dimensions, regardless of whether or not a researcher chooses to measure all dimensions. This conceptualization of strategy would enable the researchers to explore the presence and overall impact of combination strategies (Miller and Dess, 1993).

Mutual Exclusiveness

Porter suggests that firms should avoid getting-stuck-in-the-middle which can be induced by the following two causes. First, firms may get stuck in the middle because they are unable to pursue either of the generic strategies successfully. For example, a firm may not possess or develop necessary skills, capabilities or resources to become a successful differentiator or cost leader (Kim, Nam, & Stimpert, 2004a). Second, a firm may try to pursue more than one generic strategy simultaneously (Kim, Nam, & Stimpert, 2004a). Regarding the mutual exclusivity of Porter's strategic dimensions, there are two opposing views on this. On one hand, there are researchers who hold the view that combined strategy don't exist or exist only temporarily. On the other hands, a number of researchers believe that combined

strategy does exist and it is positively linked with better firm performance. In the paragraphs that follow is the discussion of this issue.

According to Hill (1988), although Porter' generic strategy model has become a dominant paradigm in business literature, the understanding that cost leadership and differentiation are always mutually exclusive and incompatible with one another may mislead both managers and researchers. While Porter noted that firms that pursue both low cost and differentiation are competitively weaker than those firms who stresses either differentiation or low cost alone, Hill (1988) argued that the notion in support of pure strategy is flawed in two respects. First, it is possible for firms to achieve cost savings through differentiation (Hill, 1988). The author supported this idea by claiming a study on PIMS database which showed that there was a significant and positive relationship between differentiation and market share. At a first glance, the found relationship doesn't seem to tell anything about the mutual exclusiveness of strategies. However, when carefully considering this linkage, it means that differentiation could be a way for firm to benefit from scale economies made possible by the increased market share. Firm can thus achieve low cost position through differentiation (Hill, 1988). This illustrates that the low cost strategy and differentiation is not necessarily always inconsistent.

Second, in the industries where many firms have similar cost structure, firms that successfully emphasize both differentiation and low cost will experience superior economic performance rather than inferior performance as predicted by Porter (Hill, 1988). This is empirically supported by White (1986) who found that firms using hybrid strategy had the highest level of profitability. In many cases, differentiation and low cost strategy is simultaneously needed to maintain superior level of performance and demand. This is because other firms in the industry who achieve a certain level of low cost position are also practicing differentiation (Hill, 1988), all firms are therefore pressured to pursue hybrid strategy. In other words, when differentiation has become an industry norm, those who fail to do so will risk losing their market share and scale economies. Managers should thus discard the strong belief about incompatibility of differentiation and low cost strategy, since both are often simultaneously required to achieve a sustainable competitive advantage (Hill, 1988). Thus, it can be beneficial for firms to develop the ability to pursue or

implement combined strategy in order to survive and grow in the surge of competition. By solely trying to sharpen the ability to implement, say, low cost strategy in isolation of the ability to pursue differentiation, firms may risk losing the opportunity to develop the ability to achieve combined strategic advantage required to provide superior value to customers and outperform competitors.

As a matter of fact, sometimes Porter himself is not always consistent on his position about the combined strategy. As an illustration, Miller and Dess (1993) pinpointed Porter's inconsistency by quoting the following sentence from Porter' work "we can identify three internally consistent generic strategies which can be used singly or in combination for creating such a defensible position in the long run and outperforming competitors in an industry" (Porter, 1980, p. 34). Porter (1985) himself also stated that many firms have discovered the way to reduce costs, not only without damaging their level of differentiation, but actually increasing it (Vazquez, Santos, & Alvarez, 2001).

Regarding the pursuit of combined strategy, two points that Porter made are noteworthy. First, while discussing about focus strategy, Porter (1980) stated that "..the (focus) strategy rests on the premise that the firm is thus able to serve its narrow strategic target more effectively or efficiently than competitors who are competing more broadly. As a result the firm achieves either differentiation from better meeting the needs of the particular target, or lower costs in serving this target, or *both*" (Porter, 1980, p. 38). Second, he added that "Its focus (strategy) means that the firm either has a low cost position with its strategic target, high differentiation, or *both*" (Porter, 1980, p. 39). These two points suggests that Porter also recognizes that simultaneous pursuit of more than one strategy is possible. That is, it is possible that a firm using focused strategy (i.e. targeting a narrowly defined market) can apply both a low cost and differentiation strategy. Porter, however, argued that the combination of cost leadership and differentiation may be unlikely to hold when firms serve a more broadly defined market because of the complexity of serving multiple heterogeneous market segments.

Porter' generic framework doesn't generate research interest only in traditional or brick-and-mortar business but also in e-commerce business. And the research seems to advocate for hybrid strategy. Applying Porter' strategic framework,

Kim, Nam and Stimpert (2004a) reported cost leadership strategy is widely practiced among travel agents since price comparison over Internet incur little cost for customers. In addition, they suggest that e-business should also emphasize on differentiation since it will effectively bring about initial and repeat purchases. The desirability of hybrid strategy is not only possible but also more advantageous for e-business firms than a single strategy individually is (Kim, Nam, & Stimpert, 2004a). It was found that firms pursuing hybrid strategy are found to have highest performance (Kim, Nam, & Stimpert, 2004b). The need to pursue hybrid strategy is especially important for today rapidly changing business environment because hybrid strategy can better shield the company from competition. Hybrid strategy is not only possible but necessary in today hypercompetitive market.

Another noteworthy advocate of mixed strategy is Miller. Miller (1992) suggested that combined strategy in many instances should be preferred over the pursuit of a single generic strategy. He noted several inherent risks of overly strategic specialization. In other words, exclusive pursuit of a single generic strategy can be disadvantageous for firms. It can bring about serious weaknesses in product offerings, make firms ignorant of important customer needs, make firms vulnerable to competitor's attack, and, in the long run, cause inflexibility and to respond to market changes (i.e. low adaptability) and narrow the firms' vision due to the monolithic cultures (i.e. single and unchangeable culture) bred by monolithic strategic focus (Miller, 1992). Astonishingly, firms with good historical record of performance usually fall prey to the a-single-strategic-concentration-trap because they are convinced that this single strategic pursuit they have adopted is "the formula for success", so they continue pursuing this strategy blindly. Firms that may be hurt by their strategic overspecialization may experience one or more of these signals: one goal or functional area is dominant, managers are obsessed with a single aspect of strategy, most rewards or prestige go to a single department, there is a tendency to focus on fewer and fewer aspects of the product over the years (Miller, 1992).

Paying too much attention to one single thing more than it deserves can be disastrous. It is often easier for competitors to imitate a firm's single specialized strategy than hybrid strategy because it is relatively easy for firms as well as their competitors to pursue either low cost strategy or differentiation while ignoring

everything else (Miller, 1992). For example, a firm may be too preoccupied with shaving costs from production but rarely pay attention to other aspects of the firms. Such management style is risky to imitation threat, and such firm is very likely to achieve below-average performance since the successful strategies are usually the ones that exploit the skills from various parts of the organization (Miller, 1992).

Some researchers who advocate the use of single strategy may question the possibility of, say, how firms could simultaneously pursue cost leadership and differentiation. According to them, the two strategies are viewed as mutual exclusive to them. Miller (1992) seems to be able to clearly and succinctly disprove their belief. According to Miller (1992), the two strategies can actually complement rather than going against each other. Consistent with Hill (1988), Miller argued that by adeptly applying differentiation, firms could increase customer demands and sales volume, which can bring about economies of scale for the firm. Unlike but supplementary to Hill (1988), Miller explained that the cost savings from economy of scale could also be further invested to enhance firms' ability to differentiate their offerings in term of product features or services. And this cycle can go on and on. That is, differentiation generates sales volume, which make cost savings through economy of scale possible. The firms can therefore invest more to further develop its differentiation ability, which in turn generate cost savings for the firms again. In addition, the attempt for cost reduction through various management techniques such as JIT, or total quality control will also provide chance for firm to improve product quality. The two strategies of cost control and differentiation therefore should be simultaneously emphasized especially when customer are concerned more than one aspect of the products which is often true for such products as packaged food (Miller, 1992).

The possibility of implementing an integrated strategy is also well supported by empirical studies in recent years. Aulakh, Kotabe, and Teegen (2000) examined the feasibility of using both individual and integrated competitive strategies and the resulting performance implications. They explicitly hypothesized that the use of integrated competitive strategy of firms in emerging economies is negatively related to export performance. However, the regression analysis didn't support such notion. It *failed* to provide statistical evidence that confirms the negative impact of integrated strategy (Aulakh, Kotabe, & Teegen, 2000). Nonetheless, it was found that there

were statistical evidences in the regression analysis for the positive performance implications of both differentiation and cost leadership. In addition, both cost leadership and differentiation were found to be significantly and positively related to one another. The latter two evidences suggest that both strategies are not mutually exclusive, and firms in practice do employ both strategies simultaneously (as signified by the significant and positive correlation). If "the stuck-in-the-middle" phenomenon had occurred with these firms under the analysis, then 1) the positive and significant impact on firm performance of both cost leadership and differentiation should not have been found (since Porter suggested that pursuing both are likely to bring about poor performance); and 2) the two strategies should not have been positively and significantly correlated. Similarly, the findings of Chan and Wong (1999) have provided empirical support for the superior profitability of firms using integrated strategy over firms relying on single strategy. Specifically, Chan and Wong (1999) performed a cluster analysis with service firms, namely, the banks, and have found that ROA of a cluster of banks that simultaneously pursue several strategies are statistically higher than ROA of the other clusters that pursue either cost leadership or differentiation strategy (Chan, & Wong, 1999). The result of this inter-group comparison has provided support for the feasibility of successful pursuit of several strategies.

In summary, though Porter argued that each of the three generic strategies alone enables firms to achieve high performance, he noted that the attempts in combining them will render firms to hold no competitive advantage, and below-average performance will result. However, later researchers have conceptually and empirically shown that combined or hybrid strategy is actually possible and desirable (Chan, & Wong, 1999; Aulakh, Kotabe, & Teegen, 2000; Miller, 1992; Kim, Nam, & Stimpert, 2004a; Hill, 1988; White, 1986). Given the feasibility and importance of hybrid strategy, further study investigating antecedents to success that takes into account the possibility of hybrid strategy is therefore encouraged (Miller, & Dess, 1993).

Purchasing Capability as a Firm Resource

Scholars have recently shown a research interest in resource-based theory. The emphasis is on examining the impact of firm capability (Balabanis, Theodosiou, & Katsikea, 2004; Vorhies, & Harker, 2000). Based on resource-based theory, purchasing can be considered an important resource or capability for the firm since it is capable of supporting firms to achieve a competitive advantage (Hall, 1992; Hall; 1993; Carr, & Pearson, 2002). Because of the possibility of resource heterogeneity (Barney, 1991) and different paths of resource/capability accumulation process (Dierickx, & Cool, 1989), firms can have different level purchasing capability. Carr and Pearson (2002) noted that a firm can have a unique purchasing capability.

Competitive advantage could be built upon the firm's idiosyncratic and difficult to imitate resources (Teece, Pisano, & Shuen, 1997). Research has documented the explanatory power of firm-specific factors in explaining firm performance differential. According to resource-based perspective, firms are heterogeneous in term of their resources or capabilities. And these resources or capability are often sticky because business development is an extremely complex process and firms usually can't develop new capability quickly (Dierickx, & Cool, 1989). Resource based theory suggests that organizational capability can provide firms with competitive advantage since 1) it is not tradable in strategic factor market, 2) it takes long time to develop, and 3) it entails socially complex relationships with other organizational resources (Chen, Paulraj, & Lado, 2004). An organizational capability enables a firm to capitalize on the opportunities or lessen threats from the environment, thus enhancing firm survival and competitiveness (Chen, Paulraj, & Lado, 2004). Fahy (2000) asserted that resource-based literature usually tends to favor capabilities as the most likely source of competitive advantage.

According to resource-based theory, a resource like purchasing capability is not easily tradable because the idiosyncratic nature of this resource precludes its tradability on open market (Dierickx, & Cool, 1989). There is no ready market for purchasing capability (Teece, Pisano, & Shuen, 1997; Dierickx, & Cool, 1989). And since it is not easily acquirable in any factor market, this firm-specific capability must be built and accumulated over time (Dierickx, & Cool, 1989). As an intangible and nontradeable resource, purchasing can form a basis on which firm can build its

competitive advantage (Hall, 1993, Hall, 1992). Therefore, developing strong purchasing capability can contribute to the success of firms.

Dobler and Burt (1996) noted that the principle of determining the organization's requirements, selecting the optimal source, establishing a fair and reasonable price, and establishing and maintaining mutually beneficial relationships with desirable suppliers provide the conceptual backbone of the purchasing and supply function. In short, purchasing is generally seen as managing the material inputs of the organization (Bird, Jr., & Mazze, 1976). And those who buy materials for manufacturing firms, or institutions are industrial buyers or purchasers (Dobler, & Burt, 1996). They should prepare a strategic purchasing plan for materials, and closely monitor changes in supply markets. The purchasers play a major role in qualifying and selecting suppliers, developing mutually profitable ongoing supplier relationships, coordinating purchases with sales information or forecasts and production schedules, and integrating their efforts with those of other departments (Dobler, & Burt, 1996). Purchasing is the basic function of all organizations. It is basic in the sense that no firm can operate without purchasing. Someone in every organization must perform this function (Dobler, & Burt, 1996). And it is impossible for any organization to achieve its full potential without a successful purchasing activity since materials are the lifeblood of firms and industry (Dobler, & Burt, 1996).

Several forces like inflation, rising costs, and hypercompetition have made it imperative to closely monitor the performance of purchasing. It has become an important area of concern to firms since large amount of income derived from sales is spent on materials cost (Bird, Jr., & Mazze, 1976). The importance of purchasing can be seen from the fact that it often accounts for more than half of the production costs of a firm's product (Chen, Paulraj, & Lado, 2004). Tremendous improvement on firm performance could be gained by improving purchasing operation. Since purchasing can directly contribute to the firm's bottom line (Chen, Paulraj, & Lado, 2004), firm should formally or informally monitor the performance of purchasing. When firms have this operation's effectiveness monitored, actions for improvement can be taken. Importantly, its effectiveness should be measured in term of its contribution to organizational success. (Bird, Jr., & Mazze, 1976).

Purchasing management has become an important base for creating sustainable competitive advantage for today borderless market (Chen, Paulraj, & Lado, 2004). Purchasing is key to the creation of value for customers because it assumes a liaison role between external suppliers and internal organizational customers (Novak & Simco, 1991). Increasingly, purchasing has played a pivotal strategic role in supply chain management (Chen, Paulraj, & Lado, 2004). Purchasing is often seen as a strategic resource for reaching high quality levels, fast delivery, and cost savings (Carr, & Pearson, 2002).

Importance of Purchasing

In any organization, the major responsibility of purchasing is to acquire necessary input or material to support the smooth operation of that organization. Firms must ensure that materials of the appropriate quality must be available at the right time, in the proper quantity, at the needed place, and at an acceptable total cost (Dobler, & Burt, 1996; Scheuing, 1989). Cost of materials usually accounts for around 50% of sales figure (Dobler, & Burt, 1996; Chopra, & Meindl, 2005). Firms that fail to manage the material according to this will unavoidably increase costs to the company and automatically decrease profit. For example, the financial impact of temporary material shortage at production site will add to the costs of idle machine and labour. Accounting records also normally fail to reveal this profit-draining inefficiency (Dobler, & Burt, 1996). Unfortunately, this is often the true but hidden costs of the company.

In order to prevent this inefficient drainage and reap the full benefits of purchasing, scholars suggest that purchasing's effort should be closely aligned with firm's strategic objectives (Das, & Narasimhan, 2000). Active involvement from purchasing in business of a firm is thus necessary to ensure that it will focus only on activities that add value to strategic goals (Das, & Narasimhan, 2000). Purchasing must be operated in such a way that it is supportive to organization goals, since it is capable of developing competitive advantage for the firm (Ellram, & Carr, 1994). Purchasing can influence the competitive factors of quality, cost and price, delivery reliability, product development, and cycle time reduction (Ellram, & Carr, 1994). Purchasing must be able to monitor and forecast changes in external supply markets

like cost and availability issues, share information with suppliers, identify key suppliers and nurture relationship, and develop material sourcing and contingency plan (Ellram, & Carr, 1994).

In addition, purchasing should select and deal with only capable suppliers, since their performance can affect strategic success of firms (Das, & Narasimhan, 2000). Dobler, & Burt (1996) noted that good suppliers can become an invaluable resource to the firm. These suppliers can directly contribute to the firm's success by, for example, assisting the firms to get the right products with timely delivery of the desired quality level, and by providing technical or product knowledge. Good relationship with suppliers can therefore help buyer-firms to gain superior performance, extra service, cooperation on various issues, and a willingness to share information, news, or knowledge (Dobler, & Burt, 1996).

Dobler and Burt, (1996) noted that selection and management of the right suppliers is the key to obtaining the desired level of quality, on time, at the right price and with the desired level of service. Maintaining an adequate number of suppliers is also important to facilitate smooth operation of the business. To acquire knowledge about sources of supply, firms can rely on experience, purchasing records, published material, personal contacts of company personnel, and trade exhibits (Dobler, & Burt, 1996).

As commonly acknowledged among scholars and managers, customer goodwill is an invaluable asset to every firm. Similarly, firm should also treat suppliers courteously and develop and maintain supplier goodwill. The firms can nurture supplier goodwill by being open, impartial, and scrupulously fair in dealing with suppliers (Dobler, & Burt, 1996). Building good working relationship with suppliers brings along with its several advantages. It helps create cushion in bad times because supplier and buyers who value and respect one another are more likely to provide help or have better priority and receive better treatment during difficult times. Good relationship with suppliers will also reduce the likelihood of quality problem and the late delivery problems (Dobler, & Burt, 1996). Dobler and Burt (1996) argued that for many firms, more than fifty percent of all quality defects can be traced back to purchased materials. And quality of material does affect and directly determine the quality of a firm's final products. Since purchasing is directly

responsible for the quality of purchased material, it should ensure that what suppliers supply to the firm is of the right quality (Chao, Scheuing, & Ruch ,1993). Firms can only produce good quality products only when the firms start their quality process with quality materials (Novack, & Simco, 1991).

On one hand, purchasing can enhance firm's effectiveness. On the other hand, it can also undermine firm operation if not properly handled. Purchasing should be fully treated or integrated as a part of firm strategy, not just a clerical job (Ellram, & Carr, 1994). To contribute to firm's strategic success, purchasing should monitor supply market trend, analyze the likely impact of these trends on the firms and take corresponding actions, identify the raw materials required to ensure smooth operation, and develop supply options. At strategic level, purchasing can play an important role in supporting the firm's strategic positioning. It can support the firm's strategy of product differentiation, cost leadership, and focus strategy or breadth of product line decision (Ellram, & Carr, 1994). Firms must therefore select the suppliers whose offerings match with the firms' competitive strategy and support firm's competitive positioning.

Firm can gain competitive edge by forming close working relationship with selected suppliers, promoting open communication with suppliers, developing long term relationship with them to achieve mutual gains (Chen, Paulraj, & Lado, 2004). Purchasing should have an open communication with suppliers. By this way, firm can expand their knowledge, leverage on the knowledge or resources of suppliers, and better understand competitive issues through the exchange of information like customer needs or trends that affect material prices (Chen, Paulraj, & Lado, 2004). Also, by fostering relationship with selected and qualified suppliers, firms will have a greater chance to deepen business relationship with them. This can bring about greater trust, cooperation, and long-term relationship, thus smoothening business operation since strong business relationship will facilitate decision making under conditions of uncertainty and ambiguity (Chen, Paulraj, & Lado, 2004). With long-term relationship, firms tend to rely on understanding and practices involving fair play and good faith (Chen, Paulraj, & Lado, 2004). Effective purchasing enables firms to have a rapid confirmation of orders, thus enhancing customer responsiveness,

encouraging customers' willingness to pay a price premium for high quality product and timely delivery, and promoting repeat purchases (Chen, Paulraj, & Lado, 2004).

Since the benefits that accrue to the firms who can effectively manage their purchasing can be potentially large, purchasing should receive greater interest from practitioners and academics alike. The examination of purchasing-performance linkage in export context is critical because purchasing can, like in domestic context, have a profound effect on both economic and non-economic aspects of firm's operation (e.g. improved purchase can be beneficial to firms a number of ways including better quality, reduced waste, and shorter cycle time), thus having a potential to promote export success of any firm and requiring close managerial attention.

In sum, purchasing capability can enable firms to develop sustainable competitive advantage, and emerge as a core competence of firms (Das, & Narasimhan, 2000). The basis for competition of many industries may now hinge on the possession of strong supply management capabilities (Das, & Narasimhan, 2000). Therefore, under today hypercompetitive condition, firms must strategically acquire necessary materials from factor market to enhance their ability to meet customer's needs. Firms must align its purchasing practices with the firm's competitive priorities (Carr, & Pearson, 2002). The purpose of purchasing must be to direct all activities of the purchasing toward opportunities consistent with the firm's capabilities in order to support the firm to achieve its long-term objectives (Carr, & Pearson, 2002). Developing a strong purchasing capability that is consistent with the firm's strategic goals will definitely increase the firm's ability to become more competitive (Carr, & Pearson, 2002).

A Transition of Management View on Purchasing

Previously, since purchasing was simply viewed as a clerical task that was primarily associated with incurring spendings for the company, purchasing was sometimes a neglected area of management (Goh, Lau, & Neo, 1999). This negligence in managing purchasing was seen in some firms who regard purchasing operations simply as the operations where personnel "who are not effective elsewhere in the organization (Cavinato, 1987, p. 11)" are placed to work. This illustrates that in

the past purchasing didn't received much recognition from senior managers (Dobler, & Burt, 1996; Carr, & Smeltzer, 1997). Purchasing was simply viewed as an administrative task rather than a strategic one. The potential strategic value of purchasing to firms success was not fully recognized. Carter and Narasimhan (1996) noted that in the past managers rarely saw the importance of purchasing and believe that it has a relatively passive role in the firm. Similarly, Ellram and Carr (1999) observed that managers often viewed purchasing simply as a ancillary function. They regarded it as having small potential to improve firm's competitive advantage. Carter and Narasimhan (1994) found, in their empirical study, that the management didn't place much emphasis on the strategic role of purchasing. And when the management didn't see the strategic importance of purchasing, purchasing would not be fully involved in the firm's strategic planning (Carter, & Narasimhan, 1994). The lack of understanding of purchasing' s value to the firm by management can seriously impair the firm's ability to gain and maintain its competitive advantage (Carter, & Narasimhan, 1994).

This inattentive interest of management on purchasing is astonishing because purchasing was directly responsible for a very large portion of expenses or costs of goods sold (Dobler, & Burt, 1996). Therefore, purchasing can have a significant impact on the firm's bottom line. In addition, effective purchasing can also prevent many occurrences of the firm's quality problem (Dobler, & Burt, 1996).

In spite of its strategic importance to firm's success, there are often obstacles that prevent purchasing from being viewed as having a strategic role. Historically, purchasing's role in strategy was reactive rather than proactive (Ellram, & Carr, 1994). This is primarily due to the perception of the management and purchasing personnel themselves (Ellram, & Carr, 1994). Their perception effectively demotes the importance of purchasing. It was found that managers did not realize the importance of developing purchasing expertise in the purchasing function (Ellram, & Carr, 1994). Before firms can fully realize the potential gain from the purchasing expertise, first there must be an improvement of management' s view of the purchasing's role in firm strategy (Ellram, & Carr, 1994). The importance of purchasing as a key contributor to firm strategic success must be recognized and accepted by management. In short, internal attitude in the organization must be

changed. Purchasing must take a proactive role (such as sharing or distribution information about trends in supply market to relevant persons) in working closely with other departments to productively contribute to the success of the organization (Ellram, & Carr, 1994).

The passive view on purchasing, however, has finally changed to a more positive and strategic one (Dobler & Burt, 1996). As cost of materials become higher, and competition becomes more intense, the impact of purchasing has increasingly gained recognition as making a contribution to the success of the firm (Dobler, & Burt, 1996). The contribution from purchasing can be both significant and visible (Dobler, & Burt, 1996). As a result, managers have gradually witnessed the need to incorporate purchasing and heighten its importance in the firm strategy. Purchasing's strategic role has received greater attention during the 1980s and continues in the 1990s. In the mid 1980s, purchasing has gained more attention from both academic and trade journals (Carr, & Pearson, 2002). In light of this research interest, the focus of the discussion is on purchasing capability, which is *internally* developed in the firms.

Now purchasing has been increasingly receiving recognition as an important contributor to the success of the firm (Ellram, & Carr, 1994). Purchasing has been recognized to have an impact on firm competitive position and its role escalates to a strategic one (Carter, & Narasimhan, 1996). In fact, purchasing does have the contribution to the success of the organization at least as much as the other functions do (Dobler, & Burt, 1996). And the importance of purchasing is especially escalated as the market become saturated or market growth stalls and in the market where it is increasingly difficult to charge premium price or to simply pass cost increases on to the customers. An efficient reorganization of purchasing management can bring about significant improvement for all organizations (Dobler, & Burt, 1996).

Being a source of competitive advantage, purchasing should no longer be viewed simply as a clerically oriented operation (Dobler, & Burt, 1996; Carr, & Pearson, 2002). In order to realize and gain its full benefits, in the progressive firms, management will attach strategic importance to purchasing (Chen, Paulraj, & Lado, 2004; Dobler, & Burt, 1996). As aforementioned, purchasing can influence the competitive factors of quality, cost and price, delivery reliability, cycle time

reduction, and so on (Ellram, & Carr, 1994). This obviously illustrates that purchasing has the ability to influence firm performance by affecting on both cost and non-cost dimensions. The contribution of purchasing to the success of the firm is therefore very crucial (Dobler, & Burt, 1996).

Nonetheless, a review of the purchasing strategy literature over the past 30 years revealed that a number of researches in this area is not commensurate with its heightened importance. Despite receiving increasing recognition, purchasing is still relatively an under-developed area compared to other management disciplines (Chen, Paularaj, & Lado, 2004).   No explicit attempt has been made to study this construct even in the frequently researched general export performance model (Aaby, & Slater, 1989; Zou, & Stan, 1998). Researches are primarily limited to conceptual or are basically based on a small number of case studies. And in the case where the findings are based on surveys, most studies do not report the use of statistical analysis to support their findings (Ellram, & Carr, 1994). Since purchasing has a strategic importance to Thai food industry due to its significant impact on cost and quality, thus capable of either creating or inhibiting competitiveness of firms (National Food Institute, 2002), more research with sound methodology is thus needed to broaden the knowledge in this field of research.

Export Market Orientation

Marketing capability can have an impact on initiating export operations and enhancing firm export performance (Leonidou, 1998). Since firms should strive to create customer value through their product offerings, it is very important for them to have the capability to understand customer needs and related information in the market in order to serve customers appropriately. Scholars often refer to this as market orientation (Kohli, & Jaworski, 1990).

According to Kohli, Jaworski, and Kumar (1993), market orientation refers to the organizationwide generation of market intelligence pertaining to current and future needs of customers, dissemination of intelligence within the organization, and responsiveness to it. Though this definition may be lengthy, it is academically useful since it delineates on specific behaviors and therefore facilitates operationalizing the market orientation construct for researchers (Jaworski, & Kohli, 1993). However, to

keep it precise, it is also possible to conceptually refer to market orientation construct simply as the implementation of the marketing concept (Kohli, & Jaworski, 1990). And the important work of market oriented company is primarily to offer products that match customers' wants. Given that market-oriented companies are often capable of catering to customers needs, scholars usually have a common agreement on the positive impact of market orientation on firm performance (Narver, & Slater, 1990; Kohli, & Jaworski, 1990, Kotler, 1997). In the paragraph that follows, in order to provide background knowledge and help enhancing the understanding about market orientation, discussion based on past literature of this concept is provided.

Important to the application of market orientation in the firms are the presence of several elements in the firms. Unquestionably, support from management to pursue market-oriented behaviors must be in place (Kohli, & Jaworski, 1990). Management emphasis on market orientation is important for the ongoing tracking and responsiveness to changing market developments (Jaworski, & Kohli, 1993). The managers must also be willing to take some risks. Naturally, being market oriented often involve an inherent risk of occasional failures from new products, services, or new marketing programs (Jaworski, & Kohli, 1993). Firms with management that are unwilling to take risk are less responsive to market intelligence (Jaworski, & Kohli, 1993). Conflict among departments can be an important hindrance to market orientation. In order to successfully implement market orientation, unproductive conflict among department should be minimized and good interfunctional connectedness be nurtured (Jaworski, & Kohli, 1993; Kohli, & Jaworski, 1990). Reward system must also be supportive for market orientation and be structured to encourage employees to be market oriented in term of their behavior (Jaworski, & Kohli, 1993).

Initially, the market orientation concept was, however, developed and researched primarily in the context of domestic operations of firms. Only recently has its application been further developed and extended specifically in international context. To clarify the conceptual domain of market orientation construct, a more thorough discussion of this concept will be presented in the next few paragraphs. Besides, in this section, the academic interest in market orientation and its internationalization are also described.

The Resurgence of Interest

The philosophical foundation of a market orientation is the marketing concept, which has long been introduced in the early 1950s. In this early period, few articles exist to offer preliminary suggestions for engendering market orientation (Jaworski, & Kohli, 1993). Specifically, Kohli and Jaworski (1990) found that over the past several decades there was relatively little interest in the marketing concept. Despite its widely acknowledged importance, literature review on market orientation surprisingly reveals a lack of clear definition, little careful attention to measurement issues, and virtually no empirically based theory (Kohli, & Jaworski, 1990; Jaworski, & Kohli, 1993). Prior to 1990 no researchers have developed a valid measurement of market orientation and rigorously assess its impact on business performance (Narver & Slater, 1990). Past studies, prior to this time, aim primarily at merely measuring the extent to which market orientation is practiced by the firms. The consequences of adopting market orientation practices were rarely examined.

In the 1980s and 1990s, there is a resurgence of academic and practitioner interest in the market orientation concept (Kohli, & Jaworski, 1990; Kohli, Jaworski, & Kumar, 1993; Diamantopoulos, & Cadogan, 1996). A greater interest in market orientation from academicians emerged, and this can be witnessed from a growing number of conceptual and empirical writings (e.g. Shapiro, 1988; Narver and Slater, 1990, Kohli, & Jaworski, 1990; Jaworski, & Kohli, 1993; Cadogan, & Diamantopoulos, 1995).

The renewed interest is due to the fact that the concept represents the foundation of high-quality marketing practice (Kohli, Jaworski, & Kumar, 1993) and practicing according to the concept can bring about competitive advantage (Cadogan, Diamantopoulos, & Siguaw, 2002). Hunt and Morgan (1995) argued that market orientation can be an intangible and non-tradable resource that provides competitive edge for firms since it can provide firms with information that enables a firm to produce an offering well tailored to the needs and preferences of the market.

Market Orientation vs. Marketing Orientation

Regarding the appropriateness of the terms "market orientation vs. marketing orientation", some practicing managers may not know the subtle difference between

these two terms and may use them interchangeably. Researchers, however, gave careful thoughts on this issue. Kohli and Jaworski (1990) suggest that the term "market orientation" should be preferred over the term "marketing orientation". To support this point, they provided the following reasons. First, the term marketing orientation can be misleading in that its gives the impression that the construct is exclusively a concern of the marketing function, while several functions should actually get involved. That is, the domain of the concept is relevant to entire organization, rather than confined solely to marketing department. Second, the label "market orientation" doesn't politically inflate the importance of the marketing department, thus other departments are more likely to embrace it. Lastly, the term "market orientation" helps firms to have a broader perspective in that it helps firms to focus their attention on markets which include not only customers but also other factors affecting customer needs and decisions (Kohli, & Jaworski, 1990). Given these reasons, the term "market orientation" is therefore appropriate.

Market Orientation Activities

As aforementioned, market orientation refers to the implementation of the marketing concept (Kohli, & Jaworski, 1990). Market-oriented organizations are said to have actions that are in accordance with the marketing concept. To clearly uncover the meaning of marketing concept on which market orientation construct rests, Kohli & Jaworski conducted field interview with academicians and marketing as well as non-marketing managers working in small and large companies in various industries. Kohli and Jaworski (1990) noted that, in the literature, there are many definitions of marketing concept. Stanton, Etzel, & Walker (1994, p. 10) defined the marketing concept as a philosophy of doing business "emphasizing customer orientation and coordination of marketing activities to achieve the organization's performance objectives. Sometimes, it is simply summarized in one sentence 'The customer is the boss'." According to Kotler (1997, p. 19), a business philosophy called "marketing concept holds that the key to achieving organizational goals consists of being more effective than competitors in integrating marketing activities toward determining and satisfying the needs and wants of target markets." Felton (1959, p. 55) defines the marketing concept as "a corporate state of mind that insists on the integration and

coordination of all the marketing functions which, in turn, are melded with all other corporate functions, for the basic purpose of producing maximum long range corporate profits." McNamara (1972, p.51) defines the concept as "a philosophy of business management, based upon a *company-wide acceptance* of the need for customer orientation, profit orientation, and recognition of the important role of marketing in communicating the needs of the market to all major corporate departments."

Based on the definitions from the literature, Kohli and Jaworski (1990) noted that three core themes or pillars underlie the marketing concept. The three pillars are customer focus, coordinated marketing, and profitability. Field interviews with managers (Kohli, & Jaworski, 1990) help adding more insights, clarify and sometimes refute the literature-based definition of the marketing concept. These important issues from the interviewing results follow. First, while interviewees agreed that a customer focus is the central element of a market orientation, several noted that firms should not limit the attention only to customer opinions but also to other parties/ factors. The extension beyond customer focus is called market intelligence, which is a broader concept. Market intelligence suggests that managers must take into account these factors 1) exogenous market factors like competition and regulation that can potential affect customer needs and preferences, and 2) current as well as future needs of customers (Kohli, & Jaworski, 1990). Second, regarding coordinated marketing, managers stress the importance of concerted action of various departments in an organization. The responsibility should not be solely confined to marketing department. Third, while the literature-based perspective suggests that profitability is a component of market orientation, results from the field interviews don't confirm this notion. Interviewees noted that profitability should better be considered as consequences rather than an element of market orientation. Thus, the authors argued that "the meaning of market orientation construct based on field interview is more a precise and operational view of the two pillars of the marketing concept --customer focus and coordination" (Kohli, & Jaworski, 1990, p.3). That is, profitability is the end, while market orientation is a means to that end. Similarly, Narver and Slater (1990) note that profitability should be appropriately viewed as a business objective.

While the meaning derived from the literature shed some light on the philosophy of marketing concept, it is of limited practical value in that it doesn't clearly specify the specific activities that translate the philosophy into practice, thus creating a market orientation (Kohli, & Jaworski, 1990). Therefore, there is a need for the development of operational definitions for the marketing concept (Kohli, & Jaworski, 1990). Based on field interview results, Kohli and Jaworski (1990) suggested that a market orientation include the following activities 1) the organizationwide generation of market intelligence -- one or more departments engaging in activities geared toward developing an understanding of customers' current and future needs and the factors affecting them, 2) the organizationwide dissemination of market intelligence -- sharing of this understanding across departments, and 3) the organizationwide responsiveness to market intelligence -- various departments engaging in activities designed to meet selected customer needs (Kohli, & Jaworski, 1990) .

In short, "market orientation is the organizationwide generation of market intelligence pertaining to current and future customer needs, dissemination of the intelligence across departments, and organizationwide responsiveness to it" (Kohli, & Jaworski, 1990, p.6). The key features of this definition are that it adopts an expanded focus on market intelligence rather than on customer needs alone, and it also focuses on market-oriented activities rather than the consequences of the activities (Kohli, Jaworski, & Kumar, 1993). In addition, they also assert that this view of market orientation allow researchers to assess the degree to which an organization is market-oriented, rather than force an either/or evaluation (Kohli, Jaworski, & Kumar, 1993). In the paragraphs that follow is the explanation of the three elements of market orientation.

Intelligence generation is concerned with the generation of market intelligence. In order keep customers satisfied, it is important to understand their needs. However, market intelligence doesn't only refer to customer needs and preferences, but also include the monitoring of external forces like government regulation, changes in technology, competitors and so on that might have an influence on customer wants. It is important to note that acquiring market intelligence need not necessarily be a formal procedure pursued by an appointed team. Instead, intelligence

generation can be formal or informal process. For example, information can be gained from informal discussions, talking, or meeting with trade partners and customers, colleting primary data, formal market research such as customer surveys, collecting data from secondary sources, sales report analysis, and so on (Kohli, & Jaworski, 1990). Market intelligence, whether acquired formally or informally, can help create competitive edge for firms. Importantly, it's responsibility of all relevant peoples in the firms to generate market intelligence. The responsibility should not rest solely on the shoulders of marketing people (Kohli, & Jaworski, 1990).

Intelligence dissemination involves distributing, communicating or even selling the market intelligence to relevant departments and individuals in the firms (Kohli, & Jaworski, 1990). Like intelligence generation, the dissemination can also be either formal or informal ones. And the intelligence can be disseminated from any relevant personnel, not necessarily always from marketing people. Various means which firms may use to distribute market intelligence may include the followings: formal meeting among departments or various personnel, reports, informal talks, periodic newsletters circulation, newsboard, story telling, customer database, or emails forwarding. The effect of informal intelligence dissemination is tremendous and it is extensively used by managers to get the employees to know the customers and tuned to their needs and wants (Kohli, & Jaworski, 1990).

Intelligence responsiveness means taking actions in response to intelligence that is generated and disseminated (Kohli, & Jaworski, 1990). These actions may include resolving customer problems or handling customer complaints, taking necessary steps to prevent the same mistakes from happening again, communicating with customers, producing modified products that suit customer needs, and taking actions to counter competitive moves.

Kohli and Jaworski (1990)'s work has greatly added to the business literature and often served as an important foundation on which later studies on market orientation were conducted. By no way should the study about it be limited by firms' national boundary. The market orientation concept should also be adopted to firm's oversea operation. Under export setting, the construct is called export market orientation. In international business research, Kohli and Jaworski (1990)'s work has served as an important foundation for the internationalization of market orientation

construct of later researchers (Cadogan, & Diamantopoulos, 1995; Cadogan, Diamantopoulos, & Siguaw, 2002).

Internationalization of Market Orientation

The application of market orientation should not be limited only to domestic performance of firms. Most research on market orientation primarily emphasize on domestic operation. Though previous writings in marketing literature provide some support for the relationship between market orientation and business performance, researchers are biased toward the study confined to domestic firms and rarely explicitly investigate the consequences of market orientation for internationally active firms (Cadogan, & Diamantopoulos, 1995). Little research attention has been given to the study of firm's market orientation in their export operation. Many past studies didn't make an attempt to specifically study the impact of market orientation on firm export success (Cadogan, & Diamantopoulos, 1995; Diamantopoulos, & Cadogan, 1996).

During 1990s, a measure of market orientation designed specifically to accommodate the research on the impact of export market orientation (EMO) on international business performance was conceptualized and the market orientation concept was internationalized by Cadogan and Diamantopoulos (1995). And a theoretically sound measurement to capture the degree to which firms exhibit market-oriented behaviors in their export operations has only been recently developed and tested by Cadogan, Diamantopoulos, and de Mortanges (1999). Specifically, export market orientation is defined as "1) the generation of market intelligence pertinent to the firm's exporting operations, 2) the dissemination of this information to appropriate decision makers, and 3) the design and implementation of responses directed towards export customers, export competitors, and other extraneous export market factors which affect the firms and its ability to provide superior value for export customers" (Cadogan, Diamantopoulos, & de Mortanges, 1999; Cadogan, Diamantopoulos, & Siguaw, 2002).

Export intelligence generation involves activities of all personnel in the organization aiming at the creation of export market intelligence. The export market intelligence revolves around such issues as export customers, export competitors, and

environmental changes that might affect the firms, customers, or competitors (Cadogan, Diamantopoulos, & de Mortanges, 1999; Cadogan, Diamantopoulos, & Siguaw, 2002).

Export intelligence dissemination involves activities of all personnel in the organization that share the acquired export market intelligence. The dissemination can be between export staffs, and other non-export staff, or from any departments to all personnel in the organization (Cadogan, Diamantopoulos, & de Mortanges, 1999; Cadogan, Diamantopoulos, & Siguaw, 2002).

Export intelligence responsiveness includes the responses to the intelligence that has been generated and disseminated. Such responses are directed toward export customers, export competitors, and environmental changes that might affect the firms, customers, or competitors (Cadogan, Diamantopoulos, & de Mortanges, 1999; Cadogan, Diamantopoulos, & Siguaw, 2002).

Cadogan and Diamantopoulos (1995) claimed a study revealing that many firms that are market-oriented in their domestic operations could fail to carry market-oriented activities in their oversea operations. Research that specifically studies market orientation in export operation of firms is therefore necessary to understand the impact of export market orientation. In addition, though export market orientation might recently start getting research interest from some export performance researchers, not much empirical insights from non-western context are available in extant literature (Cadogan and Cui, 2004). Much work is still needed to fill this void in its empirical study. Research examining its impact on export performance should thus be spanned to other non-western countries to test for the validity of the findings in dissimilar economy.

Environment

While this dissertation embraces resource-based theory as the main theoretical framework, it is important to note that the model *also* recognizes that there is possible impact of environment on export performance (Aaby, & Slater, 1989; Chetty, & Hamilton, 1993), which is not under the firm's direct control and management. By using RBV in helping to explain performance differences of firms, this research doesn't imply that environment will not have any impact. In contrast, recognizing its

impact, the possible impact of environment is taken into account as control variable. The rationale for including this is that firm performance can be generally affected by two broad forces (Aaby, & Slater, 1989; Zou, & Stan, 1998). One is the factor internal to the firm, and the other is the factor external to the firm (Aaby, & Slater, 1989; Zou, & Stan, 1998). Instead of solely adopting the former and totally ignoring the latter, the research model includes the impact of both internal and external factors. Despite the potential effects of environmental force, it is the factor that export performance researchers have often overlooked. This is rather astonishing because the environmental force is recognized to have an influence on export performance by several researchers (Aaby, & Slater, 1989; Zou, & Stan, 1998; Chetty, & Hamilton, 1993; Thirkell, & Dau, 1998). According to Zou & Stan (1998), the impact of the external-uncontrollable factor is often neglected by export performance researchers.

Unavoidably, firms are operating in an increasingly competitive environment. Firms are now facing with an ever-increasing level of competition. Aggressive and strong competitors can take away firms' share of business. They are constantly experiencing competitive attacks and counterattacks from rival firms. Intense competition can potentially jeopardize firm's performance. Similarly, in today economy, customers are also pressing hard on firms. Customers are naturally inclined to look for better and better value for their money. Accordingly, they are now more demanding by asking for higher levels of product quality and services at a lower cost (Slater, 1997). When customers can choose to buy from several competing firms, they can play firms against one another for the benefits of customers. Accordingly, in this dissertation, *demand-sided influence* (Wheelen, & Hunger 1998) and *competitive intensity* (Jaworski, & Kohli, 1993) are included in the analysis to control for their possible impact on firm. In chapter 3, industry background is presented. And, in chapter 4, the focus is on the presentation of proposed model based on the comprehensive literature review and gaps found in past studies as presented in this chapter. Also presented is the discussion of hypothesis development.

Chapter 3
Industry Background

In Chapter 3, industry background is discussed. The chapter provides a broad discussion of this industry in such areas as main export products, competing countries, and main export markets.

Overview of Thailand's Food Export Industry

The importance of food processing industry in Thailand has long been recognized by Thai government. This could be seen from the inclusion of this industry in the 1st National Economic and Social Development Plan in 1961. Initially, the development of this industry was just for the purpose of domestic consumption to substitute food imports. During 1960-1970, Thai government had the policy to support food industry to produce for domestic consumption and reduce food imports. Production technology from Taiwan and Japan was imported to support the production. Later, as the manufacturers accumulated production knowledge to a certain level (they, however, still need ongoing developments of the production process), the industry was purposely expanded for exports and earn foreign currency for the country. And during 1970-1980, government's policy also aimed at supporting food production for export. The export growth generated large amount of foreign currency for Thailand (NFI, 2002). During 1980-1990, food exporting industry was successful in foreign markets due to its relatively low labor cost and the good production knowledge of Thai exporters. During this period, firms attempted to further modernize their plants by importing production technology from Europe and America (NFI, 2002). Finally, during 1990-2000, Thai exporters started facing with more and more competition with exporters from foreign countries that had comparable (or better) advantages in labor cost and raw material abundance (NFI, 2002). In recent years, competition from these countries has become more intense due to their continuous modernization of plants, and government supports. In the next few paragraphs, the competition from foreign countries will be described. Also presented are the discussions about Thailand's market share of world food export, our positions in world market for various export products, important export products and export markets, and the contribution of food export to Thailand's GDP.

Position of Thailand's Food Export in World Market

According to National Food Institute, there are around 195 countries in the world that export food. However, the number of major food exporters is only 15 (which represent only 7.7 % of 195 countries). And these 15 countries are responsible for almost up to 70% of world food export value. Not surprisingly, Thailand is one of these 15 dominant world food exporters (15th rank). Table 3.1 shows proportion of food export from each of these countries in year 2003.

Table 3.1

World Trade Statistics for Food Export

Rank	Country	% of World Food Export	Rank	Country	% of World Food Export
1	USA	10.77	9	Canada	3.66
2	Netherlands	8.12	10	China	3.54
3	France	7.73	11	UK	3.3
4	Germany	5.9	12	Argentina	2.47
5	Spain	4.36	13	Denmark	2.39
6	Belgium	4.15	14	Australia	2.36
7	Brazil	3.84	15	Thailand	2.08
8	Italy	3.68			

Source: National Food Institute, World Trade Statistics : Food Export

Despite the seemingly small percentage of Thailand's food exports (i.e. a mere 2.08%), Thailand has held several impressive records in world market: a leading food exporter in Asia, the net food exporter in Asia (and rank 6 in the world as shown in Table 3.2; the first five countries are Brazil, Netherlands, Argentina, France, and Australia), the largest exporter in the world for canned pineapples, pineapple juice, and concentrates, a dominant exporter of chicken in world market (in 5th rank according to NFI (2002)), second largest exporter of seafood, the largest exporter of shrimp since 1989 (NFI, 2005), a leading exporting countries for canned tuna, and a main exporter of tropical fruits.

Table 3.2

Trade Balance of Food Exporting Countries

Rank	Country	1999	2000	2001	2002	2003
1	Brazil	9,713	8,822	12,581	13,374	17,495
2	Netherlands	12,040	11,879	11,386	13,332	15,129
3	Argentina	10,218	10,310	10,607	11,328	12,908
4	France	10,530	8,966	6,982	8,407	10,190
5	Australia	8,730	9,388	9,806	9,986	8,547
6	Thailand	7,473	7,279	6,931	6,782	7,611
7	Denmark	5,011	4,759	5,141	5,058	5,586
8	Canada	5,126	5,603	6,541	5,453	5,172
9	China	5,008	4,516	4,856	6,273	4,272
10	Spain	789	1,671	1,719	2,099	2,992
11	Belgium	1,658	1,966	2,112	1,860	1,967
12	USA	3,337	3,115	2,219	(2,118)	(2,253)
13	Italy	(6,419)	(5,595)	(5,242)	(5,263)	(7,134)
14	Germany	(13,932)	(10,916)	(10,243)	(10,577)	(12,055)
15	UK	(12,930)	(11,721)	(13,508)	(14,462)	(17,321)

Unit: Million US$

Source: National Food Institute, Trade Balance of Food Exporting Countries

Growth and Economic Importance of Food Export

The growth of food exports industry (NFI, 2005) has been supported by a number of factors including:

1) The government's "Thai Kitchen to The World" food supporting policy: A concrete policy that helps to maintain and promote our export market's share in world market,

2) National Food Safety policy: A program that contributes to the creation of customers' confidence in Thai's food products, and improvements on products by exporters,

3) Thailand Brand Image: a program to raise image of Thailand's products including food exports (NFI, 2002), and

4) the establishment of National Food Institute on October 15, 1996 in order to resolve problems of private sectors, provide supports & services, and ultimately raise the competitiveness of Thai food processing industry.

Food export industry has been playing a significant role in boosting the growth of Thai economy for decades. In 2004, the food export value contributed around 13% to the total export value (NFI, 2005). And it accounted for around 7.71% of GDP. Table 3.3 below shows the value of food export, and respective percentage of GDP during year 2000 to 2004.

Table 3.3

GDP and Food Export Value

	Units	2000	2001	2002	2003	2004
GDP	Million Bath	4,923,300	5,133,800	5,451,900	5,939,100	6,576,800
Food Export (Value)	Million Bath	399,169	444,706	427,793	470,617	507,013
Food Export (% of GDP)	%	8.11	8.66	7.85	7.92	7.71

Source: NFI (2005)

Main Export Markets and Main Export Products

Important food exports of Thailand generally include frozen or processed shrimps (in various forms as whole or head on shell on, headless shell on, peeled and divided, peeled undivided, peeled and divided tail on, peeled and undivided tail on, breaded shrimp, skewer shrimp, stretched shrimp, and processed shrimp in various menu like Tom Yum Kung, Pad Thai, or fried rice), canned tuna (e.g. in vegetable oil, tomato sauce), surimi, poultry, and fresh/processed fruit (eg.canned pineapple), animal meats, and seasonings. Exports of fishery products represent the largest proportion (around 32% in 2004) of total food export value (NFI, 2005). And shrimp export accounted for around 41.70% of total export of fishery products. Important export markets of Thai food products are Japan, USA (the world's largest importer of shrimp), EU, Canada, Australia, and Asia countries. Table 3.4 below shows export markets and food products exported to these markets.

In 2004, main export markets of Thai food products was NAFTA, Japan, and ASEAN (NFI, 2005). Table 3.5 below shows export markets, and proportion of Thailand's food export to each of these markets. Food export of Thailand was dependent very much on NAFTA, EU, and Japan in 2004 (i.e. around 48.70%).

Nonetheless, there was some sign showing that food exports of Thai exporters has become less dependent on these markets since the export value in 2000 (see Table 3.6) to these three markets accounted for around 57.72% of total export. There seems to be a small increase of export proportion (from year 2000 to 2004) to such markets as China, Taiwan, Hong Kong, Macau, Africa, Middle East, and ASEAN countries (NFI, 2005).

Table 3.4

Main Export Markets and Main Export Products

Countries	Export Products
Japan	Frozen seafood, frozen poultry, frozen fruit, seasoning, products made of rice
USA	Canned products such as tuna, pineapple, pineapple juice, seafood, baby corn, bamboo shoot; frozen shrimp
EU	Canned products such as tuna, pineapple, pineapple juice, baby corn, bamboo shoot; frozen shrimp, frozen squid, frozen poultry
Canada	Fresh shrimp, frozen shrimp, canned tuna, canned pineapple
Australia	Canned seafood
Asia Markets (Hong Kong, China, Singapore, Taiwan, Korea, Malaysia)	Almost all types of food

Source: NFI (2002)

Table 3.5

Proportion of Export Value By Export Destinations (2004)

Export Destinations	Year 2004	
	Value (Million Bath)	%
NAFTA	94,886.94	18.71%
ASEAN	83,983.66	16.56%
EU	60,105.61	11.85%
China, Taiwan, Hong Kong, Macau	54,201.26	10.69%
Africa	45,315.51	8.94%
Middle East	26,551.54	5.24%
South Asia	5,419.58	1.07%
Japan	91,902.73	18.13%
Others	44,645.37	8.81%
Total	**507,012.20**	**100.00%**

Source: NFI (2005)

Table 3.6

Proportion of Export Value By Export Destinations (2000)

Export Destinations	Year 2000	
	Value (Million Bath)	%
NAFTA	94,660.42	23.71%
ASEAN	57,861.81	14.50%
EU	47,632.99	11.93%
China, Taiwan, Hong Kong, Macau	37,111.44	9.30%
Africa	21,204.69	5.31%
Middle East	17,723.50	4.44%
South Asia	4,953.34	1.24%
Japan	88,112.58	22.07%
Others	29,908.76	7.49%
Total	**399,169.53**	**100.00%**

Source: NFI (2005)

Competition from Other Countries

Based on NFI, Thailand enjoyed export growth over years. Nonetheless, in recent decades, Thailand has experienced with increasingly strong competition from several countries. Thai exporters thus need to constantly improve themselves to respond effectively to the competitive force from several countries.

Increasingly, competitiveness of Thailand's food export industry has been challenged by a number of countries like China, Vietnam, and Philippines (NFI, 2005). These rival countries have competed with Thailand using lower price strategy, resulting in the loss of Thailand's market share to these countries (NFI, 2005). The growth of Thai food export has recently grown at slower pace than before since Thai exporters' didn't adjust themselves fast enough to match with the greater competition from these countries (NFI, 2005).

Competitors in several countries have been developing their competitiveness to export several competing food products with Thai exporters. According to National Food Institute, Philippines food exporters, for example, are important competitors to Thai food exporters for such products as canned pineapple, pineapple juice, frozen pineapple, dried fruits, frozen vegetable, and canned tuna. Exporting manufacturers in this country have competitiveness against Thai exporters in term of their raw material, and cost of production. Similarly, Indonesia is another country

that is a competitor to Thailand's food export. The exporters in this country are competing with Thai exporters in such products as canned pineapple, pineapple juice, frozen fruits and vegetable, canned shrimp and crab.

For the purpose of illustration, since shrimp export is a top export revenue earner of Thai food exports and it is facing with serious competition from other countries, the discussion that follows will mainly focus on the export of shrimp from two dominant countries (i.e. Vietnam, and China) in order to give a sketch of competitive pressure on Thai exporters from these countries.

Vietnam is an important and notable competitor to Thailand especially for shrimp exports. (NFI, 2005). In general, Vietnam has been quickly developing its production technology for processing food for export. The rapid development of this industry in Vietnam can be attributed to a number of factors, including the knowledge transfer from foreign customers, the adoption and use of modern production equipments (from Taiwan and Japan) plus the aids and recommendation of equipment specialists, government policy to support food export industry (e.g. the policy to change "rice farm" to "shrimp farm"). For shrimp, the growth of shrimp export is also driven by the knowledge transfer from *Thai* investors who invest in shrimp farms in Vietnam (NFI, 2005). In recently years (during 2002-2005), it was found that shrimp exporters in Vietnam have made substantial improvements in such areas as better usage of raw material in production, better production efficiency, and higher export market efficiency (NFI, 2005). They are continuously developing themselves to be strong exporters against Thai counterparts. Equipped with much lower cost of production than Thailand, knowledge/technology transfer from foreign customers and Thai investors, and supporting government policy, the competitiveness of Vietnamese exporters are increasingly getting stronger.

Another strong and notable competitor is China. According to Nucharin (2005), China is considered a dominant food exporter in Asia and has been our major competitor for almost all types of food products. For example, the competing export products of China include canned bamboo shoot, frozen seafood, canned crabmeat, frozen poultry, and chilled vegetable. China food exporters generally have advantage over Thailand in term of their lower production cost. In recent years, shrimp farming has gained popularity among farmers in China due to its ability to make a quick profit

compared to agricultural products. Production volume has increased. With lower cost, and increasingly sophisticated processing facilities, China could potentially develop itself to become a serious threat to Thailand's position as a world-leading shrimp exporter. In the future, once China can successfully resolve some of it problems (e.g. underdeveloped hatcheries, disease concerns, lack of management expertise to plan production effectively, banned exports due to antibiotic contamination), China can become a leader of shrimp export. It is also important to note that several plants in China have made their processing facilities become increasingly sophisticated, and achieved international food standards. In general, Chinese food exporters have been relentlessly moving forward to improve their export competitiveness.

As illustrated above about competitive situation of food exports, both Vietnamese and Chinese exporters have advantages in term of lower production cost than the Thai counterparts, thus allowing them to effectively use low price strategy and compete the market share away from Thai exporters. Base on the study of NFI (2005), the growth of exports of shrimp and surimi of China and Vietnam was found to be higher than that of Thailand since they have advantages in terms of low production cost, and cheap labor (Vietnam is also relatively abundant in its raw material). Therefore, Thai exporters can't no longer compete on the basis of low cost alone. They should not be complacent with their current level of competitiveness. They need to take actions to improve their chance of winning over the competitors.

Enhancing Competitiveness of Thailand's Food Export

The competitiveness of cost of production in Thailand tends to be eroded over time compared to that of other countries like Vietnam, or China. The emphasis on constant improvement on production efficiency, and the building of reputation or image of high products quality are therefore necessary for Thai exporters to raise our competitiveness, and keep up with the competition in world market. Firms need to build their sustained competitive advantages by developing the real understanding of market needs (i.e. being market oriented). The exporters need to be more responsive, and be more efficient to be prepared for greater competition in world market.

According to Thai Food Processor's Association, NFI (2002), and an NFI study in 2005, it was revealed that many important factors that can affect the development and success of food export industry are the factors that are *internal* to the firms. These factors include cost management and production efficiency, quality of products, sourcing or purchasing capability, management ability, and the understanding of customer requirements.

In sum, facing with greater and threatening competition from exporters in other countries, Thai exporters need to continuously improve themselves all the time. They should continuously enhance their competitive strategy implementation ability in order to develop its competitiveness through differentiation and low cost position, heighten its quality standard, and build company's reputation or image (e.g. reputation of reliable exporters, high-quality products exporters, or trustworthy exporters, etc.). These are the factors that should help firms better cope with greater competition. Thai exporters also need to be more responsive to customers needs (i.e. being market-oriented by, say, soliciting customer feedbacks to improve products, and keep the customers satisfied and continue doing business with the company), and keep the company's personnel updated with market intelligence relating to market opportunities, competitive moves, market needs, regulations, and technological developments. In addition, by being more receptive to market intelligence, Thai exporters should be able to pinpoint new market opportunities to alleviate problems of intensified competition in main export markets that are full of many competing rivals. Today, customers are also more demanding. Firms must be effective and efficient in catering to their needs. With raw material as a major cost of production, firms also need to be proactive in continuously looking for new and better sources of supply to enable themselves to achieve low *cost* position and offer *quality* products that competitively meet customer demands. Unplanned buying or habitual buying might result in the loss of opportunity in pinpointing profitable and high quality source of supply. All these are the actions that are critical to the success of Thai exporters in today fast-changing competitive environment.

In the next chapter, research model is proposed. Theoretical development of hypothesis is described. Chapter 5 focuses on research methodology. And the hypothesis testing is then presented in Chapter 6.

Chapter 4
Research Model and Hypotheses

Research Model

The purpose of this chapter is to present the proposed model which is based on the review of relevant literatures in chapter 2. The theoretical foundation of the model is resource-based theory, which is employed by many scholars to explain firm performance (Dhanaraj, & Beamish, 2003; Balabanis, Theodosiou, & Katsikea, 2004). In resources based theory, superior performance hinges on the possession and deployment of firm capabilities and resources. This stream of research will contribute to our knowledge about the factors that drive export success (Balabanis, Theodosiou, & Katsikea, 2004).

According to resource-based theory, a firm is equivalent to a broad set of resources that it owns (Das & Teng, 2000). Wernerfelt (1984) defined resources as those tangible and intangible assets which are tied semi-permanently to the firm. The contribution of the resource-based view is that it develops the idea that a firm's competitive position is defined by a bundle of unique resources (Rumelt, 1984) and internal capabilities (Peteraf, 1993). Dierickx and Cool (1989) asserted that the development of firms' nontradable resources and capabilities is path dependent, have a strong tacit dimension, and socially complex, thus defying imitation and being a strong base for developing competitive advantage.

Scholars noted that resource based theory presents a rich theoretical framework on which export models can be developed and tested (Dhanaraj, & Beamish, 2003). The practice of using resource-based theory among scholars to explain firm performance is driven by the fact that it addresses the central issue of how superior performance can be attained relative to other firms (Dhanaraj, & Beamish, 2003) and posits that superior performance results from developing and exploiting the accumulated stock of firms resources and capabilities (Dierickx, & Cool, 1989). The primary determinants of firm performance are firm capabilities that reside in the firm. Figure 4.1 presents the proposed model as well as the relationship among constructs. Based on the literature review in chapter 2, the model asserts the relationship among firm export performance, ability to implement business strategy, purchasing capabilities, and export market orientation.

Figure 4.1

Proposed Export Performance Model and Hypotheses
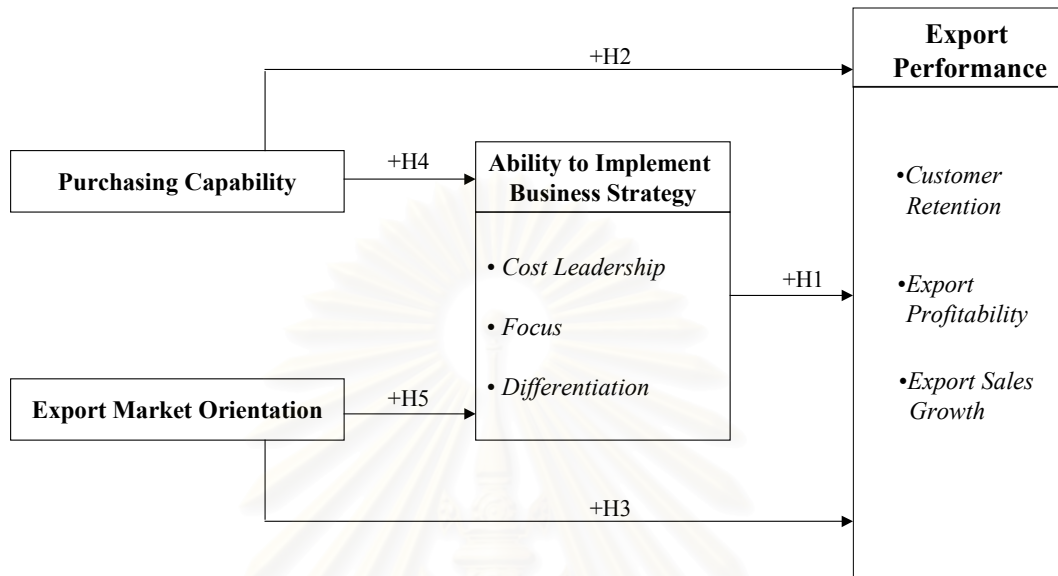
Hypothesis Development

In the sections that follow, the theoretical constructs in the model and the relationship proposed in above research model are conceptually developed and explained. Then relevant hypothesis statements are proposed.

Business Strategy and Export Performance

Strategy not only affects the ongoing operations of the organization, but also centrally affects various aspects of firm's performance (Hambrick, 1980). As discussed in the chapter 2, firms who can succesfully implement their competitive strategy will have competitve edge over their rivals and enjoy superior performance. According to Porter, the three generic strategies for attaining competitiveness are differentiation, cost leadership and focus strategy. These three generic strategies can be used as a basis for the development of competitive strategies (Porter, 1980). Based on resource based theory, it is postulated that precious resources a firm possess are usually capability-based and intangible in nature (Fahy, 2000) like the ability to pursue business strategy.

Increasingly, researchers in strategy stream of research recognize the importance of firms' unique resources, skills or assets for achieving competitive

advantage (Barney, 1991). Firms must carry out various actions and allocate necessary resources for implementing competitive strategy to enhance firm's chance of achieving organizational goals. Since the mere possession of resources doesn't in itself constitute competitive advantage for firms, firms must manage such resources and utilize their services to tap on competitive edge resources provide. Based on the argument of Chan and Wong (1999), this ability to manage and integrate value-creating activities to implement business strategy to bring about competitive advantage is an important source of firm competitive advantage.

Scholars noted that cost leadership, differentiation, and focus strategy are instrumental to achieve business success since they enable firms to deliver goods that are of value to customers (Kim, Nam, & Stimpert, 2004a). Central to the cost leadership is the attempt to outperform competition through efficiency and cost savings relative to competition (Hill, 1988). Differentiation strategy represents the attempt to create a distinction or perceived difference in company offerings that customer value (Porter, 1980). Focus strategy means that the firm will try to serve their customer better than competitors in a narrowly defined markets based on customer preference, segment of the product line, or geographic area (Miller, & Dess, 1993). Since these generic strategies aim at offering company products that meet the customers' requirement in the ways they want, firms that can successfully pursue these strategies will have a competitive edge over competitors. Empirically, it was found that firms maintaining high quality standards, and maintaining unique image/reputation of company products would experience good export performance (Aulakh, Kotabe, & Teegen, 2000). Similarly, firms striving to achieve lower cost are found to have good performance (Aulakh, Kotabe, & Teegen, 2000). Performance is thus influenced by how well firms deploy their resources to build or strengthen firm's competitive advantage for their export operation (Hatten, Schendel, & Cooper, 1978). In other words, firm performance is logically tied to the ability to construct competitive advantage through the effective pursuit of business strategy. Therefore, the first hypothesis is stated as follow.

H1: The ability to implement business strategy is positively related to export performance.

Purchasing Capability and Export Performance

Purchasing plays an integral part in helping the business to run smoothly (Dobler, & Burt, 1996). The role of purchasing has grown over the years from a mere clerical status to a more proactive role in promoting firm's performance. Since purchasing undoubtedly plays the key role in providing necessary inputs for firms (Bird, Jr., & Mazze, 1976), it greatly influences firm's ability in meeting customer needs and requirements (Monczka, Trent, & Handfield, 2005).

Firms must transform the acquired inputs from suppliers into final products with attributes that satisfy customers' requirements or needs. And firms that attach strategic importance to purchasing function and develop a strong purchasing capability will be able to minimize material-related problems. Since quality must be built into the final products, firm must start its quality process with good quality materials that are acquired at a reasonable cost (Chao, Scheuing, & Ruch, 1993; Novack, & Simco, 1991).

Possessing a strong purchasing capability make firms enjoy numerous advantages. That is, it enables firms to maintain low waste rate, be cost efficient, reduce the chance of producing substandard products, meet required product quality standard/requirement, and be more customer responsive (Carr, & Pearson, 2002; Chen, Paulraj, & Lado, 2004). Since purchasing largely affects the price of final products as well as product quality, and it can greatly influence the operating results of the firms (Thompson, 1996), management must closely monitor its purchasing operation in order to ensure that things are in order (i.e. acquire materials with required quality attributes at a competitive price and in a timely manner) (Weele, 2000). By improving firms' purchasing capability, they are, in effect, improving their performance.

According to resource-based theory, firm capability embedded in the organization can explain performance differential among firms (Hall, 1993). Purchasing is a capability-based resource, and the competitive edge provided by purchasing capability can't be easily nullified through a simple duplication effort from competing firms. This is due to its imperfect imitability. In addition, acquiring and developing purchasing capability is historically based and involves social complexity (Barney, 1991). Being non-tradable, this capability is not available in any

factor market. Firm must develop and build its own network of supply as well as gradually create and maintain good working relationship with suppliers. Reputation among suppliers must also be gradually built over time. Purchasing capability is thus a firm-specific intangible and nontradable resource that can be a source competitive advantage, supporting firms to achieve superior performance (Das, & Narasimhan, 2000). Thus, hypothesis two is stated as follows.

H2: Purchasing capability is positively related to export performance.

Export Market Orientation and Export Performance

Fundamental to marketing discipline is market orientation concept. It enables firms to create sustainable competitive advantage by offering product that is of value to customer, that is, perceived value is greater than total acquisition cost (Narver, & Slater, 1990). Market orientation is what produces outstanding firm performance through the commitment to creating superior value for customers (Slater, & Narver, 2000).

The emphasis on delivering superior quality offering to customer has long been an important driver for helping business to operate successfully. According to Jaworski, and Kohli (1993), "since customer needs and expectation continually evolves over time, being able to deliver consistently customer value necessitates firm's ongoing tracking and responsiveness to changing marketplace needs". That is, to deliver customer value, firms must try to understand customer needs by being market oriented. It is often claimed that a linkage between market orientation and performance exists (Greenley, 1995). Specifically, scholars believe that there is a positive impact of market orientation on firm performance (Kohli, & Jaworski, 1990).

In international business literature, the impact of market orientation on export performance has just been recently studied (Cadogan, Diamantopoulos, & de Mortanges, 1999). As discussed earlier, export market orientation consists of the generation of market intelligence pertinent to export operation, the dissemination of such information throughout the organization, and the responses based on the generated and disseminated export market intelligence (Cadogan, Diamantopoulos, & de Mortanges, 1999). There is some evidence showing that EMO can be a source of

competitive advantage (Cadogan, Diamantopoulos, & Siguaw, 2002). Cadogan and Cui (2004) noted that market orientation of firms for their export operation can be beneficial to their export success. The contribution of export market orientation on export success is due to the greater access and greater awareness of information concerning with market's needs, competitive moves, and other relevant forces in export market (Cadogan, & Cui, 2004). Unlike firms that don't embrace EMO, firms embracing EMO practices are usually more capable of monitoring and responding to changes in customers' needs, changes in government regulations, or competitors' moves (Cadogan, & Cui, 2004). Acquired information enables firms to be in a better situation to make informed judgments or decisions regarding how to outperform competitors and respond correspondingly to market needs and/or preferences. Cadogan and Cui (2004) noted that export customers would generally prefer firms exhibiting export market orientation behaviors, since these firms are usually capable of better catering to their needs.

Obviously market intelligence allows firms to better understand and serve customers needs. Thus, market-oriented firms will be able to satisfy, retain, and get repeat business from the customers (Kohli, & Jaworski, 1990). Empirically, it was found that market oriented firms outperformed firms with less market orientation (Vorhies, & Harker, 2000). Firms that embrace export market orientation practice can achieve superior performance. Therefore, hypothesis three is stated as follows.

H3: Export market orientation level is positively related to export performance.

Purchasing Capability and Business Strategy

Based on the argument of resources based theory (Barney, 1991), firms that possess strong purchasing capability should be in a better position to conceive of and implement business strategies that improve its efficiency and effectiveness. Depending on the level of purchasing capability firm possesses, purchasing capability can either support or neutralize the firm's strategy of product differentiation, cost leadership, and focus strategy (Ellram, & Carr, 1994).

Besides enabling timely delivery, and promoting repeat purchases, strong purchasing capability also allows firms to differentiate company offerings from that of others and convince customers to pay for the better quality or services, cater effectively to needs of customers by being more responsive to specific market, and enable firms to offer comparable products at a better value for customers (Chen, Paulraj, & Lado, 2004).

As discussed earlier, there is a movement of purchasing from a passive or reactive role to a strategic one. This movement is widely discussed in the literature (Ellram, & Carr, 1994). Purchasing has now been regarded as an important contributor to the strategic success of the firm (Ellram, & Carr, 1994). However, when purchasing is not treasured, it will just be a dormant or "*untapped* source of competitiveness" (Thompson, 1996, p.6). In contrast, in the firm where the strategic status of purchasing is appreciated, management is likely to pay close attention to it. The improvement effort on purchasing capability such as continuous search for better supplies sources or training for purchasing personnel can be rewarding for firms.

By having strong purchasing capability, firms can enjoy better cost position relative to competitors, better quality material acquisition, better delivery reliability, shorter lead time, or more knowledge on supplies market conditions which can be useful for prediction of price and availability of materials (Ellram, & Carr, 1994). Since the rewards and benefits that purchasing create for firms are crucial competitive factors for competition in the market, the creation and development of competitive advantage over the others relies heavily on the possession of effective purchasing capability (Das, & Narasimhan, 2000; Ellram, & Carr, 1994;).

Because purchasing capability can contribute significantly to the performance of firm by securing competitive supply, purchasing should be operated as effectively as possible to enhance firm's ability in building competitive advantage (Lysons, 2000). By maintaining a good relationship with suppliers, ensuring competitive cost-quality ratio, minimizing quality-problems of materials input, and ensuring timely flow of supply (Chen, Paulraj, & Lado, 2004; Dobler, & Burt, 1996), firm's ability to gain competitive advantage through the effective implementation of its strategy can be enhanced. In light of this, hypothesis four is stated as follows.

H4: Purchasing capability and ability to implement business strategy are positively related.

Export Market Orientation and Business Strategy

Export market orientation is related to information-based activities (Kohli, & Jaworski, 1990; Morgan, & Strong, 1998; Cadogan, & Diamantopoulos, 1995). A central theme of export market orientation is the market information and its use (Cadogan, & Diamantopoulos, 1995; Kohli, & Jaworski, 1990). Specifically, this information is referred to as export market intelligence. Market intelligence is information about such things as competition, regulation, trends, and customer preferences (Kohli, & Jaworski, 1990). So market-oriented firm will be kept informed about competitive offerings of competitors, needs of customers, and factors that impact customers needs.

A market orientation essentially is a means to developing a competitive advantage, because it enables an organization to understand customer needs and offer products and services that meet those needs (Jaworski, & Kohli, 1993). Also, the market intelligence that market orientation generates can provide valuable basis for the formulation of competitive strategy in order to serve customer needs better and response well to competitions (Vazquez, Santos, & Alvarez, 2001).

According to Kohli and Jaworski (1990), market orientation facilitates clarity of focus and vision in an organization's strategy. Market orientation can bring about concerted efforts and competences of all people concerned (Kohli, & Jaworski, 1990) and provide them with a sense of direction to work together toward the same goal of *serving customer interests* and *outperform the competitors*.

Since market-oriented firms must respond to market needs, they are primarily driven by what the customer wants (Kohli, & Jaworski, 1990). And they must serve customer needs well in order to survive and prosper. Proponents of marketing orientation concept would agree that the creation of superior customer value is key to firm success (Vazquez, Santos, & Alvarez, 2001; Narver, & Slater, 1990; Slater, 1997). Market-oriented firms think in term of trying to develop a better understanding of its customers and, in parallel with this, take strategic decisions and actions that will improve company's capability to deliver greater value to customers

too. With the determination of market-oriented firms to offer superior customers benefits, value-adding activities of market-oriented firms are subject to constant improvement effort.

Recognizing that customers generally want to maximize the benefits they receive from the firms by searching for the product that address their needs well compared to competitive offerings (Wyner, 1998), a market-oriented firm must have an understanding of competitors' capabilities, and customers' needs in order to be able to create superior value for customers continuously (Kohli, & Jaworski, 1990; Narver, & Slater, 1990). Since market oriented firms understand that they must continuously create benefits to buyers (Kohli, & Jaworski, 1990), they must be active in relentlessly upgrading or enhancing their ability to implement business strategy, which is a source of competitive advantage, to remain at the forefront of competition. Similarly, based on the argument of Narver and Slater (1990), market oriented firms will constantly examine their source of competitive advantage to see how it can be strengthened or improve so that firms will be able to create superior and sustained value for its customers.

Based on the notion of market orientation concept (Vazquez, Santos, & Alvarez, 2001; Jaworski, & Kohli, 1993; Slater, 1997; Kohli, & Jaworski, 1990), it can be argued that EMO firms know 1) that in order to response to market need effectively, they must provide superior value, and 2) that in order to keep pace with the competition, they must remain cost efficient and produce quality-products that match the specific needs of customers. Thus, there is a necessity to constantly improve efficiency and effectiveness of the firms to enhance firm's ability in providing superior offerings. In light of this, hypothesis 5 is stated as follows.

H5: Export market orientation and ability to implement business strategy are positively related.

Heterogeneity as a Source of Performance Difference

According to resources based theory, it suggests that inter-firm performance differences can be attributed to the differences in the possession and/or deployment of superior firm resources or capabilities (Barney, 1991; Barney, 2001; Hall, 1992; Hall;

1993). Thus, it would be beneficial to empirically study the profiles of high performing firms. The analysis will allow us to better understand why some firms experience higher export performance than others.

In order to aid the examination of high performing firms' profile, it is useful to make a comparison. Specifically, the profiles of high and low performing firms will be statistically compared with one another in order to determine if there is any difference between them. Based on the arguments of resource-based theorists, it is asserted that high performers and low performers should possess dissimilar firm resource and capability. Thus, hypothesis six is stated as follow.

H6: Since the heterogeneity of firm resources and capability is the source of performance difference among firms, the profiles of high performing and low performing firms should be significantly different from one another.

Besides the statistical comparison of firm profiles from the two groups, a discriminant analysis will also be performed to determine which resources can effectively distinguish low performers from high performers. The analytical procedure will generate a discriminant function based on a linear combination of the predictor variables that provide the best discrimination between the groups. The discriminant analysis helps highlighting the specific firm resources that are behind the success of high performers. This is of importance to practitioners, since managers can make a better-informed decisions regarding the aspects of firm resources that should get close managerial attention.

In the next chapter, research methodology and data collection method are described. Also, the construct operationalization based on past literature is presented.

Chapter 5
Research Methodology

Data Collection Method

This dissertation will study and test the proposed model with firms in food exporting industry. The list of around 1,153 Thai food exporters is obtainable from Department of Export Promotion. The data will be gathered by questionnaire through mail survey. The questionnaire consists of six main parts. Consistent with past research, to elicit response, a cover letter requesting for their cooperation and ensuring their confidentiality and anonymity will be sent in accompany with the questionnaire (Churchill, 1996). In addition, firms are also offered summary of the findings on the completion of the study as an incentive to elicit response (Churchill, 1996).

Construct Operationalization

The operationalization of all constructs presented in the proposed model is explained in detail in this section. The measurement instrument in this study is developed to meet the criteria of validity, and reliability (Peterson, 2000; Zikmund, 1997). In order to specify the conceptual domains and ensure the validity of constructs, measurement items serving as indicators of each construct in this research are either derived or developed based on past studies or literature-based insights (Churchill, 1979); and some are adapted to suit with the purpose of this study. All theoretical constructs in the model are assessed by multi-items measures since this approach tends to enhance reliability of measurement (Churchill, 1979). Since seemingly identical statements can produce widely different answers, several items with slightly different shades of meaning are employed to measure constructs (Churchill, 1979).

Although an assumption of internal consistency reliability is that there is an infinite number of ways the researcher could word questions to measure a construct (Mentzer, & Flint, 1997), in order to measure a construct, researchers can employ only a small number of these items in the measurement instrument (Churchill, 1979; Churchill, 1996; Mentzer, & Flint, 1997). Lengthy questionnaire is known to produce fatigue and response bias or non-response. Therefore, the design of the questionnaire

for this dissertation also takes this into account and avoids unnecessarily creating fatigue among respondents.

The main constructs in this dissertation include ability to implement business strategy, purchasing capability, export market orientation, environmental influences, and export performance.

Business Strategy Implementation

In this research, business strategy implementation ability is operationalized using the framework of Porter' generic strategies. Three business strategies are measured in this study: cost leadership, differentiation, and focus. As noted by Miller (1988), they are attributes along which firms can score high or low. Past research also supports the notion that implementing one of Porter's generic strategies does not preclude the possibilities of pursuing others. That is, a firm can pursue several strategies simultaneously (Miller, 1988).

To measure cost leadership and differentiation, the respondents are asked to indicate the degree to which several of the competitive aspects (Beal, 2000; Baldauf, Cravens, & Wagner, 2000; Aulakh, Kotabe, & Teegen, 2000) have been implemented successfully over the past three years.

Table 5.1

Survey Items for Cost Leadership

To what extent does each of the following competitive aspects has been implemented successfully by your company over the past three years.

1) Improving efficiency and productivity
2) Developing new manufacturing processes
3) Improving existing manufacturing processes
4) Reducing overall costs
5) Reducing manufacturing costs
6) Using new production technology
7) Competitive pricing

Response is on a nine-point scale ranging from 1= "to a very little extent" to 9 = "to a very large extent". The survey items of cost leadership and differentiation are presented in Table 5.1 and 5.2, respectively.

Table 5.2

Survey Items for Differentiation

To what extent does each of the following competitive aspects has been implemented successfully by your company over the past three years.

1) Building brand
2) Building company reputation (e.g. in term of delivery reliability, good product quality and quality consistency to create trustworthiness)
3) Improving existing products
4) Strict product quality control
5) Product improvements based on gaps in meeting customer expectations
6) Offering premium product quality
7) Differentiate products

Focus strategy is measured using four items (Miller, 1988). The survey items for focus strategy are shown in Table 5.3. The first item is measured on a 9-point scale with 1 = "very dissimilar technologies" (e.g. custom production for one, mass production for another) and 9 = "very similar technologies" (e.g. all produced with similar equipment). The second item is measured on a 9-point scale with 1 = "strongly disagree" and 9 = "strongly agree". The third item is measured on a 9-point scale with 1 = "very dissimilar marketing strategies required" and 9 = "very similar in required marketing strategy, customers' needs, pricing, and so forth" (e.g. having one product line to serve customers of similar requirements). And the last item is measured on a 9-point scale with 1 = "very broad" (e.g. our firm has carried many drastically different or broad products lines to serve customers) and 9 = "very focused" (e.g. our firm serves customers with specialized or focused product lines).

Table 5.3

Survey Items for Focus

Please indicate the extent to which the following competitive aspects reflect your company's strategy over the past three years.

1) How differently the export product lines have been produced (1 = "very dissimilar technologies" e.g. custom production for one, mass production for another-- to 9 = "very similar technologies" e.g. all produced with similar equipment).

2) Our firm offers export product lines that rely on the same or similar production technology (1 = "strongly disagree"; 9 = "strongly agree").

3) How differently the export products lines were marketed (1 = "very dissimilar marketing strategies required"; 9 = "very similar in required marketing strategy, customers' needs, pricing, and so forth" e.g. having one product line to serve customers of similar requirements).

4) Please characterize your firm's export product lines (1 = "very broad" e.g. our firm have carried many drastically different or broad products lines to serve customers –to 9 = "very focused" e.g. our firm intends to serve customers with specialized or focused product lines).

Purchasing Capability

Purchasing capability is defined as the extent to which company is capable of acquiring necessary input in the manner that supports or facilitates the attainment of organizational goals. The survey items (Dobler, & Burt, 1996; Chao, Scheuing, & Ruch ,1993; Scheuing, 1989) rated by respondents are provided in Table 5.4. The managers are asked to indicate the extent to which they agree with the following six statements regarding the company's purchasing capability. Purchasing capability is measured on a 9-point scale (1 = "strongly disagree", 9 = "strongly agree").

Table 5.4

Survey Items for Purchasing Capability

To what extent do the following statement reflect the nature of your company's purchasing capability over the past three years.

1) Our firm buys competitively (e.g. A firm who pays significantly more than his or her competitor does for a particular input is not buying competitively).

2) Our firm has an access to reliable sources of supply.

3) Our firm is capable of supporting company operations with an uninterrupted flow of materials.

4) Our firm continually searches for better values that yield the best combination of required quality level and price.

5) Our firm maintains a good rather than an adversarial relationship with main suppliers.

6) Our purchasing always performs accurately with little error.

Export Market Orientation

Export market orientation is defined as the extent to which firm exhibits three behavioral components: export intelligence generation, export intelligence dissemination, and export market intelligence responsiveness. Export intelligence generation involves activities which creates export market intelligence concerning with export customers, competitors, and the environmental changes that affects the firm, its customers or competitors. It is measured with seven items. Export intelligence dissemination refers to the sharing of export market intelligence. It is measured with ten survey items. Lastly, export intelligence responsiveness refers to firm implementation or adaptation in response to the generated and disseminated intelligence. This component is captured by twelve survey items. Respondents are asked to indicate the extent to which they agree with several statements (Cadogan, Diamantopoulos, & Mortanges, 1999) reflecting the nature of their company's export market orientation over the past three years. The responses for export market

orientation are measured on a 9-point scale ranging from 1 = "strongly disagree" to 9 = "strongly agree". All survey items are shown in Table 5.5.

Table 5.5

Survey Items for Export Market Orientation

To what extent do you agree with the following statements regarding your company's export market orientation over the past three years?

Intelligence Generation

1) Our firm periodically monitors or reviews the likely effect of changes in our export environment (e.g. changes in technology, regulations, competition, etc.).

2) Our firm personnel interact directly with export customers to learn how to serve them better.

3) Our firm can learn about the quality issues of company product from the export customer.

4) Our firm generates a lot of information concerning trends (e.g. regulation, politics, economy) in our export markets.

5) Our firm generates a lot of information in order to understand the forces which influence our oversea customers' needs.

6) Our firm generates enough information concerning our competitors' activities in our export markets.

7) Our firm regularly communicates or interacts with our current and prospective export customers.

Intelligence Dissemination

1) Our firm has interfunctional meetings at least once a quarter to discuss trends and developments (e.g. regulatory, technology) in our export markets.

2) Our firm periodically circulates formal/informal documents (e.g. reports, internal email messages) that provide information on export customers.

3) Important information about our export competitors never gets 'lost in the system'.

4) Export personnel always pass on information about export markets to other relevant functions/units.

5) Information about our export competitors' activities often reaches relevant personnel in a timely manner.

6) All Important information concerning export market trends (e.g. regulatory, technology, customer demand) can always get through the communication chain to relevant personnel.

7) All generated or derived information concerning our export competitors reaches decision markers (i.e. No information is discarded).

8) All information concerning our export competition is shared within this company.

9) Information which can influence the way we serve our export customers takes a reasonable amount of time to reach export personnel.

10) Top management regularly discusses export competitors' strengths and strategies.

Export Market Responsiveness

1) Our firm never ignores changes in our foreign customers' product or service needs.

2) Our firm develops or produces products that are in line with what foreign customers want.

3) Several departments get together periodically to plan a response to changes taking place in our foreign business environment (e.g. regulation, technology, etc.)

4) If a major competitor were to launch a strategy targeted at our export customers, we would implement a response immediately.

5) Our firm always seriously takes export customer complaints or feedback into consideration to find remedy.

6) Our firm is quick to respond to significant changes in our competitors' price.

7) When our firm finds out that export customers are unhappy with the quality of our products or services, we take corrective action immediately.

8) We are quick to respond to important changes in our export business environment.

9) Our export business strategies are driven by our beliefs about how we can create greater value for export customers.

10) Our firm gives close attention to what export customers want in term of products or services.

11) Our firm rapidly responds to competitive actions that threaten us.

12) Our export strategy for competitive advantage is based on our understanding of export customer needs.

Environment

Environmental influence is measured by two dimensions : competitive intensity and demand-side influence (Jaworski, & Kohli, 1993; Wheelen, & Hunger, 1998). The first dimension is measured by five survey items. And the second dimension is measured by four survey items. Respondents are asked to indicate the extent to which they agree with several statements reflecting the nature of their business environment. The survey items are shown in Table 5.6. The response is on a 9-point rating scale ranging from 1 = "strongly disagree" to 9 = "strongly agree"

Table 5.6

Survey Items for Environmental Influence

To what extent do you agree with the following statements regarding your company's business environment?

Competitive Intensity

1) Competition in our industry is cutthroat.

2) There are many "price wars" in our industry.

3) Anything that one competitor can offer, others can match readily.

4) Price competition is the norm of our industry.

5) Our competitors are relatively strong.

Demand-side influence

1) Changing suppliers or manufacturers costs very little for customers.

2) The number of alternative suppliers is plentiful for our export customers.

3) Our export customers always shop around for lower price.

4) Our export customers are very sensitive to price changes.

Export Performance

In this research, financial as well as non-financial indicators (Zou, & Stan, 1998) of export performance are measured to capture several aspects performance. Researchers asserted that there is an evidence that points to the general reliability of subjective, self-reported performance data (Venkatraman, & Ramanujam, 1986). Export profitability is measured by four survey items. Export sales growth is measured by four survey items. Customer retention is measured by five survey items. The respondents are asked to indicate the extent to which they agree with the several statements that are used to assess firm performance. All items are scaled on a nine-point scale, ranging from 1 = "strongly disagree" to 9 = "strongly agree". All survey items are presented in Table 5.7.

Table 5.7

Survey Items for Export Performance

To what extent do you agree with the following statements regarding your firm performance over the past three years?

Export Profitability

1) Compared to industry average, the profitability of our export business has been good over the past three years.

2) We have been successful in attaining high level of export profitability over the past three years.

3) Our export business has been profitable over the past three years.

4) Relative to objective, our firm has performed well in terms of export profitability over the past three years.

Export Sales Growth

1) Compared to industry average, the sales of our export business has grown over the past three years.

2) We have been successful in attaining high level of export sales growth over the past three years.

3) Our export sales have grown over the past three years.

4) Relative to objective, our firm has performed well in terms of export sales over the past three years.

Export Customer Retention

1) Many export customers who used to buy from us still continue doing business with our firm.

2) All of our existing export customers will likely keep their business relationship with us in the future.

3) Our existing export customers are unlikely to switch to our competitors.

4) We cater to many of the same customers that we did in the past.

5) Compared to the industry norm, our company retains export customers successfully.

Planned Data Analysis

Both descriptive and inferential statistics are employed in this dissertation. To detect the presence of any non-response bias, a wave analysis will be conducted. Specifically, Armstrong and Overton (1997)'s procedure is used to check for the presence of nonresponse bias by comparing characteristics of late respondents with those of early respondents. To assess reliability of construct, Cronbach's alpha coefficients for each construct will also be computed (Nunnally, 1978).

Structural equation modeling or SEM will be used as the main analytical tool for data analysis. SEM can be utilized effectively to address several research problems (Byrne, 2001). It is multivariate technique combining aspects of multiple regression and factor analysis to estimate a series of interrelated dependence relationship simultaneously (Hair, Anderson, Tatham, & Black, 1995). The name of this technique also implies that the structural relations can be modeled pictorially to enable a clear conceptualization of the research model under the study (Byrne, 2001). SEM has the ability to explicitly incorporate *latent* variables into the analysis (Hair, Anderson, Tatham, & Black, 1995). This is the advantage of SEM analysis over the alternative method like regression analysis which is based on observed measurements

only. In addition, SEM also provide explicit estimates of assessing measurment error, while the traditional mutivariate methods are incapable of doing so (Byrne, 2001). Given these advantages, SEM is chosen as the main analytical tool for hypothesis testing in this research.

Latent variables are the theoretical construct that cannot be measured or observed directly. They may also be called factors (Byrne, 2001). Latent variables, however, can be measured by observed or manifest variables. These variables serve as indicators of the underlying constructs (Byrne, 2001). SEM model may be called the full latent variable model when it consists of both a measurement model and a structural model. The measurement model is the model that shows the linkages between the latent variables and their respective indicators. The structural model is the model that shows the linkages among the latent variables (Byrne, 2001).

In SEM models, latent variables can be exogenous or endogenous. Exogenous latent variables are those that have the impact on the changes in the values of other latent variables in the research model. Endogenous latent variables are those that are influenced by the exogenous variables. In simple words, they could be thought of as dependent variables in the model (Byrne, 2001).

Regarding sample size for the analysis, scholars recommended the sample size for structural equation models analysis be between 100 to 200 cases. Klem (2000), for example, noted that the input matrix for SEM should be based on at least 100-150 cases. Based on Thompson (2000), a sample size of at least 100 or 200 should be achieved. In Chapter 6, data analysis and findings will be presented.

Chapter 6
Data Analysis & Findings

In this chapter, data analysis results were presented. This chapter begins with the discussion about response rate, sample characteristics, non-response bias, normality assumption check, and reliability and validity assessment. Next, paths in structural equation models were estimated and goodness-of-fit of the models were assessed. Resource heterogeneity assumption was then tested. This chapter ends with several supplementary analysis.

Response Rate

As previously noted, the employed data collection is through survey method. Mail packages, containing a cover letter, one set of questionnaire, self-addressed envelope posted with a stamp for replying, were sent to 1,153 Thai food exporters. In order to facilitate the respondents in returning the questionnaire, they can reply through mail or fax. Fax, telephone, emails, and personal visits are the follow-up methods which researcher and colleagues employed to contact respondents in order to solicit as much responses as possible.

The data collection is during March to June. A total of 329 questionnaires was received of which 48 were omitted on the basis of : 27 mails returned due to business's moving to other locations or business closure, 8 having excessively incomplete responses on key variables, 7 being traders, and 6 having less than three years of export experiences. This produced 281 (i.e. 329 - 48) usable responses, yielding a usable response rate of approximately 24%. This response rate generally falls well in line with comparable studies adopting a similar research design.

Sample Characteristics

Almost half of the sample had the export experience of 14 years or less, and the other half had more than 14 years of export experience. The average export experience is about 16.3 years. The majority of them, more than 90%, are Thai firms. With respect to the number of employees, 57% of this sample had more than 200 employees, 20.3% had between 51 to 200 employees, and the other 22.7% had 50 employees or less. And most of them, 81.6%, had the export percentage above 50%.

The breakdown of establishments, export experience, employees, and export percentage is presented in Table 6.1. Export products of respondents fall into several categories. Of the 281 responses, 26% exported fruit, 18.9% exported vegetable, 49.8% exported seafood, 1.1% exported poultry, 11% exported seasonings, 8.9% exported snack, 23.8% exported read-to-eat food, and 26.3% exported other foods such as candy, coffee, dough blends for pizza, fillings, herbal or cereal drink, sunflower seeds, seaweed, and chikuwa. Table 6.2 shows the breakdown of export products of respondents.

Table 6.1

Sample Profile

Characteristics	Frequency	Percent	Mean
Establishment			-
Thai	269	95.7	
Joint Venture	12	4.3	
Total	281	100.0	
Export Experience (Years)			16.3
1 - 7*	44	15.7	
8 - 14	85	30.2	
> 14	152	54.1	
Total	281	100.0	
Employees (Persons)			594.3
1 - 50	58	22.7	
51 - 200	52	20.3	
> 200	146	57.0	
Total	256	100.0	
Export Percentage (%)			77.3
50% or Below	46	18.4	
Above 50%	204	81.6	
Total	250	100	

*Note: Firms with less than three years of experience are excluded.

Table 6.2

Export Products

Products*	Frequency	% of Total Sample	Products*	Frequency	% of Total Sample
Fruit	73	26	Seasoning	31	11
Vegetable	53	18.9	Snack	25	8.9
Seafood	140	49.8	Ready-to-eat	67	23.8
Poultry	3	1.1	Others	74	26.3

*Note: Respondents can choose more than one response.

Detecting Non-Response Bias

The potential for non-response bias was assessed with an extrapolation method proposed by Armstrong and Overton (1977). This method is sometimes referred to as wave analysis. The procedure used to detect the presence of non-response bias is based on the contention that, in contrast to early respondents, late respondents are more likely to be similar to non-respondents.

Using t-test statistics for equality of mean, a comparison of early and late respondents with respect to various firm characteristics, including years of exporting ($p = 0.39$), number of employees ($p = 0.73$), and export percentage ($p = 0.12$), revealed no statistical differences. Nonresponse bias was thus unlikely to be a problem in this study. The detail of test statistics with respect to non-response bias is included in Appendix 3 (Statistical Tests for Response Bias).

Normality Assumption Assessment

In this study, the assumption of normality is assessed through the use of Q-Q plot method, which can be used to assess the assumption of normality (Johnson, & Wichern, 1998). A Q-Q plot forms a straight 45-degree line when the observed variables conform with normal distribution. That is, when the observed variables (data points) lie nearly along a straight diagonal line, the normality assumption remains tenable (Johnson, & Wichern, 1998).

Since the Q-Q plots of this sample reveal that the points form a fairly good linear line, and most points lie fairly close to the straight line with only a small

deviation from it, the normality concern is unlikely to be a problem for data analysis or parameters estimation. Q-Q plots are included in Appendix 4.

Regarding normality assumption in SEM analysis, it was reported that the maximum likelihood estimation, which is the default parameters estimation method used in AMOS software, is found to be fairly robust to violation of normality (Klem, 2000) or less-than-optimal analytical condition (Hoyle, & Panter, 1995). Study concerning robustness of ML reported that estimates are still quite good in generating reliable statistical results, even when data are not normally distributed (Chou, & Bentler, 1995).

It is suggested that when 1) the variables don't deviate severely from normality, or 2) the employed statistical technique is robust to the departure from normality, then the original variables are preferred to the transformed variables for interpretability purpose (Hair, Anderson, Tatham, & Black, 1995). Since both the former and the latter conditions are satisfied, original variables are thus used for the analysis in this study. Next sections are the extensive discussions on scale assessment and data analysis.

Scales Assessment

In this section, the focus is on the discussion concerning with construct measurement to verify unidimensionality, validity, and reliability of the constructs. Before analyzing the data, the measures were first purified using factor analysis with varimax rotation to remove problem items. After the removal, reliability of scales was assessed by Cronbach's alpha coefficient. Below is the discussion concerning with issues of scale validity, unidimensionality, and reliability before proceeding to the assessment of structural equation model and hypothesis testing.

Validity and Unidimensionality Assessment

Validity was assessed conceptually and statistically. All latent constructs were measured using multi-item measurements to avoid the drawback of single item measurement (Churchill, 1979). Conceptually, content validity for the measures was established by a comprehensive and thorough literature review. Content validity for the constructs in this study was established since the scales were based on literature

review, making the scales reflect what they purports to measure (Zikmund, 1997). Validity of scales was also examined by statistical means. In particular, factor analysis was used to determine whether the data were consistent with the conceptualized measurement. That is, items were put into factor analysis to examine their factor loadings pattern. Factor loadings refer to the extent to which the item measurements are related to their underlying constructs. Statistically, to establish evidence for construct validity, factors should have items that 1) load highly on their target factors, 2) highly correlate among themselves, and 3) have relatively low correlations with variables intended to load on other factors. In general, the items that have factor loading greater than .30 are said to meet the minimal requirement level, while those that have the loadings of .5 or greater are considered practically significant and should be retained (Hair, Anderson, Tatham, & Black, 1995). In this study, a stringent level of .50 was adopted, and items that had loadings below .50 would be subject to removal to purify the measures. The practice of removing problem items is consistent with that of similar research (Cadogan, Diamantopoulos, & de Mortanges, 1999).

Besides for scale purification purpose, the result of factor analysis in this study was also used for examining the unidimensionality of items. A construct measured with multi-items should have the evidence of unidimensionality to demonstrate that the items are measuring the same thing. Items that load on the same factor, do not have cross loadings, and have the loadings above a certain cutoff value of, say, .3 or even .5 can be considered unidimensional and can be combined to form a score for further analysis (North Carolina State University, 2006; Hair, Anderson, Tatham, & Black, 1995).

To assess appropriateness of factor analysis, the Kaiser-Meyer-Olkin or KMO measure of sampling adequacy and Barlett's test of sphericity were examined prior to conducting factor analysis.

The tests' results of KMO and Barlett's test revealed the presence of correlation among variables, thus supporting the use of factor analysis. Following is the detail discussion of factor analysis.

A total of 75 observed variables were factor analyzed. Two separate factor analysis were performed. First, from the 62 variables (53 independent and 9 control

variables as shown in Table 6.3), 9 factors were extracted with eigenvalue greater than one (KMO = 0.926; Barlett's test of Sphericity is significant at 0.000 level). The 9 factors accounted for 62.21% of the variance. Most items loaded on their respective factors well above .5 with the exceptions of lc2, d10, and r6. Therefore, the latter three items (the items are strikethrough in Table 6.3) were dropped from further analysis since they didn't load highly on their respective factors. Table 6.3 showed the details of factors, and factor loadings.

Second, 13 dependent variables were factor analyzed. The 3 extracted factors each with eigenvalues greater than one explain 71.56% of total variance (KMO = 0.901, Barlett's test of Sphericity is significant at 0.000 level). All loadings are beyond the threshold level of .5. No items were thus dropped from this analysis. Table 6.4 showed the details of factor analysis result.

Reliability Assessment

After performing factor analysis, Cronbach's alpha for all constructs were calculated to assess the reliability of the measurements. The Cronbach's alpha is a basic statistic for determining the reliability of a measure based on internal consistency (Churchill, 1979). It provides a summary measure of the intercorrelations that exist among a set of items (Churchill, 1996). The recommended threshold is 0.7 (Nunnally, 1978). The analysis revealed that all constructs meet the recommended threshold, thus exhibiting evidence of reliability. Table 6.3 and 6.4 show the Cronbach's alpha of all constructs after the removal of problem items.

In sum, in this section, evidences on validity, unidimensionality, and reliability were established. The items or indicators that were retained for further analysis were those with 1) high loadings on the intended factors to exhibit the sign of convergent validity (Balakrishnan,1996), 2) weak loadings on unintended factors and no substantial cross-loadings to exhibit the sign of discriminant validity (Balakrishnan,1996), and 3) the Cronbach's alpha of at least 0.7 to exhibit the evidence of reliability (Nunnally, 1978).

Table 6.3

Factor Loadings of Independent and Control Variables

Construct	Item	Factor								
		1	2	3	4	5	6	7	8	9
Low Cost (Cronbach's Alpha = 0.887)	lc1	0.111	-0.043	0.720	0.334	0.191	0.175	0.091	0.134	0.065
	lc2	0.100	-0.159	0.424	0.224	0.110	0.144	0.076	0.103	0.183
	lc3	0.098	0.007	0.710	0.365	0.062	0.147	0.181	0.153	0.079
	lc4	0.135	-0.001	0.752	0.338	0.153	0.111	0.093	0.177	0.114
	lc5	0.081	0.032	0.740	0.335	0.162	0.084	0.116	0.137	0.058
	lc6	0.146	0.030	0.738	0.294	0.189	0.199	0.133	0.187	0.150
	lc7	0.074	0.081	0.548	-0.134	0.022	0.189	-0.214	-0.110	0.011
Differentiation (Cronbach's Alpha = 0.805)	df1	0.085	0.118	0.235	0.600	0.086	-0.115	-0.043	0.081	0.052
	df2	-0.009	0.046	0.108	0.590	0.132	0.012	0.103	0.098	0.072
	df3	0.033	0.061	0.202	0.505	0.124	0.034	0.096	0.141	0.144
	df4	0.042	0.004	0.076	0.643	0.291	0.163	0.137	0.016	0.040
	df5	0.020	0.014	0.074	0.755	0.075	0.172	0.022	0.078	0.145
	df6	0.068	0.017	0.127	0.566	0.252	0.085	-0.130	0.109	0.100
	df7	0.001	0.016	0.293	0.695	0.047	0.111	0.117	-0.020	-0.012
Focus (Cronbach's Alpha = 0.875)	FC1	0.087	0.068	0.161	0.100	0.145	0.010	0.050	0.796	0.131
	FC2	0.182	0.022	0.079	0.154	0.257	0.108	0.018	0.783	0.068
	FC3	0.164	0.122	0.141	0.113	0.206	0.150	0.016	0.743	-0.033
	FC4	0.152	0.184	0.125	0.165	0.195	0.062	0.133	0.788	0.091
Purchasing (Cronbach's Alpha = 0.845)	pur1	0.095	-0.053	0.057	0.143	0.687	0.056	0.196	0.120	-0.004
	pur2	0.049	-0.015	0.087	0.100	0.725	-0.006	0.053	0.110	0.181
	pur3	0.164	0.061	0.226	0.224	0.634	-0.083	-0.099	0.068	0.188
	pur4	0.227	0.085	0.165	0.144	0.650	0.002	-0.028	0.168	0.059
	pur5	-0.077	0.029	0.165	0.147	0.676	0.017	-0.030	0.185	-0.023
	pur6	0.106	0.020	-0.007	0.193	0.786	0.046	0.046	0.098	0.101
Intelligence Generation (Cronbach's Alpha = 0.887)	g1	0.276	0.361	0.063	0.129	0.030	0.121	0.621	0.007	0.065
	g2	0.277	0.377	0.068	-0.018	0.108	0.206	0.526	0.016	0.076
	g3	0.272	0.257	0.042	0.042	-0.150	0.115	0.623	0.200	0.105
	g4	0.267	0.370	-0.026	0.045	0.087	0.166	0.611	0.109	0.046
	g5	0.343	0.337	0.093	0.045	0.038	0.124	0.553	0.028	0.052
	g6	0.174	0.283	0.060	0.085	0.129	0.144	0.662	0.029	0.137
	g7	0.152	0.306	0.152	0.120	0.028	0.139	0.619	-0.039	0.092
Intelligence Dissemination (Cronbach's Alpha = 0.923)	d1	0.061	0.692	-0.085	0.035	-0.029	0.089	0.129	0.095	0.096
	d2	0.239	0.680	-0.012	0.085	-0.034	0.062	0.174	0.018	0.167
	d3	0.195	0.715	0.063	0.034	-0.051	0.086	0.218	0.010	-0.010
	d4	0.213	0.736	-0.046	-0.019	0.036	0.134	0.158	0.057	0.054
	d5	0.268	0.656	0.065	-0.023	-0.033	0.098	0.195	0.097	0.114
	d6	0.280	0.684	-0.045	0.125	0.107	0.184	0.135	0.036	0.109
	d7	0.326	0.633	0.030	0.032	-0.043	0.136	0.134	-0.007	0.131
	d8	0.204	0.759	0.023	0.036	0.001	0.065	0.247	0.153	0.011
	d9	0.299	0.682	-0.026	-0.047	0.169	0.205	0.095	-0.005	0.121
	d10	0.135	0.441	0.282	0.155	0.127	0.179	0.056	0.051	0.190

Table 6.3

(Continued)

Construct	Item	Factor								
		1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**
Intelligence Responsiveness (Cronbach's Alpha = 0.924)	r1	0.734	0.182	0.081	0.062	0.072	0.095	0.237	0.107	0.040
	r2	0.754	0.163	0.052	-0.032	0.046	0.092	0.086	0.088	0.072
	r3	0.759	0.217	0.032	-0.014	0.040	0.122	0.060	0.103	0.033
	r4	0.773	0.150	0.101	0.038	0.088	0.142	0.128	0.090	0.048
	r5	0.641	0.255	0.106	-0.008	0.101	0.102	0.142	0.003	0.016
	r6	0.477	0.176	0.004	0.191	-0.063	-0.125	-0.107	-0.001	0.112
	r7	0.794	0.087	0.095	0.008	0.006	0.146	0.120	0.069	0.136
	r8	0.715	0.243	0.112	0.036	0.008	0.046	0.101	0.079	0.144
	r9	0.764	0.220	0.122	0.021	0.124	0.006	0.163	0.026	0.080
	r10	0.761	0.046	0.008	0.078	0.061	0.046	0.134	0.044	0.165
	r11	0.766	0.229	0.049	-0.006	0.132	0.095	0.166	0.072	0.155
	r12	0.674	0.250	0.048	0.086	0.143	0.083	0.164	0.120	0.130
Competitve Intensity (Cronbach's Alpha = 0.887)	com1	-0.051	-0.127	-0.202	-0.127	-0.020	-0.725	-0.181	-0.111	-0.083
	com2	-0.093	-0.195	-0.132	-0.097	-0.040	-0.772	-0.122	-0.054	-0.004
	com3	-0.174	-0.226	-0.182	-0.096	-0.037	-0.757	-0.144	-0.064	0.070
	com4	-0.163	-0.245	-0.160	-0.044	0.115	-0.694	-0.061	-0.053	-0.078
	com5	-0.161	-0.175	-0.120	-0.099	-0.071	-0.786	-0.142	-0.053	-0.036
Demand-Sided Influence (Cronbach's Alpha = 0.858)	dd1	-0.230	-0.251	-0.068	-0.193	-0.179	-0.053	-0.094	-0.110	-0.736
	dd2	-0.226	-0.208	-0.100	-0.214	-0.109	-0.002	-0.134	-0.091	-0.763
	dd3	-0.294	-0.205	-0.189	-0.115	-0.076	-0.056	-0.140	-0.081	-0.696
	dd4	-0.290	-0.178	-0.191	-0.133	-0.207	-0.034	-0.079	-0.022	-0.705

Table 6.4

Factor Loadings of Dependent Variables

Construct	Item	Factor		
		1	**2**	**3**
Export Profitability (Cronbach's Alpha = 0.872)	pf1	0.074	0.806	0.231
	pf2	0.089	0.810	0.215
	pf3	0.069	0.817	0.230
	pf4	0.100	0.849	0.142
Export Sales Growth (Cronbach's Alpha = 0.818)	gr1	0.218	0.254	0.775
	gr2	0.250	0.229	0.768
	gr3	0.161	0.239	0.829
	gr4	0.229	0.184	0.826
Export Customer Retention (Cronbach's Alpha = 0.884)	cr1	0.848	0.148	0.144
	cr2	0.844	0.122	0.193
	cr3	0.834	0.139	0.207
	cr4	0.794	0.047	0.154
	cr5	0.695	-0.030	0.172

Composite Reliability and Average Variance Extracted

In the earlier sections, validity assessment and scale purification were performed using exploratory factor analysis (EFA), and the reliability of factors was assessed by Cronbach's alpha coefficients. With the satisfactory results from previous assessment, the constructs were further assessed in a confirmatory manner using confirmatory factor analysis (CFA). The estimated coefficients from CFA were used to assess the constructs.

Two commonly computed measures that SEM analysts often employ to assess the constructs are the measures of construct reliability, and the average variance extracted measure (Hair, Anderson, Tatham, Black, 1995). The reliability of a construct shows the internal consistency of the construct indicators (Hair, Anderson, Tatham, Black, 1995). It can be obtained by computing the composite reliability (CR) of a construct (Fornell, & Larcker, 1981). The average variance extracted (AVE) shows the overall amount of variance in the indicators accounted for by the latent construct. Higher value occurs when the indicators are truly representative of the latent construct (Hair, Anderson, Tatham, Black, 1995). High AVE (usu .5 or more) suggests the evidence for convergent validity of the constructs.

The reliabilities, variance extracted measures, and indicators' coefficients were presented in table 6.5 below.

Table 6.5

Construct Reliability and Validity

Constructs	Std. Est. of indicators	CR	AVE	Constructs	Std. Est. of indicators	CR	AVE
ST	0.601-0.731	0.72	0.47	GR	0.785-0.827	0.88	0.65
PUR	0.651-0.764	0.85	0.48	CR	0.612-0.854	0.89	0.62
EMO	0.716-0.840	0.84	0.64	COM	0.748-0.809	0.89	0.61
PF	0.778-0.813	0.87	0.63	DD	0.792-0.831	0.89	0.66

Note: All standardized estimates (Std. Est.) of indicators are significantly different from zero (p<0.000)

To evaluate the discriminant validity, this study employed nested model comparisons as suggested by Anderson and Gerbing (1988) to assess discriminant validity of the constructs. The approach has been widely adopted by scholars.

Discriminant validity was examined by employing a chi-square difference test between a competing convergent model (i.e. the correlation of a two-construct model is constrained to unity) and a divergent model (i.e. the correlation of the model is freely estimated). Insignificant difference would mean that the two latent constructs might converge with one another, while a significant difference between the models would indicate the constructs are not highly correlated (i.e. the constructs diverge from one another), and the evidence of discriminant validity could be established (Anderson, & Gerbing, 1988). The test was performed for every possible pairs of constructs. The analysis found significantly lower χ^2 values for all of the freely estimated models, thus providing support for discriminant validity.

In sum, the assessment revealed good evidence of validity (both convergent and discriminant validity), and reliability of the measurements of latent constructs. Specifically, the estimated coefficients of indicators underlying all constructs were high in value and were statistically significant (Anderson, & Gerbing, 1988; Bagozzi, Yi, & Phillips, 1991). And, all AVE values were either above or very close to the threshold level of .5 (Fornell, & Larcker, 1981). The composite reliability of all constructs also exceeded the recommended value of .7 (Hair, Anderson, Tatham, Black, 1995). And chi-square difference test also suggested the presence of discriminant validity. Therefore, on the whole, these assessments didn't reveal any serious deficiencies, thus establishing the evidence of acceptable level of construct reliability, and validity (Diamantopoulos, & Siguaw, 2000; Fornell, & Larcker, 1981; Hair, Anderson, Tatham, Black, 1995).

In the next sections, analysis of structural equation models was discussed to test the impact of strategy implementation ability, purchasing capability, and export market orientation on the three measures of export performance, including export profitability, export sales growth, and export customer retention. Following the SEM analysis is the testing of resource heterogeneity assumption to determine if firms in high vs. low performance groups were different from one another in term of their firm resources as predicted by resource based theory. This later analysis was for testing hypothesis 6.

Estimating Model Parameters

In this section, structural equation models were evaluated whether they fit the data empirically well. The correlation matrix of input data is in Appendix 5.

With respect to model evaluation, even though chi-square test is generally considered an accepted statistical test, it is associated with a potential problem in evaluating the fit of a model. Specifically, chi-square statistic is a direct function of the sample size. In order words, it is sensitive to sample size (Byrne, 2001). Consequently, a large sample size will generally result in the rejection of any model. In light of this, other goodness-of-fit indexes were also used to evaluate the fit of the model.

In addition to chi-square test statistic, other six goodness-of fit statistics were employed to assess the overall model fit. To deem that the proposed model is a well-fitting model, the incremental fit index (IFI) should be close to one (Arbuckle, & Wothke, 1999), while the comparative fit index (CFI) of the model should be close to the value of .95 (Hu, & Bentler, 1999) or close to one to indicate a good fit (Arbuckle, & Wothke, 1999). The relative fit index (RFI) with a value close to .95 is indicative of a well-fitting model (Byrne, 2001). Similarly, the Tucker-Lewis index (TLI, also called the Nonnormed Fit Index or NNFI) should have a value close to 1 or .95 to reflect a good fit of the model (Byrne, 2001; Hu, & Bentler, 1999; Arbuckle, & Wothke, 1999). The normed fit index (NFI) should have high value to be indicative of good fit. The value close to .90 is recommended (Hair, Anderson, Tatham, & Black, 1995).

Lastly, RMSEA was also employed to evaluate the model in this study. Browne and Cudeck (1993) noted that a model with a root mean square error of approximation (RMSEA) less than .1 is acceptable. With the value of .08 or less, Arbuckle, and Wothke (1999) advocated such value as indicative of a reasonable error of approximation. In short, the RMSEA values from .08 to .1 is indicative of mediocre fit, while values greater than .10 is indicative of poor fit (Byrne, 2001).

To sum up, a good fitting model should have the NFI, RFI, IFI, TLI, CFI values that are close to one (at least above .9, or preferably above .95), and have a RMSEA value of .1 or less. What follows is the discussion about the model parameters estimation.

Figure 6.1 illustrates the structural equation model of this study for initial analysis. Consistent with the practice of researchers employing SEM (Diamantopoulos, & Siguaw, 2000), the measures of export market orientation constructs in the model were the average values of the indicator variables underlying their respective factors of export market generation (g), dissemination (d), and responsiveness (r).

Regarding strategy implementation ability of firm, a single aggregate score was employed. Since the objective of this section is to examine the impact of overall ability to implement competitive strategy on various facets of firm export performance, the use of single score is helpful in effectively summarizing and explaining the effect of overall ability of firm in implementing strategy on firm export performance. The use of single or aggregated score for testing the overall impact of a construct is common and is in line with the practice of past research (e.g. Cadogan, Cui, & Li, 2003; Cadogan, Diamantopoulos, & de Mortanges, 1999). In order to ascertain if the average scores of low cost (lc), differentiation (df), and focus (fc) could converge to form a single factor of strategy implementation ability (ST), they were analyzed using principal component analysis (PCA) with varimax rotation.

The results from principal component analysis showed that only one factor was extracted. And the variables loaded highly on the single extracted factor (ST) with eigenvalue greater than one, thus showing evidence of unidimensionality. The factor accounted for 63.292 % of the total variance. So, this factor would be used in full structural equation model for hypothesis testing. Appendix 6 shows the result of PCA. The evidence about its composite reliability (CR), and average variance extracted shown in an earlier section also support the reliability, and validity of the construct.

For purchasing capability, this latent construct was measured by size observable indicators (from pur1 to pur6) as shown in the model.

The model in this figure served as the basis for three initially estimated models. Each of the three models has its own endogenous latent variables (EN) that are different from one another. Namely, three models with export profitability (PF), export sales growth (GR), and export customer retention (CR) as their endogenous latent variables were separately estimated.

Figure 6.1

The SEM Model of Export Performance
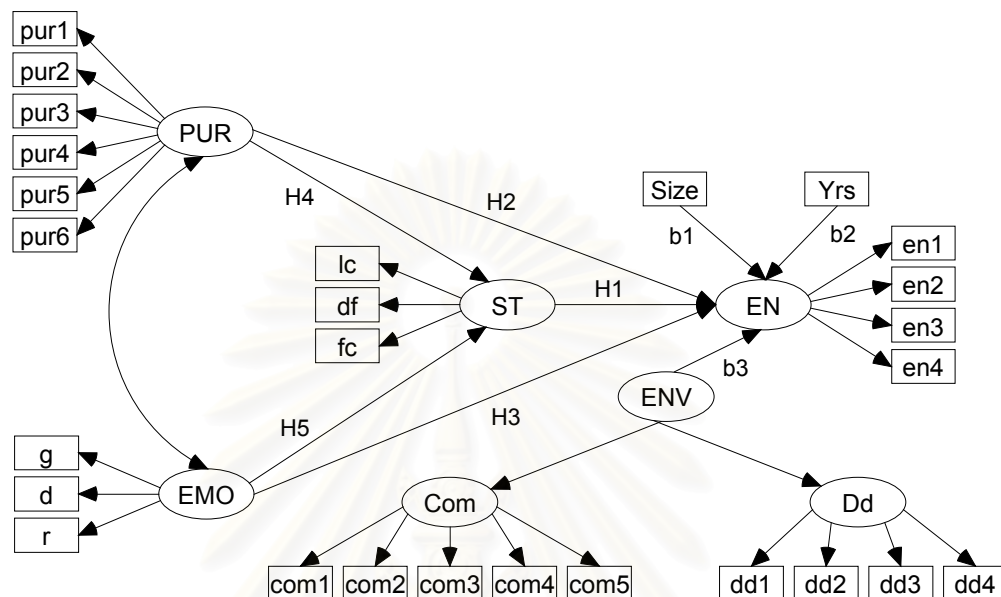
In addition to testing the effects of constructs as posited in hypothesis statements, three additional linkages, firm size (Size), number of export years (Yrs), environmental influences (ENV) – competitive intensity (Com) and demand-sided influence (Dd), were also introduced into the models for control purposes. Initial analysis of structural equation models revealed that the impacts of control variables on the three endogenous latent variables were very low and not significant at 0.05 (e.g. b_{1PF} = .082, b_{2PF} = .014, b_{3PF} = .058, b_{1GR} = .062, b_{2GR} = .023, b_{3GR} = -.041, b_{1CR} = -.083, b_{2CR} = .024, b_{3CR} = -.034; coefficients not significantly different from zero).

In order to further test the potential impact of Size, Yrs, and ENV, grouping variable technique was used. The analysis underwent the following procedure. First, firms were divided into two subgroups (e.g. by using the three dichotomous variables, firms were divided into large or small, high or low experience, and hostile or benign environment groups.). Second, parameters in a model with both groups were freely estimated. Third, parameters in another similar model was estimated by constraining the main structural regression paths from exogenous to endogenous latent variables to be equal across the two groups. Fourth, the freely estimated model and the constrained model were compared using a test of chi-square difference. The

insignificant difference would suggest that the estimation of structural paths in both groups was not differently affected by these variables (i.e. Size, Yrs, and ENV). AMOS showed *p*-values to facilitate model comparisons (Arbuckle, & Wothke, 1999). The results of chi-square difference test as provided by AMOS (i.e. p_{PF}, p_{GR}, p_{CR} of Size variable, p_{PF}, p_{GR}, p_{CR} of Yrs variable, and, p_{GR} of ENV variable were insignificant at α = 0.05 level, and p_{PF}, p_{CR} of ENV variable were insignificant at α = 001 level) suggested that the parameters estimation are in general unlikely to be affected by these variables. As such, the three models were reassessed in a subsequent analysis with these paths constrained and omitted from further estimation.

Subsequent analysis of the three posited SEM models showed that most of the structural paths of the main effects were on the predicted direction for all models and were generally significant. Figures 6.2 (Export Profitability [PF]), 6.3 (Export Sales Growth [GR]) and 6.4 (Export Customer Retention [CR]), showed the standardized estimates of structural paths derived from the analysis. For clarity in presentation, only estimated parameters associated with latent variables are shown.

Figure 6.2

Structural Model of Export Profitability
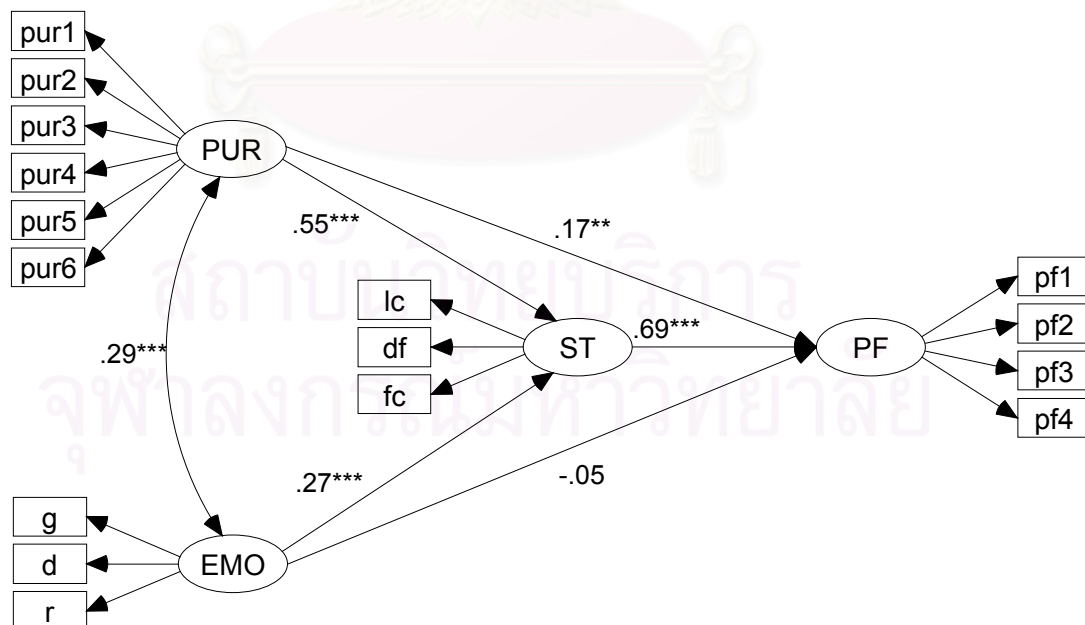
* p <.10, ** p < .05, *** p < .01

Figure 6.3

Structural Model of Export Sales Growth
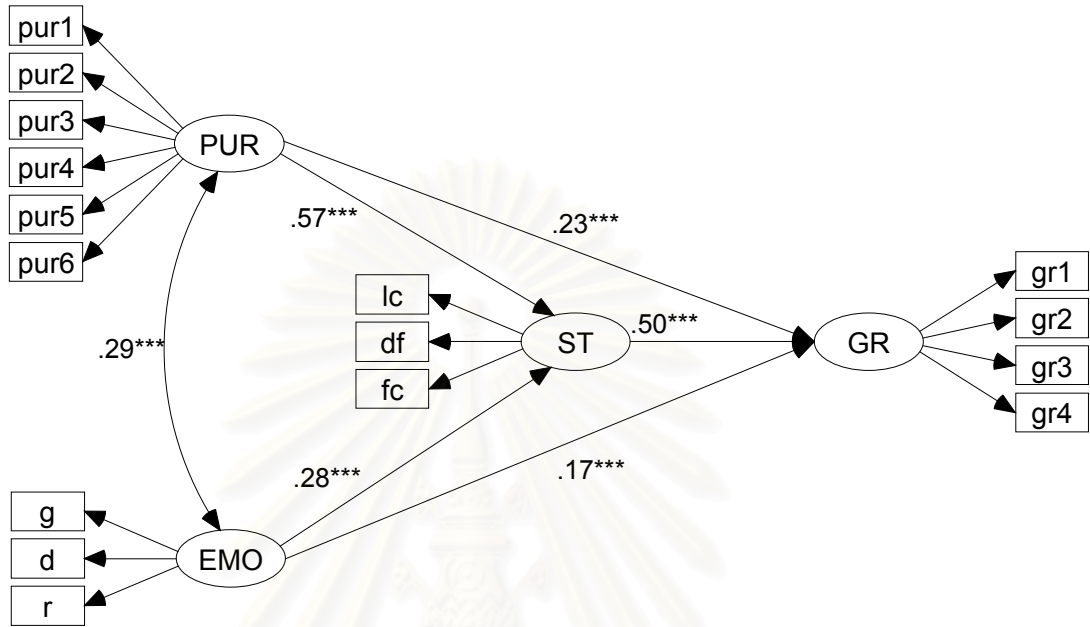
* p <.10, ** p < .05, *** p < .01

Figure 6.4

Structural Model of Export Customer Retention
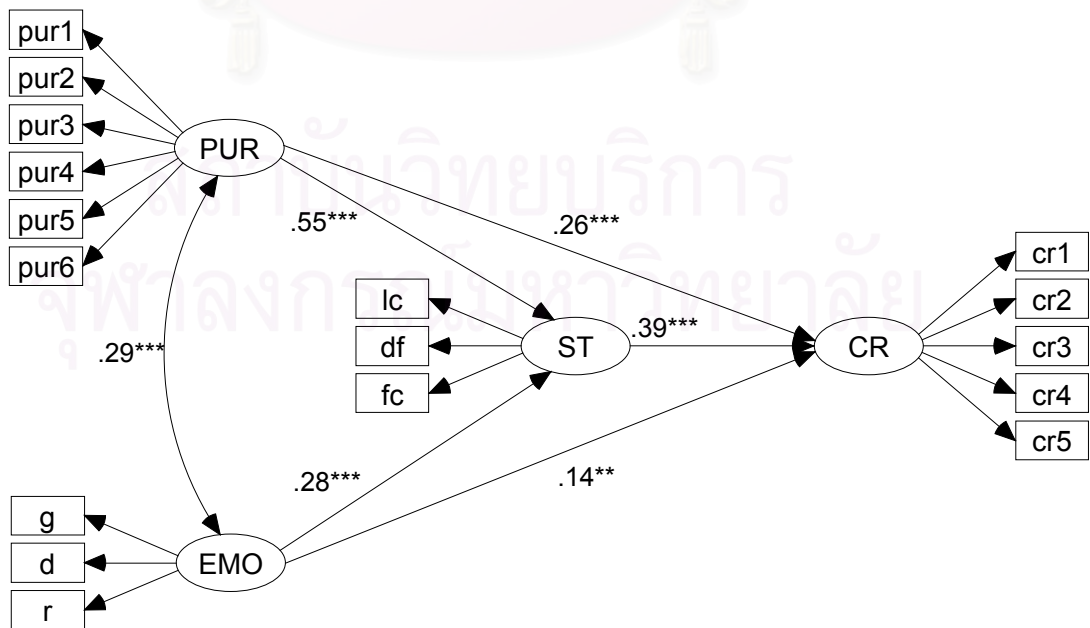
* p <.10, ** p < .05, *** p < .01

To assess the model's fit, fit indexes were examined. Table 6.6 shows the goodness-of-fit indexes of the three models.

Given that the derived indexes (NFI, RFI, IFI, TLI, CFI) of the models are close to one as recommended, and the RMSEAs of all models are below .1 , the models are deemed acceptable.

Besides, for the model to be reasonable, the relative chi-square (x^2/df) should be five or less (Arbuckle and Wothke, 1999). However, the preferable ratio should be between one to three to indicate an acceptable fit between the models and the data. Since the estimated models have the reasonable level of relative chi-square (x^2/df)—2.08 for export profitability model, 2.2 for export sales growth, and 2.09 for export customer retention model, the analysis thus showed signs of well-fitting models. AMOS output is shown in Appendix 7.

In the next section, testing of resource heterogeneity was discussed. Shortly followed were the summary of hypothesis testing result, and supplementary analysis, consisting of such analysis as analysis of correlation among endogenous latent variables, effect decomposition, cluster analysis, performance comparisons among groups, and assessment of models stability using cross-validation analysis.

Table 6.6

Goodness-of-fit Indexes

Index	Export Profitability	Export Sales Growth	Export Customer Retention
x^2	664.278	702.705	720.322
df	319	319	345
P	0.000	0.000	0.000
x^2/df	2.082	2.203	2.088
NFI	0.964	0.962	0.962
RFI	0.958	0.955	0.955
IFI	0.981	0.979	0.980
TLI	0.978	0.975	0.976
CFI	0.981	0.979	0.980
RMSEA	0.062	0.066	0.062
R^2	0.617	0.574	0.434

Testing Resource Heterogeneity Assumption

      Resource based theorists argue that performance differences can be explained by resource differences between firms. In other words, firm deploying or possessing superior firm resources or capabilities normally enjoy higher level of firm performance. In this section, the focus is on assessing whether high performing firms and poor performing firms possess statistically different level of firms resources (i.e. the mean values of strategy implementation ability--low cost, differentiation, and focus, EMO (Cadogan, Diamantopoulos, & Siguaw, 2002), and purchasing capability) from one another or not.

      As discussed earlier in Chapter 2, since resource based theorists have frequently claimed that resource heterogenity, which is an important assumption of resource based theory, is responsible for performance differentials among firms, the resources between two groups of firms (high vs. low performance group) under the analysis were expected to differ. That is, the mean values of these resources should be statistically different between groups.

      The analytical technique employed here is structural equaition modeling. Though the technique is often used by scholars to test hypothesis concerning with such parameters as regression weights, and covariances, it is actually also capable of testing hypothesis about means (Arbuckle, & Wothke, 1999). However, Byrne (2001) noted that there are still not many studies employing SEM in conducting multigroup comparisons of means due to the many complexities of using earlier versions of various SEM software packages. Unfortunately, inspite of recent advances in SEM package, to date there are still little SEM research involving multigroup comparisons of latent means (Byrne, 2001). The use of SEM in examing invariant latent means across groups in this research thus represents an attempt, more or less, in urging for forthcoming researches to use more of this powerful, but often neglected, technique. Below is the explanation of how the analysis were done. This procedure (using AMOS 4.0 software) is primarily based on Byrne (2001).

      In order to statistically assess if the performance differences among firms in terms of export profitability, export sales growth, and export customer retention could be attributed to resource heterogeneity among firms, three separate analysis were performed for each of the three performance measures. In simple words, this section

simultaneously tested for the invariance/ equality of means across two groups of high (H) and low (L) performance firms.

Three grouping variables, namely, export profitability, export sales growth, and export customer retention, were used to dichotomize firms into high or low performance groups. First, firms were divided into groups based on their average performance scores of export profitability, export sales growth, and export customer retention measures. Consistent with past research (Miller, & Friesen, 1977), the midpoint of performance scales (export profitability, export growth, and export customer retention) was used to dichotomize the cases into high or low performance groups.

Second, based on Byrne (2001), some constraints were necessarily placed on several parameters to test the invariance of latent means between H and L groups. Means of all error terms (of observed measures) were constrained to zero. All factor loadings as well as all intercepts of the observed measured were constrained equal across the two groups (H and L). And the latent means of low (L) performance group, "the reference group"(Byrne, 2001, p. 238), were also constrained to zero. With latter constraint, AMOS compare means in a relative sense (see Hair, Black, Babin, Anderson, and Tatham, 2006, p. 825; Byrne, 2001, p. 229). The reported mean values thus represent latent mean differences between the two groups of high (H) and low (L) performance.

Table 6.7 shows the result of the analysis. It was found that the latent mean differences in term of strategy implementation ability, purchasing capability, and export market orientation were statistically significant (i.e. the critical ratio values or CR > 1.96) for the high (H) performance group. Since these estimated values are positive, it means that the firm resources of firm in high performance groups are significantly higher than those of firms in low performance groups. This conclusion, therefore, well supports the notion of resource-based theory that firms with high performance do possess superior levels of firms resources to firms with low performance do.

To further explore the means difference in more detail on strategy implementation ability construct, this study also breakdowned this construct into three constructs of low cost, differentiation, and focus, and then conducted the test again

along with the other two firm resources of purchasing capability, and export market orientation. The results was similar to the discussion above (i.e. the estimated latent mean differences were statistically significanty), thus needs no further elaboration. To keep the presentation of this section precise, and avoid possible confusion that may arise, the estimated values and critical ratio values are shown separately in Appendix 8.

Table 6.7

Estimated Latent Mean Differences Between

High and Low Performance Firms

Performance	Factors	Estimate	C.R.	p
Export Profitability	PUR	1.176	6.019	0.000
	EMO	0.379	2.578	0.010
	ST	1.347	7.245	0.000
Export Sales Growth	PUR	1.496	7.811	0.000
	EMO	0.861	5.697	0.000
	ST	1.508	9.714	0.000
Export Customer Retention	PUR	1.096	5.746	0.000
	EMO	0.600	3.859	0.000
	ST	1.037	6.369	0.000

Hypothesis Testing Results

Based on the structural equation analysis described in previous sections, the positive impacts of strategy implementation ability (H1), purchasing capability (H2), and export market orientation or EMO (H3) on export performance were generally found to be statistically significant in the SEM models of export profitability (figure 6.2), export sales growth (figure 6.3), and export customer retention (figure 6.4). The only exception is the impact of EMO on export profitability. Its structural regression path was not found to be significant. This suggested that export market orientation was not positively related to export profitability.   This insignificant impact was, however, consistent with the findings of Cadogan, Cui, and Li (2003) who also found similar nonsignificant result on their empirical research. To keep the presentation of

findings in this chapter precise, the possible reason for this insignificant result will be explained in next chapter.

With respect to the impacts of purchasing capability, and EMO on strategy implementation ability, the findings from SEM analysis found that the level of purchasing capability (H4) and EMO (H5) were positively and significantly related to strategy implementation ability. The study also found that firm resources between high and low performing firm were different from one another (H6).

In sum, the hypothesized impacts shown as the structural paths from firm resources to export performance were mostly consistent with the predicted direction and the hypothesized firm resources difference were found among firms with different level of performance. A summary of hypotheses testing results is shown in Table 6.8.

Table 6.8

Summary of Hypotheses Testing Results

Hypotheses	Result
H1a Strategy Implementation Ability -> Export Profitability	Supported***
H1b Strategy Implementation Ability -> Export Sales Growth	Supported***
H1c Strategy Implementation Ability -> Export Customer Retention	Supported***
H2a Purchasing Capability -> Export Profitability	Supported**
H2b Purchasing Capability -> Export Sales Growth	Supported***
H2c Purchasing Capability -> Export Customer Retention	Supported***
H3a Export Market Orientation -> Export Profitability	Not Supported
H3b Export Market Orientation -> Export Sales Growth	Supported***
H3c Export Market Orientation -> Export Customer Retention	Supported**
H4 Purchasing Capability -> Strategy Implementation Ability	Supported***
H5 Export Market Orientation -> Strategy Implementation Ability	Supported***
H6 Firm resouces between high and low performance groups differ.	Partially Supported***

*$p<.10$, **$p<.05$, ***$p<.01$

Supplementary Analysis

In this section, supplementary analyses were conducted. The analysis in this section included the followings: squared multiple correlation estimation, assessing the correlation among dependent latent variables, effect decomposition, cluster analysis (to determine what are the strategy combination/profile of firms achieving superior

export performance), performance comparison among groups (i.e. comparisons between 1) firms with higher vs. lower export experience, and 2) firms with bigger vs. smaller size were made with respect to their export performance to see if performance differences existed between higher vs. lower experience groups and bigger vs. smaller size groups), and cross validation analysis.

Squared Multiple Correlation

In order to see the contribution of individual firm resources (i.e. purchasing capability (PUR), export market orientation (EMO), and overall ability of firm to implement competitive strategy (ST)) to the explanation of firm export performance, squared multiple correlations of several variations of the proposed model were estimated. A variable's squared multiple correlation is the proportion of its variance that is accounted for by its predictors (Arbuckle, & Wothke, 1999, p.119). Totally, 21 models were assessed. The associated values of squared multiple correlation of latent variables (i.e. export profitability (PF), export sales growth (GR), and export customer retention (CR)) of each model were shown in Table 6.9. In general, the results from the table revealed that when exogenous variable(s) was(were) added into the model with single exogenous variable, the proportion of variance of the model would improve. This signified the importance of the added variable(s) in the model.

Table 6.9

Squared Multiple Correlations

Exogenous Latent Variable(s) in the Model	Endogenous Latent Variables		
	PF	GR	CR
ST	0.579	0.492	0.357
PUR	0.347	0.362	0.299
EMO	0.086	0.210	0.149
ST PUR	0.609	0.545	0.413
ST EMO	0.589	0.527	0.383
EMO PUR	0.363	0.449	0.355
ST EMO PUR	0.617	0.574	0.434

Correlations among Endogenous Latent Variables

In the section where model parameters were estimated, the results showed that EMO was not significantly related to export profitability. However, this doesn't necessarily suggest that firm should never adopt or invest in EMO, since, in the other two models, EMO was found to be positively and significantly related to the other two export performance aspects of export sales growth, and export customer retention. In addition, the export sales growth, and customer retention could potentially be correlated in some way with export profitability, thus implying that firms still need to have ongoing investments on EMO to promote the overall success of firms.

In order to verify whether the above assertion about the correlation is empirically supported, models comparison (using test of chi-square difference) was performed to see if there is significant correlation among export profitability (PF), export sales growth (GR), and export customer retention (CR). To perform the analysis, an SEM model consisting of the three latent variables (PF, GR, and CR) with freely estimated correlations among them was compared against another similar model whose correlations were constrained to zero. The comparison result ($\Delta \chi^2 = 150.06$, Δ df = 3, p = 0.000) showed that the model with freely estimated correlation ($\chi^2 = 52.638$, df = 62, p = 0.796) was superior to the model with constrained correlation ($\chi^2 = 202.698$, df = 65, p = 0.000). This implied that the correlation among the export profitability, export sales growth, and export customer retention existed, thus empirically supporting the above assertion. Table 6.10 showed the estimated correlations among them.

Table 6.10

Correlations Among Profitability, Sales Growth, and Customer Retention

	PF	GR	CR
PF			
GR	0.569***		
CR	0.301***	0.524***	

***$p < .01$

Effect Decomposition

In SEM analysis, the total effect of one latent variable on another could be decomposed into direct effect (i.e. there is no intervening variable involved), and indirect effect (i.e. the effect go through an intervening variable). For example, the total effect of purchasing capability on profitability was .551. This effect came from the sum of the indirect effect of Purchasing→Strategy→Profitability, which was .380 (.553 x .687), and the direct effect of Purchasing→Profitability, which was .171. Based on the coefficient estimates in an earlier section, the decomposition of total effects on endogenous constructs in the three SEM models --Figure 6.2 (Export Profitability), 6.3 (Export Sales Growth) and 6.4 (Export Customer Retention)-- were computed and shown below in Table 6.11.

Based on the standardized total effects shown in the table, purchasing capability and strategy implementation ability were the two firm resources that had the strongest impact on export performance in the three SEM models. However, this didn't mean that export market orientation was not important at all to firm success. It was, but its significance was simply lower in magnitude than the previously two mentioned firm resources.

Table 6.11

Effect Decomposition

	EMO	Purchasing	Strategy
Profitability (PF)			
Total Effect	0.132	0.551	0.687
Direct Effect	-0.051	0.171	0.687
Indirect Effect	0.183	0.380	-
Growth (GR)			
Total Effect	0.309	0.511	0.498
Direct Effect	0.168	0.229	0.498
Indirect Effect	0.141	0.282	-
Customer Retention (CR)			
Total Effect	0.248	0.474	0.385
Direct Effect	0.141	0.261	0.385
Indirect Effect	0.107	0.213	-

Cluster Analysis

Cluster analysis is a multivariate analysis technique that seeks to organize information about variables so that relatively homogeneous groups, or clusters can be formed. The technique categorizes respondents in clusters so that respondents in the same cluster are more similar to one another than they are to the ones in different clusters (Johnson, & Wichern, 1998; Hair, Anderson, Tatham, & Black, 1995). In simple words, the technique seeks to statistically discover the groupings of the respondents based on the variables of interest. The resulting clusters should be internally homogenous, but externally heterogeneous.

The objective of the analysis in this section is to empirically explore for successful strategy profile (i.e. the strategy combination of low cost, differentiation, and focus) among firms in high performance group, and determine the characteristics (i.e. the cluster centers) of these strategy profiles. In order to extract the successful strategy profiles of sample firm, cluster analysis was therefore employed.

The analysis was performed by following these steps. For the purpose of comparison, firms were first classified into high or low performance groups by using cluster analysis employing the three average performance scores of export profitability, export sales growth, and export customer retention. After two clusters of high vs. low performance firms were derived by using K-mean method, cluster analysis was performed again to find the clusters of successful strategy profiles of high performance firms using the three strategy variables of low cost, differentiation and focus. Several cluster solutions (i.e. two, three, four clusters solution) were first produced from the analysis. By looking for a sudden jump in the estimated coeffients of cluster distance, two-cluster solution was deemed most appropriate. Two successful strategy profiles of high performance firms were thus derived from the analysis. The two strategy profiles found among high performance firms were then juxtaposed with the strategy profile of firms in poor performance cluster as shown in Table 6.12.

Table 6.12 shows the results of cluster analysis as explained above. It shows the strategy profile of low performing firms in cluster A, and shows two successful strategy profiles of high performing firms in cluster B and C. Mean comparisons revealed that strategy profiles (B, C) of high performance group are statistically

different from that of low performance group (A) along all three aspects of competitive strategy. This means that the above analysis yielded the strategy profiles of *high* performance clusters (B, C) that are statistically different from the strategy profile of *low* performance cluster (A).

To make a further interpretation of findings in Table 6.12, a comparison of the three strategy profiles was subsequently made in relation to a reference strategy profile, namely the overall strategy profile of the entire sample in order to aid the interpretation. Using a relative comparison would enable us to make a meaningful interpretation of the derived strategy profiles. (Appendix 9 shows descriptive statistics of strategy variables of each cluster, and reference strategy profile.)

Table 6.13 shows the comparison results (profiles A, B, and C are statistically compared against reference profile). The findings in Table 6.13, coupled with Table 6.12 revealed that, among successful firms, the majority (68.35%) of them (i.e. 95 firms out of 95 + 44) had the strategic combination of "low cost + focus", while the minority of them (31.65% i.e. 44 out of 139) possessed the strategic combination of "low cost + differentiation+focus".

Table 6.12

Strategy Profiles of High Performance vs. Low Performance

Strategy Variables	Centroid of Strategy Profiles				
	Low Performance	High Performance			
	A	B	p	C	p
Low Cost	3.90	5.16	0.000***	6.93	0.000***
Differentiation	4.39	4.91	0.000***	7.33	0.000***
Focus	3.74	5.50	0.000***	5.94	0.000***
N	142	95		44	
Percentage	50.53%	33.81%		15.66%	

*p<.10, **p<.05, ***p<.01

Table 6.13

Comparison of Derived Strategy Profiles

Against the Reference Profile

Strategy Variables	Clusters						Reference Profile
	A	p	B	p	C	p	
Low Cost	3.90	0.000***	5.16	0.001***	6.93	0.000***	4.80
Differentiation	4.39	0.000***	4.91	0.315	7.33	0.000***	5.02
Focus	3.74	0.000***	5.50	0.000***	5.94	0.000***	4.68

*p<.10, **p<.05, ***p<.01

Next, in order to see how each cluster performed relative to industry average performance, individual comparisons of performance of each cluster with the industry average performance were made. Table 6.14 shows the comparison. Results revealed that poor performance cluster (A) performed significantly below industry average in all aspects of export performance (i.e. in term of profitability, sales growth, and customer retention). On the other hand, high performance clusters (B & C) performed significantly above industry average in all measures of export performance.

Based on findings in Table 6.13 & 6.14, the study revealed that the strategy profiles of "low cost + focus" (Cluster B), and "low cost + differentiation+focus" (Cluster C) are the two strategy profiles that enabled firms to enjoy higher performance in term of export profitability, export sales growth, and export customer retention than their counterparts in the industry.

Table 6.14

Comparison of Clusters' Performance

Against Industry Average Performance

Performance	Clusters						Industry Average Performance
	A	p	B	p	C	p	
Profitability	4.91	0.000***	6.88	0.000***	7.73	0.000***	6.02
Growth	3.54	0.000***	6.07	0.000***	6.34	0.000***	4.84
Customer Retention	3.92	0.000***	5.23	0.010**	6.70	0.000***	4.80
N	142		95		44		281

*p<.10, **p<.05, ***p<.01

Additionally, in order to see if the difference in the strategy profiles of the two high performance clusters (C and B) would result in any performance difference between them (and if so, what facet of export performance measure would be affected by the difference in their strategy profiles), their export performance measures were compared with one another. Results revealed that although both clusters performed significantly better than industry average performance, cluster C, with "Low cost + Differentiation + Focus" strategy profile, performed significantly better than cluster B, with "Low Cost + Focus" strategy profile, in term of export profitability and customer retention. Table 6.15 shows the comparison of their performance.

Table 6.15

Comparison of Performance

Between Two High Performance Clusters

Performance	Clusters		
	B	**C**	***p***
Profitability	6.88	7.73	0.000***
Growth	6.07	6.34	0.224
Customer Retention	5.23	6.70	0.000***

$*p < .10, **p < .05, ***p < .01$

Performance Comparisons Across Groups

In this section, comparisons of performance were done using two grouping variables, namely the number of export years, and number of employees. Three test variables were export profitability, export sales growth, and export customer retention.

The objective of this analysis was to see if firms in the two groupings based on the two dichotomous variables of export experience (low vs. high) and firm size (small vs. large) would have any difference in export performance. If so, this might suggest that difference in firm characteristics (i.e. high/low experience, and large/small size) could also explain performance difference.

Low export experience firms were defined as those firms with export experience less than 14 years, and those with higher than 14 years were classified as high export experience. Small firms were defined as firms with less than 200

employees, and those with greater number of employees were defined as large firms. Test statistics were shown in Table 6.16.

Table 6.16

Comparison of Export Performance Between Groups

| Variable | T-Test for Equality of Mean | | | | | |
| | Export Years | | | Firm Size | | |
	Low	High	p	Small	Large	p
Export Profitability	5.849	6.160	0.142	6.071	5.983	0.711
Export Sales Growth	4.717	4.938	0.267	4.871	4.813	0.784
Customer Retention	4.769	4.828	0.784	5.046	4.630	0.086
N	129	152		110	146	

Regarding high vs. low export experience groups, the findings revealed that there were no significant differences between them in term of the three aspects of export performance (export profitability, export sales growth, and export customer retention). In the similar vein, no significant differences in any of the three measures of export performance were found between large and small firms.

Additional analysis was done, and similar conclusions were also reached when a comparison were reconducted with export performance measures as grouping variables, and export years and firm size as testing variables. No differences were found for export experience and firms size between high vs. low performance groups.

In sum, the analyses suggested that neither high level of export experience nor large firm size were associated with higher export performance and vice versa. The conclusion of this analysis was clear. As discussed earlier, it was the higher level of firm resources/capability rather than higher export experience or bigger firm size that were responsible for or associated with higher export performance of sample firms.

Cross-Validation Analysis

In this section, model stability was assessed using cross-validation analysis. The focus of this section is on testing for model replication across two different samples (Byrne, 2001).

The analysis for the robustness across the samples underwent the following procedure. First, the same analysis (as done in "Estimating Model Parameters" section) was performed again. But, for this time, the parameters in the models were reestimated with a smaller sample instead of the original sample of 281. Specifically, the total sample (281) was randomly split into two approximately equal samples to simulate the drawing of two samples (Diamantopoulos, & Siguaw, 2000): a calibration sample (n = 141) and a validation sample (n = 140). Based on Diamantopoulos, and Siguaw (2000), under model cross-validation, the split-sample approach is one of the most common forms of cross validation analysis. The first sample was used to estimate the model parameters (shown in Table 6.17). The second one was used, together with the first sample, to validate the model (Diamantopoulos, & Siguaw, 2000). Second, a multi-sample baseline model was estimated using both calibration and validation samples. The parameters in this model were freely estimated across two samples. This model would serve as the multi-sample baseline model against which a subsequent model in which equality constraints were specified would be compared (Byrne, 2001). Third, a similar model was estimated in the same manner as performed in step two. However, the estimation in this step differed from the previous step in that the parameters in this model were constrained to be invariant across samples (i.e. equality constraints were placed on regression paths on both samples). The estimates were shown in Table 6.18. Fourth, the χ^2 and degrees of freedom from both models (i.e. in step 2 vs. step 3) were compared. The insignificant difference in χ^2 values would signify that the model was robust across the two samples, providing the evidence of cross-validation (Byrne, 2001; Hair, Black, Babin, Anderson, & Tatham, 2006).

Since there are three models each with different endogenous latent variables, three comparisons were performed to assess the stability of individual models by following the aforementioned procedure. Table 6.18 shows the summary results of comparisons. The chi-square tests for model comparison revealed that the differences of estimates from two samples were not significantly different from one another, meaning that the equality constraint of models held and the evidence for model stability and replicability could be established.

Table 6.17

Parameter Estimates Based on a Split Sample

Endogenous Variables (x^2, df)	Standardized Structural Regresion Path from $_i$ to $_d$ (Correlation $_{PUR<->EMO}$)	
Export Profitability (540.256, 319)	ST_d PUR_i 0.578*** EMO_i 0.142*** (.280***)	PER_d ST_i 0.556*** PUR_i 0.286** EMO_i -0.016
Export Growth (551.965, 319)	ST_d PUR_i 0.596*** EMO_i 0.151*** (.283***)	PER_d ST_i 0.353*** PUR_i 0.344*** EMO_i 0.220***
Customer Retention (553.499, 345)	ST_d PUR_i 0.592*** EMO_i 0.152*** (.283***)	PER_d ST_i 0.381*** PUR_i 0.333*** EMO_i 0.145**

*p<.10, **p<.05, ***p<.01

Table 6.18

Cross Validation Analysis Results

Endogenous Variables (x^2, df)[a,b]	Chi-Square difference Test			Standardized Structural Regresion Path from $_i$ to $_d$ (Correlation $_{PUR<->EMO}$)	
	x^2	df	p		
Export Profitability (1086.853, 638)[a] (1092.805, 644)[b]	5.952	6	0.429	ST_d PUR_i 0.550*** EMO_i 0.262*** (.286***)	PER_d ST_i 0.673*** PUR_i 0.183** EMO_i -0.044
Export Growth (1109.986, 638)[a] (1115.741, 644)[b]	5.755	6	0.451	ST_d PUR_i 0.561*** EMO_i 0.273*** (.285***)	PER_d ST_i 0.489*** PUR_i 0.221*** EMO_i 0.183***
Customer Retention (1121.625, 690)[a] (1126.057, 696)[b]	4.432	6	0.618	ST_d PUR_i 0.534*** EMO_i 0.267*** (.285***)	PER_d ST_i 0.408*** PUR_i 0.289*** EMO_i 0.154**

*p<.10, **p<.05, ***p<.01

(x^2, df)[a] associated with freely estimated models

(x^2, df)[b] associated with constrained models

In next chapter, findings from this chapter will be discussed. Then, theoretical contributions and managerial implications will be described. The chapter ends with the discussion on the limitations of this study and future research recommendation.

Chapter 7
Discussions, Implications, and Limitations

This chapter was divided into the following sections including discussions of results from previous chapter, theoretical contributions, managerial implications, limitations of the findings, and recommendation for future research.

Discussions of Findings

The objectives of this dissertation are to explore the potential impact of strategy implementation ability, purchasing capability, and export market orientation on firm's export performance, and to study the relationship between purchasing capability and strategy implementation ability, as well as the relationship between export market orientation and strategy implementation ability. Following is the discussion of results.

Impacts of Strategy Implementation Ability

The analysis renders considerable evidence on the positive and significant impact of strategy implementation ability on export performance of firms. Based on the SEM analysis results in chapter 6, the firm's competitive strategy implementation was found to be significantly and positively related to the three facets of firm export performance measures. Specifically, as a consequence of rigorous effort in reducing overall cost of firm, constantly improving product quality, and serving specific needs of market segments effectively, firms would enjoy higher level of performance in term of better export profitability, export sales growth, and export customer retention.

In order to gain additional insights of the impact of strategy on firm export performance, this study performed additional analysis to attempt to empirically find the successful strategy profiles of firms with high export performance.

The empirical analysis revealed that there were two successful strategy profiles among firms in the sample that enabled them to have superior performance than others. The two successful strategy profiles were derived from high performance clusters B, and C. A strategy profile of a high performance cluster (B) was "low cost + focus" , and the strategy profile of another high performance cluster (C) was "low cost + differentiation + focus".

Although firms in both clusters performed significantly better than industry average performance in all aspects of export performance measures—export profitability, export sales growth, and export customer retention, it was found that the export performance of firms in cluster C (with "low cost + differentiation + focus" strategy profile) was significantly better than that of firms in cluster B (with "low cost + focus" strategy profile) in term of export profitability, and customer retention. This findings suggested that firms who could successfully pursue the hybrid strategy as found in cluster C would become the top performers of the industry.

Impacts of Export Market Orientation

Scholars noted that firms which adopt export market orientation practices are expected to stay in touch with current and potential customers' needs and competitive moves better than less market oriented firms. More export market oriented firms will be more knowledgeable about customer's preference and competitive conditions than their counterparts. The formers should be in a better position to be more responsive and achieve better performances than the latter (Vorhies, & Harker, 2000).

Though the pursuit of a market orientation may well be a desirable aim due to its potential benefits for firms (Morgan, & Strong, 1998), findings showed firms appeared to differ in the extent to which they exhibit export market orientation. With respect to the impact of export market orientation on export performance, results of this study indicated that firm that scored low on export market orientation (i.e. being less market-oriented) generally demonstrated significantly lower levels of export performance, while more export market-oriented firms were found to achieve significantly higher level of export sales growth and customer retention than the less export market-oriented one.

In addition, the analysis from SEM revealed that export market orientation had positive and significant impact on strategy implementation ability. This is so because market oriented firms believe that delivering superior customer value is imperative and critical to firm success (Vazquez, Santos, & Alvarez, 2001). Therefore, more market oriented firms would persistently strive to serve customers more effectively and efficiently than competitors by constantly taking necessary steps to strengthen the

company's ability in creating superior value for customers and to well satisfy their requirements on important product attributes at a lower cost than rival's offerings.

In analyzing the impact on performance of export market orientation, the study didn't, however, find the empirical support for the positive impact of export market orientation on export profitability. Similar finding was, however, also reported by Cadogan, Cui, and Li (2003). In particular, while they found that EMO positively affected export growth, they found no significant impact of EMO on export profitability.

Generally speaking, achieving a high level of profitability is usually a desirable objective firms want to reach. However, firms normally realize that focusing solely on achieving this objective in strict isolation of other performance objectives could reduce the attractiveness of companies' offerings in the eyes of customers. Doing so could probably come at the expense of losing current customers to eager competitors as well as losing business opportunity for achieving even higher level of sales growth. Therefore, priority might be given to retaining current customers and achieving export sales growth with an acceptable level of profitability, rather than trying to achieve high profitability alone. The insignificance of direct association between EMO and export profitability might reflect the firm's acceptance for a competitive level of profit margin for the sake of meeting the higher-priority-goals of protecting its current customer base from shifting to competitors and promoting sales growth at the same time.

In addition, the elasticity of the demand curve of product could also be responsible for the lack of association between EMO and export profitability. In other words, the insignificant impact of export market orientation on profitability might be due to the relatively elastic demand curve or high price sensitivity of customers. Facing with relatively elastic demand, firms realized that only a small increase in product price could trigger a drastic decrease in quantity demanded. Therefore, they would find it hard to charge high price in order to gain handsome profit.

Impacts of Purchasing Capability

While the possession of high purchasing capability is evidently beneficial to any firm, not all firms develop or possess the same extent of purchasing capability.

There appeared to be a difference in the purchasing capability among them. Data analysis revealed that firms with higher purchasing capability would have significantly higher level of ability to implement business strategy. This is because better sourcing capability can substantially support the firms' ability to differentiate product, serve effectively the specific needs of markets, and make competitive offering to customers (Chen, Paulraj, & Lado, 2004).

As a nontradable and firm-specific resource, purchasing capability was also found to directly benefit the firms. Study revealed that firms with superior purchasing capability were found to enjoy significantly higher export performance in term of export profitability, export sales growth, and export customer retention than those with poorer purchasing capability. Since purchasing capability is not easily imitated by the competitors, it could be a source of sustained competitive for the firm (Iyer, 1996).

In sum, the efforts to improve sourcing capability pay off handsomely for firms. Strong purchasing capability could enable a firm to successfully pursuing competitive strategies of low cost, differentiation and focus (Iyer, 1996). The strong knowledge in supply markets, good working relationship with suppliers, the ability to anticipate and respond to supply conditions, and the access to reliable supply sources not only result in the development and enhancement of competitive advantage of the firm but also directly add economic benefit to the bottom line of the firms.

Theoretical Contributions

Based on Balabanis, Theodosious, and Katsikea (2004), there is a research interest in studying firm's resources as determinants of firm export success. Despite this research interest, the literature is generally lack of empirical evidence exploring the impact of such factors on export performance of firms in developing economies. This study therefore contributes to the export performance literature by proposing and empirically testing a proposed holistic model of nontradable firm resources using a sample of Thai exporting companies. Obviously, the model of this research is interdisciplinary in nature, so the contribution of this export performance research is explained from the perspectives of the three employed management disciplines—namely, strategic management, marketing discipline, and purchasing management.

For Strategic Management

Aulakh, Kotabe, and Teegen (2000) noted that strategy has been an important area of strategic management research. However, like export market orientation construct, most of the insights developed or gained come from the models tested with samples in developed economies. In addition, extant literature is also lack of little empirical research specifically examining the linkage between strategy and firm export success. Thus, there are two concerns about the external validity of findings of strategy construct. First, are such insights applicable to enterprises that participate in international markets using export entry mode? Second, are such insights applicable to firms in developing economies whose institutional factors, managerial skills, and economic development level differ from the developed countries. In order to address these two concerns and be able to draw solid conclusion based on empirical evidence, this dissertation makes a *contribution* by empirically examining the effect of strategy on export performance of firms in Thailand to assess its generalizability.

For Marketing Discipline

Marketing orientation is a key construct in marketing literature. But the empirical studies in the market orientation have been largely dominated by the studies done in western context. For a construct to be generalizable across countries, there must be empirical evidence supporting its validity in various settings. In particular, previous studies generally examine the impact of market orientation in developed countries like US, UK, New Zealand, and Dutch (Cadogan, Diamantopoulos, & Siguaw, 2002; Cadogan, Diamantopoulos, & de Mortanges, 1999; Cadogan, & Cui, 2004). Empirical evidence from less developed countries is still limited in number (Cadogan, & Cui, 2004). Cadogan and Cui (2004) noted that the little evidence outside of developed countries perspective signifies a knowledge gap that needs to be addressed, suggesting that future empirical investigation outside these contexts are needed. In this respect, this study contributes to the literature by empirically testing for the impact of export market orientation on export performance of firms in Thailand to test for the generalization of the construct in non-western context.

For Purchasing Management

Many writings in purchasing literature are conceptual in nature. They simply discuss conceptually about the importance of purchasing in general without actually testing for its influence specifically on firm's export performance. Based on the extensive review of extant literature, the empirical evidence about purchasing in export setting has not been well established yet, despite the profound impacts that purchasing capability can have on firm export performance. To address this empirical gap in export performance research, this study explored and tested the hypothesized impact of purchasing capability on various facets of export performance to establish empirical evidence in the export performance literature.

Managerial Implications

The empirical results offer some important implications for exporting firms. Based on the empirical findings in this study, these managerial implications are discussed in the following paragraphs.

Sharpening Strategy Implementation Ability

According to resource-based theory, firm's sustained advantage should come from firm-specific and internally developed resources, which will enable them to deliver products of value to customers. In line with this notion and as evidenced in the findings, a firm's ability in successfully implementing business strategy is one such resource that enables the firms to distance themselves from competitors. Firms with lower implementation ability would be in a poor competitive situation relative to competitors (e.g. unable to offer satisfactory prices to customer, or unable to match competitors' price). Such firms would ultimately lose their share of business and unavoidably suffer from deteriorating performance. To avoid being in such situation, a constant evaluation and investments in this ability (e.g. improving existing products, taking measures to reduce overall costs, improving production efficiency, investing in better production technology, improving existing manufacturing process, implementing and evaluating quality control process to make process improvements and monitor product quality) is therefore necessary for firms to maintain and enhance

their competitive advantage over time. Firms should maintain ongoing activities of utilizing and developing this ability to their utmost advantage.

As mentioned in the earlier section, this study also empirically searched for the successful strategy profiles of firms in the sample in order to learn from their success. It was found that a successful cluster (B) with "low cost + focus" strategy profile scored above industry average performance measures (export profitability, export sales growth, and export customer retention). However, the more successful firms were in cluster (C) with "low cost + differentiation + focus" strategy profile since they not only surpassed industry average performance in all aspects of export performance measures, but also performed significantly better than cluster B in term of profitability and customer retention. Clearly, the difference between the strategy profiles of the two clusters in term of differentiation showed up as higher performance for cluster C. There were around 15% of sample firms that were in the latter cluster (i.e. the top performers of the industry). The success of the latter cluster of firms, however, implies that it is not only feasible but also rewarding for firms to employ hybrid strategy. This finding is also consistent with the notion of Miller (1992), stating that the simultaneous emphasis on low cost and differentiation can bring about increased performance for firms.

The finding suggests that firms should strive to achieve both low cost and differentiation rather than emphasizing solely on low cost aspect in order to grow the business to its fullest potential. Strategic overspecialization on cost aspect alone is far too easy to be imitated by competitors compared to dual emphasis on the pursuit of both low cost and differentiation strategies. In addition, if emphasis on overall cost reduction strategy is a common practice among firms in the industry, a firm pursuing this single-and-similar strategy normally (which is not different from other) can't expect itself to perform differently or much better than the others. To promote firm performance to the next higher level, the firms need to rely on hybrid strategy, which is of course more difficult to succeed but worthwhile to pursue. As made evident by the findings of this study, successfully implementing both differentiation and low cost strategy would make firms to experience top economic performance above all other rivals.

Exploiting Market Intelligence

In addition to trying to achieve competitive advantage through strengthening strategy implementation ability as discussed above, firms will be competitively stronger if they also equip themselves with the knowledge or intelligence of the market by aligning themselves with export market orientation practices. More market-oriented firms possess the ability to generate, disseminate, and respond to market intelligence and market conditions better than less market-oriented rivals (Jaworski & Kohli 1993). As evidenced in the findings, export market oriented firms, committing themselves to delivering superior customer value, generally enjoyed superior firm export performance.

Since export market orientation is instrumental to the understanding of export customer demand and preferences, competitive moves, and other important factors in export market environments, it is a critical element to the success of firms. With the knowledge of market, firms can make better judgment and make the right strategic moves.

Importantly, market oriented firms should listen to their customers attentively and try to benefit from the messages customers convey to the firms (like complaints or suggestions for improving quality issues --e.g. color, consistency, shelf life of products), disseminate the information to relevant departments in timely manner, and also take responsive actions in a timely manner to resolve or handle customer's problems or take their suggestions into account for further improvements of products. Market oriented firms should also solicit customers' reaction or advices on the firms' existing or new products in order to learn what ongoing improvements are required to best serve their needs. Doing this, firm will be able to continuously refine its product offerings on the strong basis of buyers' feedback.

With this attentive interest in customers, firms can successfully build competitive edge over competitors by learning what customers really want, and developing and delivering the offerings that match those needs.

In addition to being attentive to customer needs, firm must also be alert about competitors' moves, changing market conditions, and new technological developments that might affect food industry, so that firms could also benefit by being

able to pinpoint hefty market opportunity, or get the ideas for new product developments to serve the market.

It is also important for firms to note that market conditions, threats from competition, and the likes rarely stand still. In order to strengthen firm's competitiveness over time, firms must *constantly* monitor important trends to be able to be responsive and adaptive to changes in market conditions.

In sum, since the understanding of customer's need is critical to the operation and prosperity of business, firm's ongoing adherence to market oriented activities is necessary to ensure that firms have the most up-to-date information concerning market preferences, competitive moves, new regulation changes, new technology or market opportunities so that firms can respond to this market intelligence appropriately to benefit from it and enjoy satisfying export performance.

Strengthening Purchasing Capability

Market-oriented firms who have learnt customer needs, and have the desire to overcome competitive offerings can explore for gaining more competitive strength from their purchasing operation. Evidently, with raw material costs as a significant share of total costs, the need for effective and competitive purchasing is evident. An obvious advantage is that it enables firms to use the appeal of lower price to overcome their rivals' offering. Alternatively, with strong purchasing capability, firms have the option of charging similar price but remain more profitable than the others. Additionally, effective purchasing capability enable firm to survive during the tough time of price war. With these benefits, no firms should any more treat purchasing simply as a day-to-day operation that merely caters to the need of daily operation. Instead, they should be aware of its strategic importance and recognize that it can be developed as a strategic resource that can immensely have an impact on both economic and strategic aspects of the firm.

Zealously improving purchasing can bring about several advantages and prevent costly mistakes that might have occurred. Effective purchasing can prevent process failure and costs of down time due to substandard materials, product recalls, goodwill damages, and adverse effects to future sales which can be far greater than the cost of products per se.

Obviously, failed purchasing can be very costly to a company. For example, once quality image of the firm is affected due to failed purchasing, it is hard and costly to recall or regain customer confidence. It is important to note that quality inspection of final product doesn't *per se* increase product quality. It only detects quality problem and associated costs that were already incurred. Inspection is costly than prevention, and prevention of quality problem should be preferred over inspection. Therefore, substandard inputs should be prevented entirely from entering the production process. Quality should be built in the product right from the start. That is, firms must start building quality from their purchasing to produce quality products. Ultimately, improvement efforts on purchasing capability will pay off handsomely for firms.

In sum, since purchasing provides materials that make its way through the production process, purchasing profoundly affects all of the company' value creating processes. Purchasing capability can be a distinctive resource that can help firms to gain competitive edge over the others and achieve superior export performance. Empirical findings discussed previously render considerable support to this notion. Managers should thus be attentive in improving firm's purchasing capability (e.g. searching proactively and continuously for new and reliable sources of supply rather than strictly confining their business with only the suppliers from which firms currently get the supply in order to get better values that yield the best combination of required quality and price level, building and maintaining good working relationship with suppliers, monitoring changes in supply market conditions, building and maintaining the flexibility to acquire supply from alternative suppliers if needs arise) and reap the benefit from it improved purchase. It is also important for firms to realize that superior purchasing capability can effectively distinguish between successful exporters from mediocre ones. The explicit attention of top manager to the strategic importance of purchasing should enable firm to raise the awareness and continuous improvement efforts from the personnel concerned, thus reducing the risks of complacency with the status quo and foregoing the opportunity to make advantageous improvements on its purchasing capability.

A High Performance Exporter: A Case Study

In order to see how strong strategy implementation ability, export market orientation, and purchasing capability benefit export performance, a case study of a successful exporting company (in Cluster C) is discussed here to complement with the quantitative analysis described earlier. This company exports fish sauce and various types of sauces for dipping seafood/chicken/animal meats. The company also formulates and produces sauces for foreign customers based on the their sample sauce or product concepts. All of the export products rely on similar production process (i.e. utilizing very similar production machines), and are exported using similar marketing channel. The company is very export market oriented since the exporting manager often solicits customer feedbacks about its existing and new products from current customers and potential customers like those found in food exhibitions. The company tried to improve its understanding about customer needs by conducting customer research to test customer preferences of its products and competing products. Customer suggestions and complaints are always attentively listened. According to the interviewee, what customers say can help the company pinpoint defects or areas that need improvements, and also provide some information about competitive moves/ competitors' offerings.

The company is very proactive in searching for better source of supply. The company routinely updates the list of raw material suppliers who can provide raw material for the production process. The interviewee noted that raw material is the main cost driver for the firm. He further elaborated that energy costs is not considered very important in his opinion since its price is rather stable (and it represents only a small percentage in total cost). In contrast, the availability and price of raw material is quite unpredictable. Careful management for raw material purchasing is thus needed. The interviewee also mentioned that the responsible person for purchasing holds a management position. With proactive purchasing style, the company believes that it has been buying raw materials at competitive price. The interviewee mentioned that the company likes to "shop around". The company is also very careful in checking and screening the quality of incoming material (e.g. if the chili is too dark or too brown (it is supposed to be red!), that lot of raw material will be rejected). The quality of final product is important for export success.

Regarding production, new machines are bought to improve the production efficiency. The interviewee has positive attitude toward modernizing the plant and mentioned that the automation enables the firm to have much faster production (i.e. production time is reduced). Since price-cutting is very intense in the industry, there is the need to become cost-efficient producer. In addition, the interviewee believes that differentiation through brand building is key to success for the company's products. Realizing that brand building or creating differentiation in developed countries like USA market requires huge capital investment, the company primarily focuses its investment and efforts on Asia and Middle East markets. With this approach, the chance of success becomes greater.

Limitations and Future Research

Interpretation of any research findings should be made with care. The result of this study is not without its limitations. The limitations of this dissertation include the followings.

First, the generalizability of the result to other industries should be made with cautions since the sample was drawn from a single industry. Future research might seek to further expand the external validity of the model by replicating the research in other industries.

Second, cross-country generalization to other developing Asian countries should be made with caution and should possibly be assessed by additional research before making any country-specific conclusion.

Third, this research relies on questionnaire to collect self-reported data. The interpretation of the result should thus be made in light of the inherent limitation of a survey methodology. For example, research using this type of data might suffer from sequence bias, which means that respondents can view the entire questionnaire before or while they respond and their replies to a question might not be independently arrived but influenced by their response to other questions. Their answer to any question might be *more likely* conditioned by their responses to other questions *than* if they couldn't see other questions while answering a question at hand (Churchill, 1995). Future research might replicate this study and attempt to avoid this drawback

by using a web-based or computer-based questionnaire where one question is shown at a time.

Fourth, the finding of this study should be interpreted with the limitation of cross-sectional study in mind. Cross-sectional study will provide a snapshot view of the relationships among constructs since the phenomena at hand was studied at a single point in time (Zikmund, 1997). Therefore, future research may employ a longitudinal study to examine if the found relationship still holds if studied over a longer temporal basis. And, with longitudinal data, the relationship between EMO and profitability might probably be found.
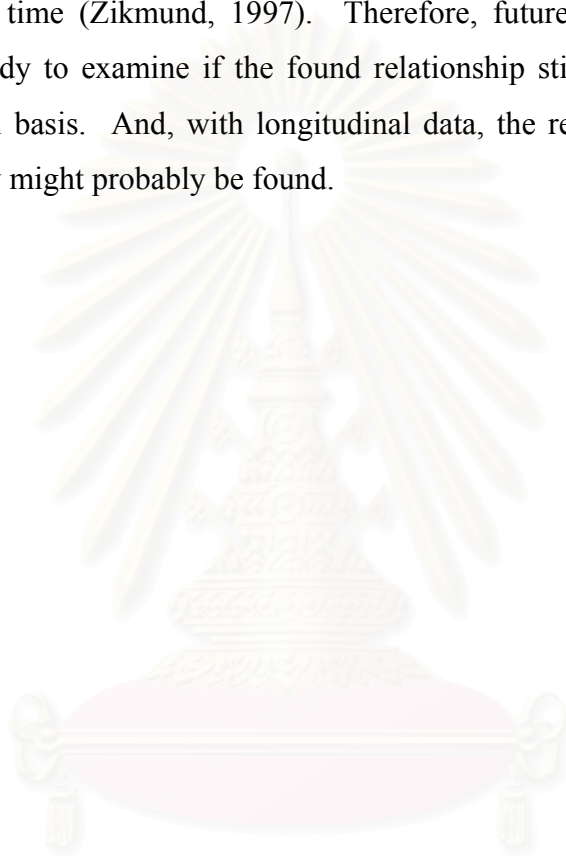
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Appendices
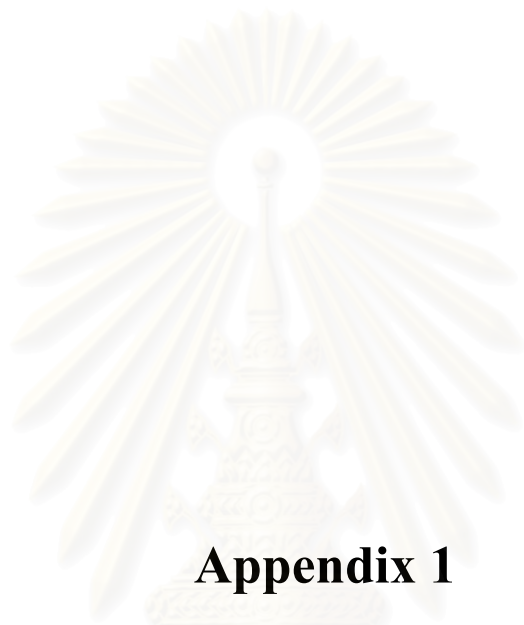
Appendix 1

Questionnaire (English & Thai)

Subject Questionnaire Survey
Dear   Manager

      Chulalongkorn University, Thammasat University, and National Institute of Development Administration (NIDA) have jointly established the Joint Doctoral Program in Business Administration (JDBA). And currently, Mr. Phongsak Leartharanon, a doctoral candidate in international business field, is collecting data to pursue his doctoral dissertation, titled "The Empirical Study of the Model of Exporter's Resource-Based Determinants of Performance". This research seeks to empirically examine key variables that affect the export performance of food exporting firms in Thailand.

      As a manager, your experience and knowledge in this industry is very useful to this research. Please participate in this survey by filling out the attached questionnaire to contribute your valuable industry insights to this study. Please be assured that your individual identity will remain strictly confidential, and your individual response will not be revealed. The research will only present the aggregate picture of the finding, and your organization will not be affected in any way. If you want the summary of the research finding, please fill out your information in the form below and return the questionnaire to the researcher by mail (in the enclosed envelope) or by fax (02-476-5191).

      Your response will contribute considerably to the accomplishment of this research. In addition, your participation in this survey will also be beneficial to the further development of academic knowledge in Thailand. I'd like to thank you in advance for your consideration.

Sincerely Yours,

Asst. Prof. Dr. Pakpachong Vadhanasindhu
Thesis Advisor

Mr. Phongsak Leartharanon
Tel 06-516-7646, 02-476-5418, Fax 02-476-5191
phongsak_2000@yahoo.com

Name of Respondent:_____Position:_____

Company:_____Telephone:_____

Address:_____

_____

Do you want the summary of the research finding?   [   ] Yes   [   ] No

---

Questionnaire

There are six main parts in this questionnaire. Please kindly answer all questions and return the questionnaire in the enclosed envelope. Alternatively, the questionnaire may be faxed to 02-476-5191.

Please kindly return this questionnaire before _____/_____/_____   Thank you in advance for your kind contribution.

Part I : General Data

1.   How long has your company been in food exporting business? _____Years

2.   What is the total number of employees?_____Persons

3.   What is the percentage of your company export (total export /total sales value) ?_____%

4.   What is the nature of your business?

   [ ] A manufacturer   [ ] A trader

5.   Does your company have an ownership in major sources of supply?

   [ ] Yes   [ ] No

6.   Please characterize your company.

   [ ] A Thai company

   [ ] A joint venture (please specify % of Thai share = _____%)

   [ ] Others (please specify)_____

7.   Export product(s). (More than one answer is possible)

   [ ] Fruit   [ ] Seafood   [ ] Seasonings   [ ] Ready to eat

   [ ] Vegetable   [ ] Poultry   [ ] Snack Foods   [ ] Others (specify)_____

Part II : Business Strategy

1.   To what extent does each of the following competitive aspects of cost leadership strategy has been implemented successfully by your company over the past three years. (Please put an "X" mark on an appropriate number)

	To a Very Little Extent								To a Very Large Extent
1. Improving efficiency and productivity…………………………	1	2	3	4	5	6	7	8	9
2. Developing new manufacturing processes……………………	1	2	3	4	5	6	7	8	9
3. Improving existing manufacturing processes………………	1	2	3	4	5	6	7	8	9
4. Reducing overall costs………………………………………	1	2	3	4	5	6	7	8	9
5. Reducing manufacturing costs………………………………	1	2	3	4	5	6	7	8	9
6. Using new production technology……………………………	1	2	3	4	5	6	7	8	9
7. Competitive pricing practice…………………………………	1	2	3	4	5	6	7	8	9

2.   To what extent does each of the following competitive aspects of differentiation strategy has been implemented successfully by your company over the past three years. (Please put an "X" mark on an appropriate number)

	To a Very Little Extent								To a Very Large Extent
1. Building brand………………………………………………	1	2	3	4	5	6	7	8	9
2. Building firm reputation (e.g. in term of delivery reliability, good & consistent product quality to create trustworthiness)	1	2	3	4	5	6	7	8	9
3. Improving existing products…………………………………	1	2	3	4	5	6	7	8	9
4. Strict product quality control………………………………	1	2	3	4	5	6	7	8	9
5. Product improvements based on gaps in meeting customer expectations……………………………………	1	2	3	4	5	6	7	8	9
6. Offering premium product quality…………………………	1	2	3	4	5	6	7	8	9
7. Differentiate company offerings……………………………	1	2	3	4	5	6	7	8	9

3. Please kindly answer how the following competitive aspects characterize your firm's export strategy over the past three years. (With the meanings of scales below each statement, please mark on an appropriate number)

    1. How differently the export products lines have been produced?

       (1 = "Very dissimilar technologies" e.g. custom production for one, mass production for another;

       9 = "Very similar technologies" e.g. all produced with similar equipment; one produced with one technology)

Very Dissimilar Technologies ◯1 ◯2 ◯3 ◯4 ◯5 ◯6 ◯7 ◯8 ◯9 Very Similar Technologies

    2. Our firm offers export product lines that rely on the same or similar production technology.

       (1 = "Strongly disagree" and 9 = "Strongly agree")

Strongly Disagree ◯1 ◯2 ◯3 ◯4 ◯5 ◯6 ◯7 ◯8 ◯9 Strongly Agree

    3. How differently the export products lines were marketed?

       (1 = "Very dissimilar marketing strategies required"

       9 = "Very similar in required marketing strategies, customers' needs, pricing, and so forth")

Very Dissimilar Strategies ◯1 ◯2 ◯3 ◯4 ◯5 ◯6 ◯7 ◯8 ◯9 Very Similar Strategies

    4. Please characterize your firm's export product lines.

       (1 = "Very broad" e.g. our firm has carried many drastically different or broad products lines

       9 = "Very focused" e.g. our firm serves customers with specialized or focused product lines)

Very Broad ◯1 ◯2 ◯3 ◯4 ◯5 ◯6 ◯7 ◯8 ◯9 Very Focused

Part III : Purchasing Capability

1. To what extent do you agree with the following statements regarding your company's purchasing capability over the past three years?

	Strongly Disagree								Strongly Agree
1. Our firm buys competitively……………………………………… (explanation: A firm who pays significantly more than his or her competitor does for a particular input is not buying competitively)	1	2	3	4	5	6	7	8	9
2. Our firm has an access to reliable sources of supply…………	1	2	3	4	5	6	7	8	9
3. Our firm is capable of supporting company operations with an uninterrupted flow of materials…………………………	1	2	3	4	5	6	7	8	9
4. Our firm continually searches for better values that yield the best combination of required quality level and price……	1	2	3	4	5	6	7	8	9
5. Our firm maintains a good rather than an adversarial relationship with main suppliers…………………………………	1	2	3	4	5	6	7	8	9
6. Our purchasing always performs accurately with little error..	1	2	3	4	5	6	7	8	9

Part IV : Export Market Orientation

1. To what extent do you agree with the following statements regarding your company's export market orientation over the past three years?

Intelligence Generation	Strongly Disagree								Strongly Agree
1. Our firm periodically monitors or reviews the likely effect of changes in our export environment (e.g. regulation, politics, economy, competition)…………………………………	1	2	3	4	5	6	7	8	9
2. Our firm personnel interact directly with export customers to learn how to serve them better………………………………	1	2	3	4	5	6	7	8	9

3. Our firm can learn about the quality issues of company
    product from the export customer.………………………… 1 2 3 4 5 6 7 8 9
4. Our firm generates a lot of information concerning trends
    (e.g. regulation, politics, economy) in our export markets.… 1 2 3 4 5 6 7 8 9
5. Our firm generates a lot of information in order to
    understand the forces which influence our customers' needs 1 2 3 4 5 6 7 8 9
6. Our firm generates enough information concerning our
    competitors' activities in our export markets.………………… 1 2 3 4 5 6 7 8 9
7. Our firm regularly communicates or interacts with our
    current and prospective export customers.…………………… 1 2 3 4 5 6 7 8 9

	Strongly Disagree							Strongly Agree

Intelligence Dissemination

1. Our firm has interfunctional meetings
    to discuss trends and developments (e.g. regulatory,
    technology) in our export markets.…………………………… 1 2 3 4 5 6 7 8 9
2. Our firm periodically circulates formal/informal
    documents (e.g. reports, internal email messages) that
    provide information on export customers.……………………… 1 2 3 4 5 6 7 8 9
3. Important information about our export competitors
    never gets 'lost in the system'.………………………………… 1 2 3 4 5 6 7 8 9
4. Export personnel always pass on information about export
    markets to other relevant functions/units.…………………… 1 2 3 4 5 6 7 8 9
5. Information about our export competitors' activities
    often reaches relevant personnel in a timely manner.……… 1 2 3 4 5 6 7 8 9
6. All Important information concerning export market
    trends (e.g. regulatory, technology, customer demand)
    can always get through the communication chain to
    relevant personnel.……………………………………………… 1 2 3 4 5 6 7 8 9
7. All generated or derived information concerning our export
    competitors reaches decision makers
    (i.e. No information is discarded).……………………………… 1 2 3 4 5 6 7 8 9
8. All information concerning our export competition is shared
    within this company.……………………………………………… 1 2 3 4 5 6 7 8 9
9. Information which can influence the way we serve our export
    customers takes a reasonable amount of time to reach
    export personnel.………………………………………………… 1 2 3 4 5 6 7 8 9
10. Top management regularly discusses export competitors'
    strengths and strategies.……………………………………… 1 2 3 4 5 6 7 8 9

	Strongly Disagree							Strongly Agree

Intelligence Responsiveness

1. Our firm never ignores changes in our foreign customers'
    product or service needs.……………………………………… 1 2 3 4 5 6 7 8 9
2. Our firm develops or produces products that are in line
    with what foreign customers want.…………………………… 1 2 3 4 5 6 7 8 9
3. Several departments get together periodically to plan a
    response to changes taking place in our foreign business
    environment (e.g. regulation, technology, etc.).…………… 1 2 3 4 5 6 7 8 9

4. If a major competitor were to launch a strategy targeted at our export customers, we would implement a response immediately..…………………………………………… 1 2 3 4 5 6 7 8 9

5. Our firm always seriously takes export customer complaints or feedback into consideration to find remedy.…………… 1 2 3 4 5 6 7 8 9

6. Our firm is quick to respond to significant changes in our competitors' price…………………………………………… 1 2 3 4 5 6 7 8 9

7. When our firm finds out that export customers are unhappy with the quality of our products or services, we take corrective action immediately..………………………… 1 2 3 4 5 6 7 8 9

8. We are quick to respond to important changes in our export business environment (e.g. regulation, technology, and economy).……………………………………… 1 2 3 4 5 6 7 8 9

9. Our export business strategies are driven by our beliefs about how we can create greater value for export customers 1 2 3 4 5 6 7 8 9

10. Our firm gives close attention to what export customers want in term of products or services.…………………… 1 2 3 4 5 6 7 8 9

11. Our firm rapidly responds to competitive actions that threaten us in our export markets.………………………… 1 2 3 4 5 6 7 8 9

12. Our export strategy for competitive advantage is based on our understanding of export customer needs.…………… 1 2 3 4 5 6 7 8 9

Part V : Environment

1. To what extent do you agree with the following statements regarding your company's business environment over the past three years.

	Strongly Disagree							Strongly Agree
Competitive Intensity								
1. Competition in our industry is cutthroat…………………………	1	2	3	4	5	6	7	8	9
2. There are many "price wars" in our industry…………………	1	2	3	4	5	6	7	8	9
3. Anything that one competitor can offer, others can match readily.……………………………………………	1	2	3	4	5	6	7	8	9
4. Price competition is the norm of our industry…………………	1	2	3	4	5	6	7	8	9
5. Our competitors are relatively strong.…………………………	1	2	3	4	5	6	7	8	9

	Strongly Disagree							Strongly Agree
Demand-side influence								
1. Changing suppliers or manufacturers costs very little for customers.………………………………………………	1	2	3	4	5	6	7	8	9
2. The number of alternative suppliers is plentiful for our export customers.…………………………………………	1	2	3	4	5	6	7	8	9
3. Export customers always shop around for lower price………	1	2	3	4	5	6	7	8	9
4. Export customers are very sensitive to price changes………	1	2	3	4	5	6	7	8	9

Part VI : Performance (over the past three years)

1. To what extent do you agree with the following statements regarding your firm performance over the past three years.

	Strongly Disagree							Strongly Agree
Export Profitability								
1. Compared to industry average, the profitability of our export business has been good over the past three year	1	2	3	4	5	6	7	8	9
2. We have been successful in attaining high level of export profitability over the past three years…………………	1	2	3	4	5	6	7	8	9

3. Our export business has been profitable over the past

    three years…………………………………………………… 1 2 3 4 5 6 7 8 9
4. Relative to objective, our firm has performed well in terms of

    export profitability over the past three years………………… 1 2 3 4 5 6 7 8 9

| | Strongly Disagree | | | | | | | Strongly Agree |

Export Sales Growth

1. Compared to industry average, the sales of our export

    business has grown over the past three years……………… 1 2 3 4 5 6 7 8 9
2. We have been successful in attaining high level of

    export sales growth over the past three years……………… 1 2 3 4 5 6 7 8 9
3. Our export sales have grown over the past three years…….. 1 2 3 4 5 6 7 8 9
4. Relative to objective, our firm has performed well in terms of

    export sales over the past three years………………………… 1 2 3 4 5 6 7 8 9

| | Strongly Disagree | | | | | | | Strongly Agree |

Export Customer Retention

1. Many export customers who used to buy from us still

    continue doing business with our firm………………………… 1 2 3 4 5 6 7 8 9
2. All of our existing export customers will likely keep their

    business relationship with us in the future.…………………… 1 2 3 4 5 6 7 8 9
3. Our existing export customers are unlikely to switch to

    our competitors.………………………………………………… 1 2 3 4 5 6 7 8 9
4. We cater to many of the same customers that we

    did in the past.…………………………………………………… 1 2 3 4 5 6 7 8 9
5. Compared to the industry norm, our company retains

    export customers successfully………………………………… 1 2 3 4 5 6 7 8 9

2. What is the level of firm performance in term of export sales growth over the past three years?_____%

3. What is the firm's retun on assets (ROA) over the past three years?_____%

4. What is the firm's retun on sales (ROS) over the past three years?_____%

Thank you very much for your kind cooperation in answering this questionnaire.
Please kindly return this questionnaire before _____/_____/_____
The questionnaire may be returned in the enclosed envelope or faxed to 02-476-5191

เรื่อง   ขอความอนุเคราะห์ในการตอบแบบสอบถาม

เรียน   ท่านผู้บริหาร

ตามที่ จุฬาลงกรณ์มหาวิทยาลัย มหาวิทยาลัยธรรมศาสตร์ และ สถาบันบัณฑิตพัฒนบริหารศาสตร์ได้ร่วมกันเปิดหลักสูตร ปริญญาเอกสาขา International Business ในโครงการ The Joint Doctoral Degree in Business Administration โดยนายพงษ์ศักดิ์ เลิศธรานนท์ นิสิตหลักสูตรดังกล่าว ได้ทำการศึกษาข้อมูลประกอบการทำวิทยานิพนธ์ปริญญาเอก เรื่อง The Empirical Study of the Model of Exporter's Resource-Based Determinants of Performance โดยการศึกษาวิจัยนี้เป็นการศึกษาถึงตัวแปรสำคัญ ที่เกี่ยวข้องกับการบริหารจัดการองค์กร ซึ่งมีผลกระทบต่อผลประกอบการทางธุรกิจของผู้ส่งออกอาหารของไทย

ในฐานะที่ท่านเป็นผู้บริหารในองค์กร ประสบการณ์และความรู้ของท่านจะเป็นประโยชน์อย่างยิ่งต่องานวิจัยนี้ จึงใคร่ขอความอนุเคราะห์จากท่าน โปรดตอบแบบสอบถามที่แนบมานี้ เพื่อให้นิสิตได้ใช้ข้อมูลในการทำวิทยานิพนธ์ดังกล่าว โดยการวิจัยนี้จะรายงานผลเป็นภาพรวมเท่านั้น จะไม่มีการเปิดเผยข้อมูลเป็นรายบริษัท ดังนั้นการวิจัยครั้งนี้จะไม่มีผลกระทบใดๆต่อองค์กรของท่าน หากท่านต้องการผลของงานวิจัย โปรดกรอกข้อมูลข้างล่าง และส่งกลับมาในซองจดหมายปิดแสตมป์ที่แนบมานี้ (หรือ ทางแฟกซ์ 02-476-5191) เพื่อที่จะได้จัดส่งผลสรุปของงานวิจัยให้ท่านต่อไป

ความอนุเคราะห์ของท่านในการตอบแบบสอบถาม จะช่วยส่งผลต่อความสำเร็จของงานวิจัยนี้ และจะเป็นประโยชน์อย่างยิ่งในการสร้างองค์ความรู้ที่สำคัญเพื่อการพัฒนาทางวิชาการของประเทศไทยต่อไป จึงเรียนมาเพื่อโปรดพิจารณา และขอขอบคุณล่วงหน้าในความอนุเคราะห์ของท่านมา ณ โอกาสนี้

ขอแสดงความนับถือ

ผศ. ดร. พักตร์ผจง วัฒนสินธุ์
อาจารย์ที่ปรึกษา

นายพงษ์ศักดิ์ เลิศธรานนท์
โทร. 06-516-7646, 02-476-5418 แฟกซ์ 02-476-5191
phongsak_2000@yahoo.com

ชื่อผู้ตอบ:_____   ตำแหน่ง: _____

บริษัท:_____   โทรศัพท์: _____

ที่อยู่:_____

_____

ท่านต้องการผลสรุปของงานวิจัยนี้หรือไม่   [   ] ต้องการ   [   ] ไม่ต้องการ

แบบสอบถาม

แบบสอบถามนี้มีทั้งหมด 6 ส่วน กรุณาตอบคำถามให้ครบทุกข้อ และโปรดส่งแบบสอบถามกลับมาทางไปรษณีย์ตามซองที่แนบมานี้

หรือ กรุณาแฟกซ์มาที่ 02-476-5191 โปรดส่งแบบสอบถามนี้คืนก่อนวันที่_____

ขอขอบพระคุณล่วงหน้าเป็นอย่างสูง ในความอนุเคราะห์ของท่าน

ส่วนที่ 1 ข้อมูลทั่วไป

1. บริษัทของท่านอยู่ในธุรกิจส่งออกอาหารเป็นระยะเวลานานเท่าใด_____ปี

2. บริษัทของท่านมีพนักงานจำนวนทั้งหมดกี่คน_____คน

3. บริษัทมียอดส่งออกคิดเป็นกี่เปอร์เซ็นต์ของยอดขายรวม (ยอดส่งออก/ ยอดขายรวมทั้งในและนอกประเทศ)_____%

4. บริษัทของท่านมีลักษณะเป็นแบบใด

   [ ] เป็นผู้ผลิตเอง   [ ] เป็น trader (ไม่ได้ผลิตเอง)

5. บริษัทของท่านเป็นเจ้าของแหล่งวัตถุดิบหลักที่ใช้ในกระบวนการผลิตหรือไม่

   [ ] ใช่   [ ] ไม่ใช่

6. บริษัทของท่านจัดตั้งขึ้นในลักษณะใด

   [ ] เป็นบริษัทไทย (Thai company)

   [ ] เป็นการร่วมลงทุนกับต่างชาติ (Joint venture) (โปรดระบุสัดส่วนการถือหุ้นของฝ่ายไทย_____ %)

   [ ] อื่นๆ (โปรดระบุ)_____

7. สินค้าส่งออกของบริษัท (ตอบได้มากกว่า 1 ข้อ)

   [ ] ผลไม้   [ ] อาหารทะเล   [ ] เครื่องปรุง   [ ] อาหารพร้อมรับประทาน

   [ ] ผัก   [ ] สัตว์ปีก   [ ] ขนม (Snack)   [ ] อื่นๆ (โปรดระบุ)_____

ส่วนที่ 2 กลยุทธ์ทางธุรกิจ

1. ในระยะเวลา 3 ปีที่ผ่านมา บริษัทได้ปฏิบัติสิ่งต่างๆ เหล่านี้อย่างประสบความสำเร็จ มากน้อยเพียงใดเพื่อใช้กลยุทธ์ต้นทุนต่ำ

   (กรุณา กากบาท ลงบนตัวเลขที่เหมาะสม โดย 1 หมายความว่า บริษัทสำเร็จจากการปฏิบัติในด้านนั้นน้อยมาก และ 9

   หมายความว่า บริษัทสำเร็จจากการปฏิบัติในด้านนั้นสูงมาก)

	อยู่ในระดับที่น้อยมาก								อยู่ในระดับที่สูงมาก
1. มีการปรับปรุงประสิทธิภาพ	1	2	3	4	5	6	7	8	9
2. มีการพัฒนากระบวนการผลิตแบบใหม่	1	2	3	4	5	6	7	8	9
3. ทำการปรับปรุงกระบวนการผลิตที่มีอยู่ให้ดีขึ้น	1	2	3	4	5	6	7	8	9
4. ทำการลดต้นทุนในทุกๆด้าน	1	2	3	4	5	6	7	8	9
5. ทำการลดต้นทุนการผลิต	1	2	3	4	5	6	7	8	9
6. ใช้เทคโนโลยีการผลิตแบบใหม่	1	2	3	4	5	6	7	8	9
7. ตั้งราคาสินค้าในระดับที่สามารถแข่งขันกับคู่แข่งได้	1	2	3	4	5	6	7	8	9

2. ในระยะเวลา 3 ปีที่ผ่านมา บริษัทได้ปฏิบัติสิ่งต่างๆ เหล่านี้อย่างประสบความสำเร็จ มากน้อยเพียงใดเพื่อใช้กลยุทธ์สร้างให้เกิด
   ความแตกต่าง (กรุณา กากบาท ลงบนตัวเลขที่เหมาะสม โดย 1 หมายความว่า บริษัทสำเร็จจากการปฏิบัติในด้านนั้นน้อยมาก
   และ 9 หมายความว่า บริษัทสำเร็จจากการปฏิบัติในด้านนั้นสูงมาก)

	อยู่ในระดับที่ น้อยมาก								อยู่ในระดับที่ สูงมาก
1. สร้างชื่อเสียง หรือ ความโดดเด่นให้กับตราสินค้า..........................	1	2	3	4	5	6	7	8	9
2. สร้างชื่อเสียงหรือภาพลักษณ์ที่ดีให้กับบริษัทในด้านต่างๆ เช่น การส่งมอบสินค้าที่เชื่อถือได้ สินค้ามีคุณภาพดีสม่ำเสมอ เพื่อความน่าเชื่อถือทางธุรกิจ..	1	2	3	4	5	6	7	8	9
3. มีการปรับปรุงสินค้าให้ดีขึ้น..	1	2	3	4	5	6	7	8	9
4. มีการควบคุมคุณภาพสินค้าอย่างเข้มงวด..........................	1	2	3	4	5	6	7	8	9
5. ทำการปรับปรุงสินค้าในจุดที่ยังอาจบกพร่องอยู่เพื่อให้ สินค้าออกมาตรงตามความคาดหวังของลูกค้าส่งออก...................	1	2	3	4	5	6	7	8	9
6. มีสินค้าคุณภาพสูง (premium quality) สนองความต้องการตลาด.....	1	2	3	4	5	6	7	8	9
7. สร้างความแตกต่างให้กับสินค้าของบริษัท...........................	1	2	3	4	5	6	7	8	9

3. ในระยะเวลา 3 ปีที่ผ่านมา กรุณาระบุว่ากลยุทธ์ของบริษัทของท่านมีลักษณะเป็นเช่นใด โดยตอบคำถามต่างๆดังต่อไปนี้
   (กรุณาตอบโดยกากบาทลงบนตัวเลขที่เหมาะสม ของแต่ละคำถาม)

   1. สายผลิตภัณฑ์ส่งออกของบริษัทใช้กระบวนการผลิตที่เหมือนหรือแตกต่างกันอย่างไร
      (1 หมายความว่า สายผลิตภัณฑ์ต่างๆ (product lines) แต่ละสาย ของบริษัท ใช้ เทคโนโลยี ในการผลิตที่แตกต่างกันอย่างมาก
      9 หมายความว่า สายผลิตภัณฑ์ของบริษัท ใช้เทคโนโลยีการผลิตเพียงแบบเดียว หรือ ที่คล้ายคลึงกันอย่างมาก)

      วิธีการผลิต ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ วิธีการผลิต
      แตกต่างกันมาก 1 2 3 4 5 6 7 8 9 เหมือนกันมาก

   2. ท่านเห็นด้วยมากน้อยเพียงใดกับประโยคต่อไปนี้ "บริษัทส่งออกสายผลิตภัณฑ์ที่ใช้เทคโนโลยีการผลิตเพียง
      แบบเดียว หรือ ส่งออกสายผลิตภัณฑ์ที่ใช้เทคโนโลยีการผลิตที่คล้ายคลึงกันอย่างมาก"

      ไม่เห็นด้วยอย่างยิ่ง ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ เห็นด้วยอย่างยิ่ง
                          1 2 3 4 5 6 7 8 9

   3. สายผลิตภัณฑ์ส่งออกของบริษัทใช้กลยุทธ์ทางการตลาด ที่เหมือนหรือแตกต่างกันเพียงใด
      (1 หมายความว่า สายผลิตภัณฑ์ต่างๆ (product lines) ของบริษัทใช้ กลยุทธ์ทางการตลาดที่แตกต่างกันอย่างมาก
      9 หมายความว่า สายผลิตภัณฑ์ต่างๆ ใช้กลยุทธ์ทางการตลาดเพียงแบบเดียว หรือ ที่คล้ายคลึงกันอย่างมาก)

      ใช้กลยุทธ์ที่ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ใช้กลยุทธ์ที่
      ต่างกันมาก 1 2 3 4 5 6 7 8 9 เหมือนกันมาก

   4. สายผลิตภัณฑ์ส่งออก (Export product lines) ของบริษัทมีลักษณะอย่างไร
      (1 หมายความว่า บริษัทมีหลายสายผลิตภัณฑ์ที่แตกต่างกันอย่างมากและครอบคลุมความต้องการของลูกค้าได้กว้างขวาง
      9 หมายความว่า บริษัทเจาะจงขายเพียงไม่กี่สายผลิตภัณฑ์)

      มีสินค้าแตกต่าง ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ มีสินค้าเฉพาะ
      และครอบคลุมมาก 1 2 3 4 5 6 7 8 9 เจาะจงมาก

ส่วนที่ 3 ความสามารถในการจัดซื้อ

1. ท่านมีความเห็นด้วยมากน้อยเพียงใดกับประโยคดังต่อไปนี้ ซึ่งบ่งบอกถึงความสามารในการจัดซื้อวัตถุดิบของบริษัท
   ในระยะเวลา 3 ปีที่ผ่านมา

	ไม่เห็นด้วย อย่างยิ่ง							เห็นด้วย อย่างยิ่ง	

1. บริษัทซื้อวัตถุดิบได้ในราคาที่ไม่แพงไปกว่า
   ราคาที่ซื้อขายกันอยู่ (บริษัทมักซื้อของที่ไม่ได้แพงกว่าคู่แข่ง).......... 1 2 3 4 5 6 7 8 9
2. บริษัทมีแหล่งซื้อวัตถุดิบที่ไว้ใจได้ ซึ่งมีวัตถุดิบพร้อมให้โรงงาน....... 1 2 3 4 5 6 7 8 9
3. บริษัทสามารถบริหารจัดการ ให้ได้มาซึ่งวัตถุดิบที่จำเป็นต่อการ
   ผลิตได้ โดยไม่ให้การขาดตอนของวัตถุดิบเกิดขึ้น......................... 1 2 3 4 5 6 7 8 9
4. บริษัทพยายามอย่างต่อเนื่องในการหาซื้อวัตถุดิบที่มีความ
   คุ้มค่าทั้งด้านคุณภาพและราคา................................ 1 2 3 4 5 6 7 8 9
5. บริษัทมีความสัมพันธ์ที่ดีกับผู้ขายวัตถุดิบหลัก ไม่ได้มี
   ความสัมพันธ์แบบปฏิปักษ์ต่อกัน................................ 1 2 3 4 5 6 7 8 9
6. ฝ่ายจัดซื้อของบริษัทมักจะทำงานได้ถูกต้องเสมอ โดยมีข้อผิด
   พลาดในการจัดซื้อน้อยมาก................................ 1 2 3 4 5 6 7 8 9

ส่วนที่ 4 การใช้แนวคิดการตลาดในการส่งออก (Export Market Orientation)

1. ท่านมีความเห็นด้วยมากน้อยเพียงใดกับประโยคดังต่อไปนี้ ซึ่งเกี่ยวกับการใช้แนวคิดการตลาดในการส่งออกในบริษัทของท่าน
   ในระยะเวลา 3 ปีที่ผ่านมา (กรุณา กากบาท ลงบนตัวเลขที่เหมาะสม โดย 1 หมายความว่า ไม่เห็นด้วยอย่างยิ่ง และ 9
   หมายความว่า เห็นด้วยอย่างยิ่ง)

   การหาข้อมูลในด้านต่าง ๆ

   (คำอธิบาย: การหาข้อมูลเกิดขึ้นได้หลายรูปแบบ เช่น ได้ข้อมูลจากสื่อต่างๆ หรืออาจได้มาจากการพูดคุยกับบุคคลต่างๆ เป็นต้น)

	ไม่เห็นด้วย อย่างยิ่ง							เห็นด้วย อย่างยิ่ง	

1. บริษัทมีการสังเกตดูการเปลี่ยนแปลงสภาวะแวดล้อมที่
   เกี่ยวกับการส่งออก (เช่น การแข่งขัน, การเมือง, เศรษฐกิจ,
   กฎหมาย) อยู่เป็นระยะๆ เพื่อดูผลกระทบที่อาจจะเกิดขึ้น............ 1 2 3 4 5 6 7 8 9
2. บุคลากรของบริษัทมีการติดต่อสื่อสารกับลูกค้าส่งออกโดยตรง
   เพื่อเรียนรู้ว่าจะตอบสนองความต้องการลูกค้าให้ดีขึ้นได้อย่างไร.... 1 2 3 4 5 6 7 8 9
3. บริษัทมีการเรียนรู้เกี่ยวกับเรื่องคุณภาพของสินค้าจาก
   ลูกค้าส่งออก................................ 1 2 3 4 5 6 7 8 9
4. บริษัทมีการศึกษาหาข้อมูล ที่เกี่ยวกับ แนวโน้มด้านต่างๆ เช่น
   ด้านกฎหมาย สภาวะการเมือง หรือ เศรษฐกิจ ในตลาดส่งออก..... 1 2 3 4 5 6 7 8 9
5. บริษัทมีการศึกษาหาข้อมูลเพื่อที่จะเข้าใจว่าปัจจัยใดบ้างที่มี
   อิทธิพลต่อความต้องการสินค้าของลูกค้า........................ 1 2 3 4 5 6 7 8 9
6. บริษัททำการหาข้อมูลอย่างเพียงพอเพื่อให้ทราบถึงความ
   เคลื่อนไหวของคู่แข่งในตลาดส่งออก........................ 1 2 3 4 5 6 7 8 9
7. บริษัทมีการติดต่อสื่อสารเป็นประจำกับลูกค้าปัจจุบัน และ
   กับบริษัทที่มีแนวโน้มจะมาเป็นลูกค้าของบริษัท..................... 1 2 3 4 5 6 7 8 9

	ไม่เห็นด้วย อย่างยิ่ง								เห็นด้วย อย่างยิ่ง

การกระจาย หรือส่งต่อข้อมูลในบริษัท

1. หลายแผนกในบริษัทมีการประชุมร่วมกันเพื่อพูดถึงแนวโน้ม หรือ พัฒนาการ ในด้านต่างๆ เช่น กฎหมาย เทคโนโลยี ฯลฯ ที่เกิดขึ้นในตลาดส่งออก.. 1 2 3 4 5 6 7 8 9

2. บริษัทมีการเผยแพร่เอกสาร ข้อมูล หรือ ข่าวคราวต่างๆ อย่างที่เป็นทางการ หรือ อย่างที่ไม่เป็นทางการ ซึ่งเกี่ยวกับลูกค้าส่งออก ให้แก่บุคลากรของบริษัทได้รับทราบอยู่เป็นระยะๆ..................... 1 2 3 4 5 6 7 8 9

3. ข้อมูลสำคัญที่เกี่ยวกับคู่แข่งของบริษัทที่ได้มา จะไม่ถูก เก็บไว้เฉยๆ แต่จะถูกส่งไปยังผู้ที่เกี่ยวข้อง.................................. 1 2 3 4 5 6 7 8 9

4. บุคลากรฝ่ายส่งออกมักจะให้หรือส่งข้อมูลที่เกี่ยวกับตลาดส่งออก ให้แก่ฝ่ายอื่นๆที่เกี่ยวข้องด้วยเสมอ........................... 1 2 3 4 5 6 7 8 9

5. บ่อยครั้งที่ข้อมูลซึ่งเกี่ยวกับการเคลื่อนไหวของคู่แข่งในตลาด ส่งออกจะถูกส่งไปถึงบุคลากรที่เกี่ยวข้องในบริษัทอย่างทันท่วงที... 1 2 3 4 5 6 7 8 9

6. ทุกๆข้อมูล หรือ ข่าวคราวที่สำคัญทั้งหมดที่เกี่ยวกับแนวโน้ม ในด้านต่างๆของตลาดส่งออก เช่น ด้านกฎหมาย ความต้องการ สินค้า กฎระเบียบต่างๆ จะสามารถถูกเผยแพร่ หรือถูกส่งไป ถึงผู้ที่เกี่ยวข้องได้เสมอ.. 1 2 3 4 5 6 7 8 9

7. ข้อมูลทั้งหมด หรือ ข่าวสารที่ได้มาที่เกี่ยวข้องกับบริษัทคู่แข่งจะ ถูกส่งไปถึงผู้มีอำนาจในการตัดสินใจของบริษัท ข้อมูลเหล่านั้น จะไม่ถูกละทิ้งไปโดยเปล่าประโยชน์.................................. 1 2 3 4 5 6 7 8 9

8. ข้อมูลทั้งหมดที่เกี่ยวข้องกับสภาวะการแข่งขันในตลาดส่งออก จะถูกทำการเผยแพร่ เพื่อแบ่งปันข้อมูลกันในบริษัท.................. 1 2 3 4 5 6 7 8 9

9. บริษัทใช้เวลาที่เหมาะสม ไม่นานเกินไป ในการเผยแพร่ข้อมูลที่ มีอิทธิพลต่อการดำเนินงานของบริษัทในการตอบสนองความ ต้องการของลูกค้าให้แก่บุคลากรฝ่ายส่งออก.......................... 1 2 3 4 5 6 7 8 9

10. ผู้บริหารระดับสูงมีการพูดถึงกลยุทธ์ หรือ จุดแข็งของบริษัทคู่แข่ง ในตลาดส่งออก ให้แก่บุคลากรในบริษัทได้รับฟังอยู่เป็นประจำ...... 1 2 3 4 5 6 7 8 9

	ไม่เห็นด้วย อย่างยิ่ง								เห็นด้วย อย่างยิ่ง

การตอบสนองต่อข้อมูลที่ได้รับมา

1. บริษัทไม่เคยละเลย หรือ เพิกเฉยต่อการเปลี่ยนแปลงในความ ต้องการสินค้าหรือบริการของลูกค้าส่งออก............................ 1 2 3 4 5 6 7 8 9

2. บริษัทมักพัฒนา หรือ ผลิตสินค้าที่สอดคล้อง ตรงกับความ ต้องการของตลาดส่งออก.. 1 2 3 4 5 6 7 8 9

3. แผนกต่างๆในบริษัทมีการประชุมร่วมกัน เพื่อวางแผนเป็นระยะๆ ในการรับมือ กับการเปลี่ยนแปลงของสภาวะแวดล้อมด้านต่างๆ ที่เกิดขึ้นในตลาดส่งออก (เช่นการเปลี่ยนแปลงทางด้าน กฎระเบียบ เศรษฐกิจ หรือ เทคโนโลยี) 1 2 3 4 5 6 7 8 9

		ไม่เห็นด้วย อย่างยิ่ง									เห็นด้วย อย่างยิ่ง

4. หากคู่แข่งหลักของบริษัทใช้กลยุทธ์ที่มุ่งเน้นไปยังกลุ่มลูกค้า
ของบริษัท บริษัทจะดำเนินการรับมือ หรือ ตอบโต้โดยทันที.......... 1 2 3 4 5 6 7 8 9

5. บริษัทรับฟังคำติเตียน หรือ ข้อเสนอแนะอย่างจริงจัง จากลูกค้า
ส่งออกเสมอ และนำข้อมูลดังกล่าวไปใช้หาแนวทางในการ
แก้ไขปรับปรุงในด้านต่างๆ... 1 2 3 4 5 6 7 8 9

6. บริษัทมีความรวดเร็วในการดำเนินการรับมือ หรือ ตอบโต้ กับ
การเปลี่ยนแปลงราคาขายของคู่แข่ง...................................... 1 2 3 4 5 6 7 8 9

7. เมื่อบริษัททราบว่าลูกค้าส่งออกไม่พอใจกับคุณภาพของสินค้า
หรือบริการ บริษัทจะทำการแก้ไขโดยทันที.............................. 1 2 3 4 5 6 7 8 9

8. บริษัทมีความรวดเร็วในการดำเนินการรับมือกับการเปลี่ยน
แปลงที่สำคัญของสภาวะแวดล้อมด้านต่างๆที่เกิดขึ้น
ในตลาดส่งออก เช่น ด้านกฎหมาย, เทคโนโลยี, เศรษฐกิจ 1 2 3 4 5 6 7 8 9

9. กลยุทธ์ในการดำเนินธุรกิจส่งออกของบริษัทถูกผลักดันด้วย
แนวความคิดที่ว่าบริษัทจะสามารถสร้างมูลค่าหรือ
ทำประโยชน์เพิ่มให้แก่ลูกค้าได้อย่างไร................................... 1 2 3 4 5 6 7 8 9

10. บริษัทมีความใส่ใจอย่างใกล้ชิดต่อความต้องการสินค้า
หรือบริการของลูกค้าส่งออก.. 1 2 3 4 5 6 7 8 9

11. บริษัทสามารถรับมือ หรือ โต้ตอบกับการดำเนินการของคู่แข่ง
ที่คุกคามตลาดส่งออกของบริษัทได้อย่างรวดเร็ว........................ 1 2 3 4 5 6 7 8 9

12. กลยุทธ์ส่งออกของบริษัทที่ใช้สร้างความได้เปรียบในการแข่งขัน
อยู่บนพื้นฐานของความต้องการของตลาดส่งออก........................ 1 2 3 4 5 6 7 8 9

ส่วนที่ 5 สิ่งแวดล้อม หรือ สภาวะแวดล้อมทางธุรกิจ

1. ท่านมีความเห็นด้วยมากน้อยเพียงใดกับประโยคดังต่อไปนี้เกี่ยวกับสิ่งแวดล้อมทางธุรกิจของบริษัทในระยะเวลา 3 ปีที่ผ่านมา

	ไม่เห็นด้วย อย่างยิ่ง									เห็นด้วย อย่างยิ่ง

สภาวะด้านการแข่งขัน

1. การแข่งขันทางธุรกิจในอุตสาหกรรมนี้มีสูงมาก....................... 1 2 3 4 5 6 7 8 9

2. มีการแข่งขันกันด้านราคา (price wars) เป็นอย่างมาก 1 2 3 4 5 6 7 8 9

3. ไม่ว่าบริษัทหนึ่งบริษัทใดในกลุ่มอุตสาหกรรมนี้จะเสนออะไร
ให้แก่ลูกค้า อีกบริษัทหนึ่งก็สามารถเสนอในสิ่งนั้นให้
แก่ลูกค้าได้โดยฉับพลันเช่นเดียวกัน...................................... 1 2 3 4 5 6 7 8 9

4. การแข่งขันด้านราคา เป็นเรื่องที่เกิดขึ้นโดยปกติในอุตสาหกรรมนี้.. 1 2 3 4 5 6 7 8 9

5. คู่แข่งของบริษัทมีความแข็งแกร่ง เมื่อเทียบกับบริษัทของท่าน....... 1 2 3 4 5 6 7 8 9

ความต้องการของลูกค้า

1. ลูกค้าส่งออกในอุตสาหกรรมนี้จะเสียค่าใช้จ่ายที่
ต่ำมาก ในการเปลี่ยนไปติดต่อซื้อกับบริษัทหรือผู้ผลิตรายอื่น....... 1 2 3 4 5 6 7 8 9

2. ลูกค้าส่งออกมีทางเลือกมากในการที่จะซื้อสินค้าลักษณะ
เดียวกัน จากผู้ผลิตรายอื่นๆ ที่มีอยู่มาก................................ 1 2 3 4 5 6 7 8 9

3. ลูกค้าส่งออกมักจะสอบถามราคาจากหลายๆบริษัทอยู่เสมอ
เพื่อเปรียบเทียบราคา... 1 2 3 4 5 6 7 8 9

4. ลูกค้าส่งออกมีการตอบสนองที่เร็วมากต่อการเปลี่ยนแปลงราคา... 1 2 3 4 5 6 7 8 9

ส่วนที่ 6 ผลประกอบการโดยเฉลี่ยในระยะเวลา 3 ปีที่ผ่านมา

1. ท่านมีความเห็นด้วยมากน้อยเพียงใดกับประโยคดังต่อไปนี้ ซึ่งเกี่ยวกับผลประกอบการของบริษัท ในด้านต่างๆ

	ไม่เห็นด้วย อย่างยิ่ง							เห็นด้วย อย่างยิ่ง

ผลกำไรของธุรกิจส่งออก

1. เมื่อเปรียบเทียบกับผลประกอบการเฉลี่ยของอุตสาหกรรม
    ผลกำไรของบริษัทอยู่ในระดับที่ดี…………………………… 1 2 3 4 5 6 7 8 9
2. บริษัทประสบความสำเร็จในการสร้างผลกำไรที่สูง………………… 1 2 3 4 5 6 7 8 9
3. ธุรกิจส่งออกของบริษัทเป็นธุรกิจที่มีผลกำไรดี……………………… 1 2 3 4 5 6 7 8 9
4. เมื่อเปรียบเทียบกับเป้าหมาย ด้านผลกำไรของธุรกิจส่งออกแล้ว
    นับได้ว่าบริษัทสามารถดำเนินธุรกิจได้เป็นอย่างดี ……………… 1 2 3 4 5 6 7 8 9

	ไม่เห็นด้วย อย่างยิ่ง							เห็นด้วย อย่างยิ่ง

การขยายตัวของยอดส่งออก

1. เมื่อเปรียบเทียบกับผลประกอบการเฉลี่ยของอุตสาหกรรม
    ยอดส่งออกของบริษัทมีการขยายตัวสูงขึ้น…………………… 1 2 3 4 5 6 7 8 9
2. บริษัทประสบความสำเร็จในการทำให้ยอดส่งออกของบริษัท
    ขยายตัว…………………………………………………… 1 2 3 4 5 6 7 8 9
3. ยอดขายในธุรกิจส่งออกของบริษัทมีการเติบโตที่สูงขึ้น…………… 1 2 3 4 5 6 7 8 9
4. เมื่อเปรียบเทียบกับเป้าหมาย ด้านการขยายตัวของยอด
    ส่งออกแล้ว นับได้ว่าบริษัทสามารถดำเนินธุรกิจได้เป็นอย่างดี…… 1 2 3 4 5 6 7 8 9

	ไม่เห็นด้วย อย่างยิ่ง							เห็นด้วย อย่างยิ่ง

การรักษาฐานลูกค้าส่งออก

1. ลูกค้าหลายบริษัทที่เคยซื้อสินค้าจากบริษัทของท่านไป
    ยังคงดำเนินธุรกิจ ซื้อสินค้ากับบริษัทของท่านอยู่ ………………… 1 2 3 4 5 6 7 8 9
2. ลูกค้าปัจจุบันทั้งหมดของบริษัท จะยังคงรักษาความสัมพันธ์
    ทางธุรกิจโดยซื้อสินค้ากับบริษัทของท่านต่อไปในอนาคต………… 1 2 3 4 5 6 7 8 9
3. ลูกค้าปัจจุบันของบริษัท ไม่น่าที่จะเปลี่ยนไปซื้อสินค้าจาก
    บริษัทคู่แข่ง………………………………………………… 1 2 3 4 5 6 7 8 9
4. ลูกค้าในปัจจุบันจำนวนมากเป็นลูกค้าเดิมของบริษัท
    มาก่อน……………………………………………………… 1 2 3 4 5 6 7 8 9
5. เมื่อเปรียบเทียบกับบริษัทส่วนใหญ่ในอุตสาหกรรม บริษัทของท่าน
    สามารถรักษาฐานลูกค้าส่งออกได้อย่างประสบความสำเร็จ……… 1 2 3 4 5 6 7 8 9

2. บริษัทมีการขยายตัวของยอดส่งออกอยู่ในระดับใด (Growth Rate of Export Sales)_____%

3. บริษัทมีสัดส่วนของผลกำไรต่อสินทรัพย์ (Return on Assets) อยู่ในระดับใด _____%

4. บริษัทมีสัดส่วนของผลกำไรต่อยอดขาย (Return on Sales) อยู่ในระดับใด _____%

ขอขอบพระคุณเป็นอย่างสูงที่ท่านกรุณาตอบแบบสอบถามนี้

โปรดกรุณาส่งแบบสอบถามนี้คืน ก่อนวันที่_____

โดยส่งทางไปรษณีย์ตามซองจดหมายปิดแสตมป์ที่แนบมานี้ หรือกรุณาแฟกซ์มายัง 02-476-5191
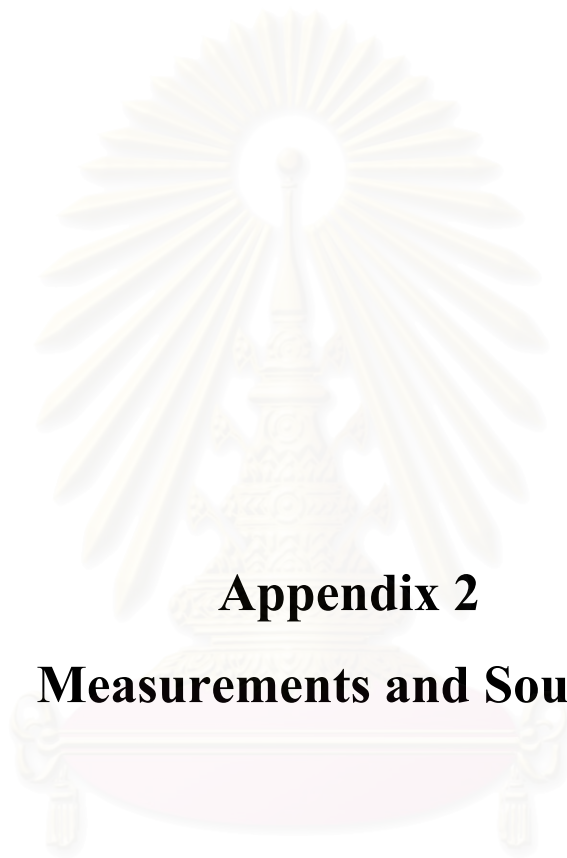
Appendix 2

Measurements and Sources

Construct Measures and Sources

This appendix shows the measurement items of constructs. To ensure validity, all measurement items are based on extensive literature review. Some items are adopted and/or modified from past studies, whereas others are derived or developed from relevant literature.

Business Strategy

Cost Leadership

No	Items	Adapted/Derived From
1	Improving efficiency and productivity	Beal, 2000
2	Developing new manufacturing processes	Beal, 2000
3	Improving existing manufacturing processes	Beal, 2000
4	Reducing overall costs	Beal, 2000
5	Reducing manufacturing costs	Beal, 2000
6	Using new production technology	Beal, 2000
7	Competitive pricing practice	Baldauf, Cravens, & Wagner, 2000

Differentiation

No	Items	Adapted/Derived From
1	Building brand	Beal, 2000; Baldauf, Cravens, & Wagner, 2000
2	Building firm reputation	Beal, 2000
3	Improving existing products	Beal, 2000
4	Strict product quality control	Beal, 2000
5	Product improvements based on gaps in meeting customer expectations	Beal, 2000
6	Offering premium product quality	Beal, 2000; Nayyar, 1993
7	Differentiate products from competitor	Aulakh, Kotabe, & Teegen, 2000

Focus

No	Items	Adapted/Derived From
1	How differently the export products lines were produced?	Miller, 1988
2	Export products lines rely on similar production technology.	Miller, 1988
3	How differently the export products lines were marketed?	Miller, 1988
4	Please characterize your firm's export product lines.	Miller, 1988

Purchasing

No	Items	Adapted/Derived From
1	Our firm buys competitively.	Dobler, & Burt, 1996; Scheuing, 1989
2	Our firm has an access to reliable sources of supply.	Dobler, & Burt, 1996; Scheuing, 1989
3	Our firm is capable of supporting company operations with an uninterrupted flow of materials.	Dobler, & Burt, 1996; Scheuing, 1989
4	Our firm continually searches for better values that yield the best combination of required quality level and price.	Dobler, & Burt, 1996; Scheuing, 1989
5	Our firm maintains a good rather than an adversarial relationship with main suppliers.	Dobler, & Burt, 1996; Scheuing, 1989
6	Our purchasing always performs accurately with little error.	Dobler, & Burt, 1996; Chao, Scheuing, & Ruch ,1993

Export Market Orientation

Intelligence Generation

No	Items	Adapted/Derived From
1	Our firm periodically monitors or reviews the likely effect of changes in our export environment (e.g. changes in technology, regulations).	Cadogan, Diamantopoulos, & Mortanges, 1999
2	Our firm personnel interact directly with export customers to learn how to serve them better.	Cadogan, Diamantopoulos, & Mortanges, 1999
3	Our firm can learn about the quality issues of company product from the export customer.	Cadogan, Diamantopoulos, & Mortanges, 1999
4	Our firm generates a lot of information concerning trends (e.g. regulation, politics, economy) in our export markets.	Cadogan, Diamantopoulos, & Mortanges, 1999
5	Our firm generates a lot of information in order to understand the forces which influence our customers' needs.	Cadogan, Diamantopoulos, & Mortanges, 1999
6	Our firm generates enough information concerning our competitors' activities in our export markets.	Cadogan, Diamantopoulos, & Mortanges, 1999
7	Our firm regularly communicates or interacts with our current and prospective export customers.	Cadogan, Diamantopoulos, & Mortanges, 1999

Intelligence Dissemination

No	Items	Adapted/Derived From
1	Our firm has interfunctional meetings at least once a quarter to discuss trends and developments (e.g. regulatory, technology) in our export markets.	Cadogan, Diamantopoulos, & Mortanges, 1999
2	Our firm periodically circulates formal/informal documents (e.g. reports, internal email messages) that provide information on export customers.	Cadogan, Diamantopoulos, & Mortanges, 1999

No	Items	Adapted/Derived From
3	Important information about our export competitors never gets 'lost in the system'.	Cadogan, Diamantopoulos, & Mortanges, 1999
4	Export personnel always pass on information about export markets to other relevant functions/units.	Cadogan, Diamantopoulos, & Mortanges, 1999
5	Information about our export competitors' activities often reaches relevant personnel in a timely manner.	Cadogan, Diamantopoulos, & Mortanges, 1999
6	All Important information concerning export market trends (e.g. regulatory, technology, customer demand) can always get through the communication chain to relevant personnel.	Cadogan, Diamantopoulos, & Mortanges, 1999
7	All generated or derived information concerning our export competitors reaches decision markers (i.e. No information is discarded).	Cadogan, Diamantopoulos, & Mortanges, 1999
8	All information concerning our export competition is shared within this company.	Cadogan, Diamantopoulos, & Mortanges, 1999
9	Information which can influence the way we serve our export customers takes a reasonable amount of time to reach export personnel.	Cadogan, Diamantopoulos, & Mortanges, 1999
10	Top management regularly discusses export competitors' strengths and strategies.	Cadogan, Diamantopoulos, & Mortanges, 1999

Intelligence Responsiveness

No	Items	Adapted/Derived From
1	Our firm never ignores changes in our foreign customers' product or service needs.	Cadogan, Diamantopoulos, & Mortanges, 1999
2	Our firm develops or produces products that are in line with what foreign customers want.	Cadogan, Diamantopoulos, & Mortanges, 1999
3	Several departments get together periodically to plan a response to changes taking place in our foreign business environment (e.g. regulation,	Cadogan, Diamantopoulos, & Mortanges, 1999
4	If a major competitor were to launch a strategy targeted at our export customers, we would implement a response immediately.	Cadogan, Diamantopoulos, & Mortanges, 1999
5	Our firm always seriously takes export customer complaints or feedback into consideration to find remedy.	Cadogan, Diamantopoulos, & Mortanges, 1999
6	Our firm is quick to respond to significant changes in our competitors' price.	Cadogan, Diamantopoulos, & Mortanges, 1999
7	When our firm finds out that export customers are unhappy with the quality of our products or services, we take corrective action immediately.	Cadogan, Diamantopoulos, & Mortanges, 1999

8	We are quick to respond to important changes in our export business environment.	Cadogan, Diamantopoulos, & Mortanges, 1999
9	Our export business strategies are driven by our beliefs about how we can create greater value for export customers.	Cadogan, Diamantopoulos, & Mortanges, 1999
10	Our firm gives close attention to what export customers want in term of products or services.	Cadogan, Diamantopoulos, & Mortanges, 1999
11	Our firm rapidly responds to competitive actions that threaten us.	Cadogan, Diamantopoulos, & Mortanges, 1999
12	Our export strategy for competitive advantage is based on our understanding of export customer needs.	Cadogan, Diamantopoulos, & Mortanges, 1999

Environment

Competitive Intensity

No	Items	Adapted/Derived From
1	Competition in our industry is cutthroat.	Jaworski, & Kohli, 1993
2	There are many "price wars" in our industry.	Jaworski, & Kohli, 1993
3	Anything that one competitor can offer, others can match readily.	Jaworski, & Kohli, 1993
4	Price competition is the norm of our industry.	Jaworski, & Kohli, 1993
5	Our competitors are relatively strong.	Jaworski, & Kohli, 1993

Demand-side Influence

No	Items	Adapted/Derived From
1	Changing suppliers or manufacturers costs very little for customers.	Wheelen, & Hunger, 1998
2	The number of alternative suppliers is plentiful for our export customers.	Wheelen, & Hunger, 1998
3	Our export customers always shop around for lower price.	Wheelen, & Hunger, 1998
4	Our export customers are very sensitive to price changes.	Wheelen, & Hunger, 1998

Export Performance

Export Profitability

No	Items	Adapted/Derived From
1	Compared to industry average, how has your company performed in term of export profitability over the past three years?	Aaby, & Slater, 1989; Zou, & Stan, 1998
2	To what extent are you satisfied with the level of export profitability over the past three years?	Aaby, & Slater, 1989; Zou, & Stan, 1998
3	How profitable has the export business been over the past three years?	Aaby, & Slater, 1989; Zou, & Stan, 1998
4	Relative to firm's target, how has your firm performed in term of export profitability over the past three years?	Aaby, & Slater, 1989; Zou, & Stan, 1998

Export Sales Growth

No	Items	Adapted/Derived From
1	Compared to industry average, how has your company performed in term of export sales growth over the past three years?	Aaby, & Slater, 1989; Zou, & Stan, 1998
2	To what extent are you satisfied with the level of export sales growth over the past three years?	Aaby, & Slater, 1989; Zou, & Stan, 1998
3	How has the export business performed over the past three year in term of export sales growth?	Aaby, & Slater, 1989; Zou, & Stan, 1998
4	Relative to firm's target, how has your firm performed in term of export sales growth over the past three years?	Aaby, & Slater, 1989; Zou, & Stan, 1998

Export Customer Retention

No	Items	Adapted/Derived From
1	Many export customers who used to buy from us still continue doing business with our firm.	Kotler, 1997
2	All of our existing export customers will likely keep their business relationship with us in the future.	Kotler, 1997
3	Our existing export customers are unlikely to switch to our competitors.	Kotler, 1997
4	We cater to many of the same customers that we did in the past.	Jaworski, & Kohli, 1993
5	Compared to the industry norm, our company can retain customers successfully.	Sin, Tse, Yau, Chow, & Lee, 2001; Kotler, 1997
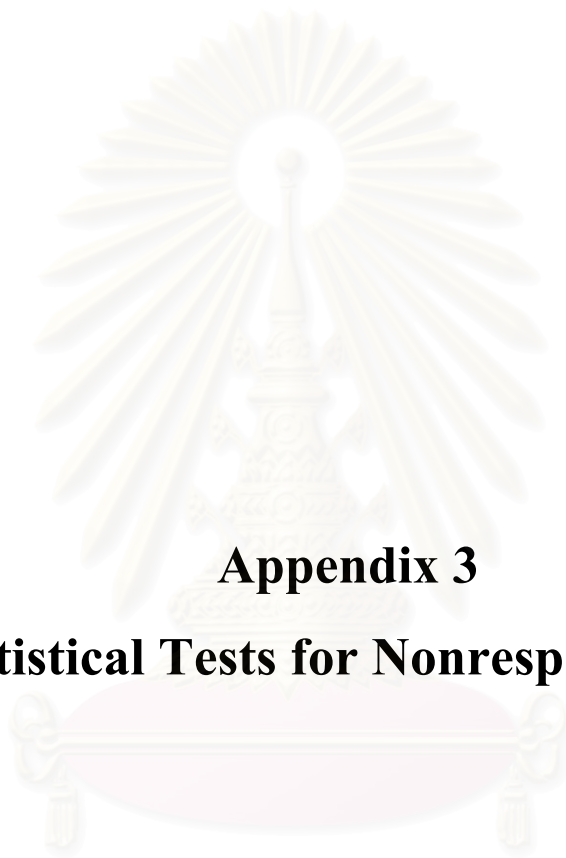
Appendix 3

Statistical Tests for Nonresponse Bias

Detection of Nonresponse Bias

Group Statistics

	Response	N	Mean	Std. Deviation
Export Experience	Early Response	115	15.80	8.42
	Late Response	166	16.73	9.26
Number of Employees	Early Response	107	571.38	1,082.68
	Late Response	149	610.81	717.46
Export Percentage	Early Response	99	73.84	29.28
	Late Response	151	79.61	27.74

Independent Samples Test

Characteristics	t-test for Equality of Means		
	t	Sig.	Mean Difference
Export Experience	-0.87	0.386	-0.94
Number of Employees	-0.35	0.726	-39.42
Export Percentage	-1.57	0.117	-5.77
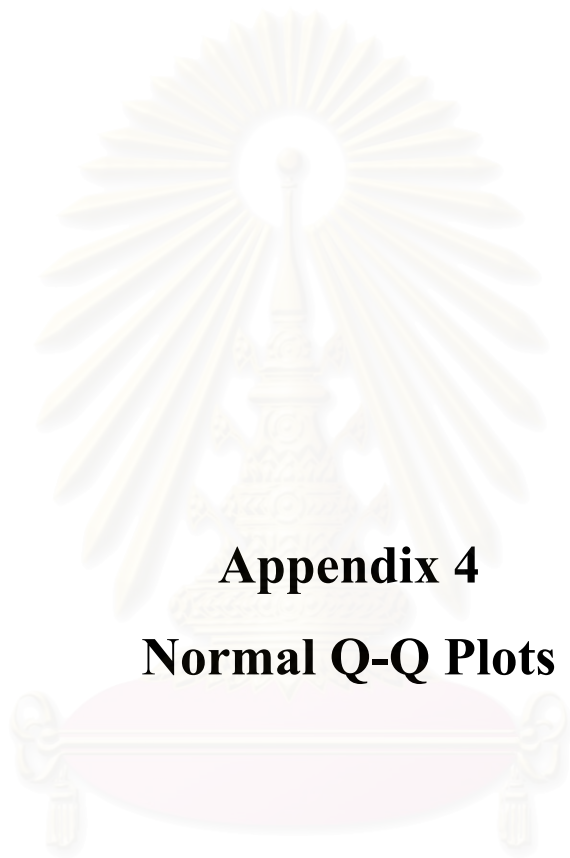
Appendix 4

Normal Q-Q Plots

Normal Q-Q Plots*

1) Normal Q-Q Plot of lc1
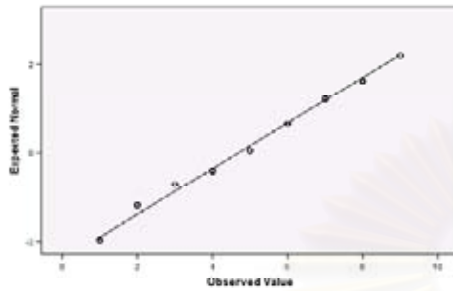
2) Normal Q-Q Plot of df1
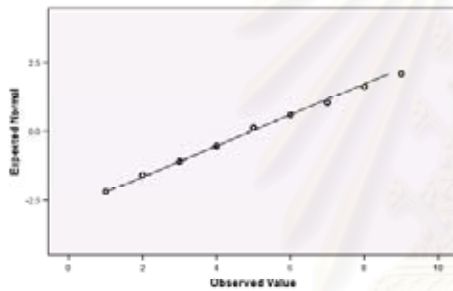
3) Normal Q-Q Plot of fc1

4) Normal Q-Q Plot of pur1

5) Normal Q-Q Plot of g1

6) Normal Q-Q Plot of d1
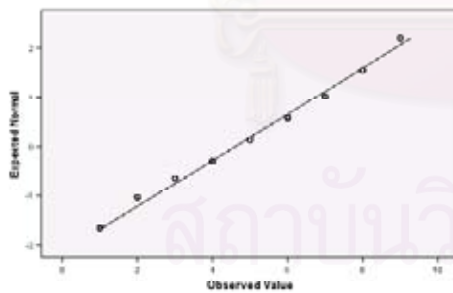
7) Normal Q-Q Plot of r1
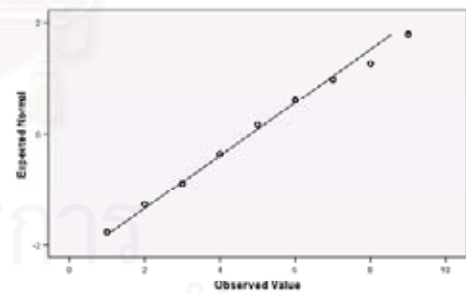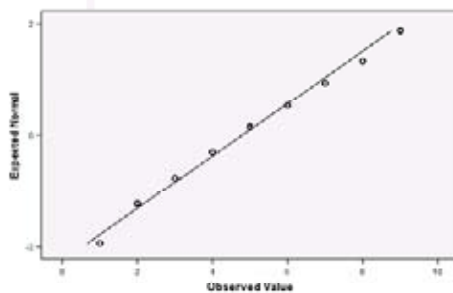
8) Normal Q-Q Plot of com1
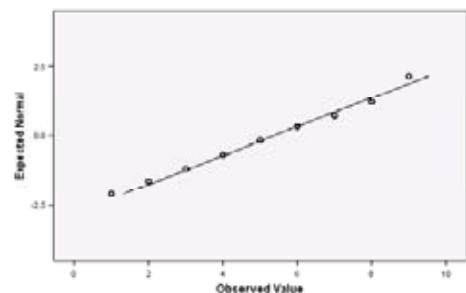
9) Normal Q-Q Plot of dd1
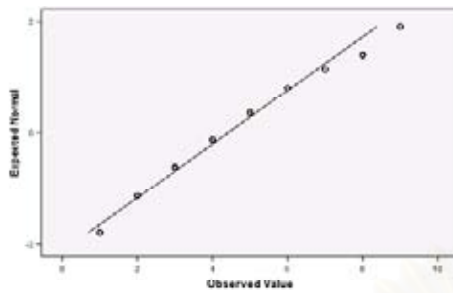
11) Normal Q-Q Plot of gr1
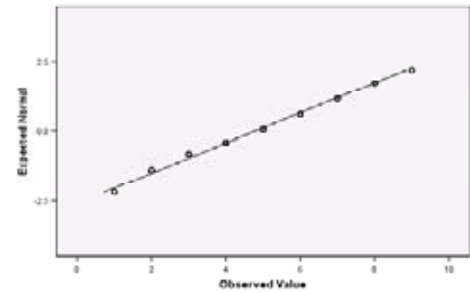
10) Normal Q-Q Plot of pf1
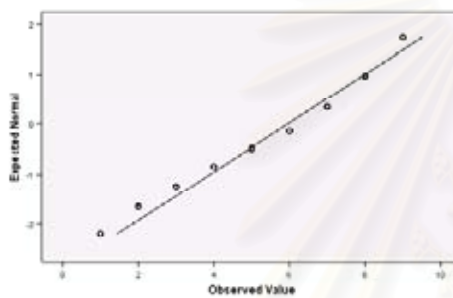
12) Normal Q-Q Plot of cr1
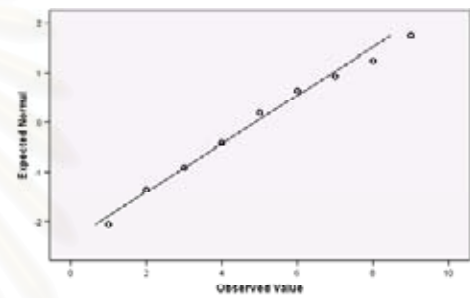
*Note: Since most variables belonging to the same construct tend to have similar shapes of plots,
showing all plots look redundant. Therefore, only plots of the first variables of all
multi-item constructs are presented here in order to save space. However, the other 63
plots (not shown) are also available from the author.
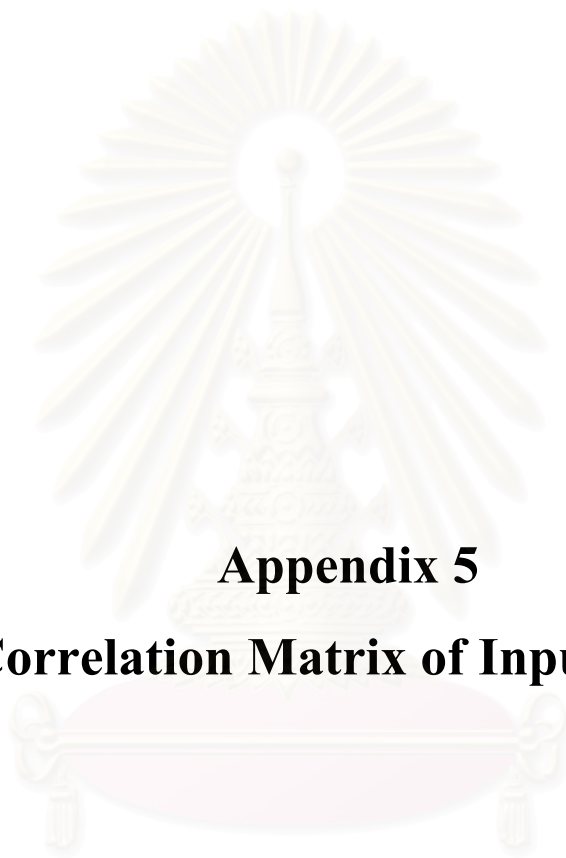
Appendix 5

Correlation Matrix of Input Data

How to Read the Correlation Table

Since the correlation table is too big to present in a single page, it is broken down and presented in six pages. Below is the organization of the table. The shaded area represents correlation values.

176	178	-	-
177	179	180	181

	lc1	lc2	lc3	lc4	lc5	lc6	lc7	df1	df2	df3	df4	df5	df6	df7	FC1	FC2	FC3	FC4	pur1	pur2
lc1	1																			
lc2	.439(**)	1																		
lc3	.696(**)	.400(**)	1																	
lc4	.760(**)	.473(**)	.688(**)	1																
lc5	.698(**)	.348(**)	.681(**)	.732(**)	1															
lc6	.775(**)	.450(**)	.741(**)	.749(**)	.701(**)	1														
lc7	.230(**)	.196(**)	.260(**)	.278(**)	.272(**)	.327(**)	1													
df1	.365(**)	.338(**)	.368(**)	.395(**)	.350(**)	.362(**)	0.038	1												
df2	.324(**)	.349(**)	.362(**)	.307(**)	.281(**)	.335(**)	0.075	.370(**)	1											
df3	.342(**)	.205(**)	.419(**)	.402(**)	.411(**)	.411(**)	0.109	.318(**)	.340(**)	1										
df4	.400(**)	.189(**)	.418(**)	.359(**)	.318(**)	.390(**)	0.047	.296(**)	.392(**)	.328(**)	1									
df5	.369(**)	.231(**)	.331(**)	.326(**)	.377(**)	.387(**)	0.064	.353(**)	.400(**)	.321(**)	.440(**)	1								
df6	.404(**)	.321(**)	.389(**)	.394(**)	.371(**)	.396(**)	0.091	.354(**)	.363(**)	.374(**)	.399(**)	.347(**)	1							
df7	.471(**)	.276(**)	.424(**)	.429(**)	.451(**)	.412(**)	.146(*)	.434(**)	.375(**)	.427(**)	.422(**)	.434(**)	.357(**)	1						
FC1	.306(**)	.228(**)	.291(**)	.316(**)	.300(**)	.324(**)	-0.020	.204(**)	.193(**)	.253(**)	.191(**)	.210(**)	.213(**)	.195(**)	1					
FC2	.311(**)	.196(**)	.224(**)	.262(**)	.258(**)	.313(**)	0.035	.201(**)	.213(**)	.153(*)	.222(**)	.274(**)	.233(**)	.164(**)	.628(**)	1				
FC3	.300(**)	.215(**)	.321(**)	.298(**)	.282(**)	.363(**)	0.076	.181(**)	.209(**)	.194(**)	.221(**)	.276(**)	.224(**)	.180(**)	.599(**)	.646(**)	1			
FC4	.248(**)	.174(**)	.267(**)	.292(**)	.258(**)	.324(**)	0.036	.202(**)	.232(**)	.242(**)	.251(**)	.219(**)	.172(**)	.197(**)	.647(**)	.656(**)	.633(**)	1		
pur1	.246(**)	.148(*)	.218(**)	.223(**)	.209(**)	.266(**)	0.044	.133(*)	.166(**)	.271(**)	.344(**)	0.099	.201(**)	.214(**)	.234(**)	.239(**)	.266(**)	.294(**)	1	
pur2	.245(**)	.165(**)	.217(**)	.214(**)	.240(**)	.281(**)	-0.021	.173(**)	.152(*)	.190(**)	.199(**)	.187(**)	.252(**)	0.113	.238(**)	.315(**)	.245(**)	.223(**)	.436(**)	1
pur3	.311(**)	.176(**)	.255(**)	.319(**)	.290(**)	.360(**)	.131(*)	.228(**)	.169(**)	.255(**)	.339(**)	.252(**)	.238(**)	.197(**)	.217(**)	.295(**)	.237(**)	.220(**)	.406(**)	.469(**)
pur4	.320(**)	.165(**)	.243(**)	.324(**)	.306(**)	.351(**)	0.030	.203(**)	.172(**)	.303(**)	.257(**)	.194(**)	.253(**)	.183(**)	.328(**)	.345(**)	.313(**)	.315(**)	.459(**)	.436(**)
pur5	.304(**)	.178(**)	.241(**)	.267(**)	.256(**)	.245(**)	0.109	.213(**)	.216(**)	.185(**)	.266(**)	.266(**)	.256(**)	.181(**)	.313(**)	.326(**)	.373(**)	.237(**)	.441(**)	.438(**)
pur6	.259(**)	.240(**)	.182(**)	.271(**)	.221(**)	.270(**)	0.056	.209(**)	.258(**)	.191(**)	.366(**)	.216(**)	.278(**)	.252(**)	.289(**)	.331(**)	.258(**)	.265(**)	.539(**)	.520(**)
g1	.196(**)	0.098	.267(**)	.163(**)	.199(**)	.211(**)	0.034	.121(*)	.136(*)	.177(**)	.211(**)	.193(**)	.125(*)	.147(*)	.175(**)	.127(*)	.188(**)	.230(**)	.142(*)	.119(*)
g2	.203(**)	.139(*)	.197(**)	.156(**)	.227(**)	.254(**)	.128(*)	.129(*)	0.116	.153(*)	.168(**)	.119(*)	.124(*)	0.087	.169(**)	.169(**)	.191(**)	.176(**)	.186(**)	0.079
g3	.181(**)	-.118(*)	.253(**)	.231(**)	.169(**)	.246(**)	-0.012	0.047	.121(*)	.165(**)	.147(*)	.122(*)	0.054	.122(*)	.265(**)	.147(*)	.189(**)	.232(**)	.164(**)	0.060
g4	.162(**)	0.116	.194(**)	.160(**)	.178(**)	.207(**)	-0.010	0.105	.148(*)	.175(**)	.171(**)	.153(*)	0.109	0.108	.177(**)	.208(**)	.243(**)	.259(**)	.191(**)	.151(*)
g5	.211(**)	.158(**)	.233(**)	.226(**)	.192(**)	.270(**)	0.061	0.103	.130(*)	.166(**)	.126(*)	.135(*)	0.095	.124(*)	.143(*)	.127(*)	.209(**)	.200(**)	.152(*)	.162(**)
g6	.193(**)	0.087	.273(**)	.198(**)	.231(**)	.262(**)	-0.030	0.027	.157(**)	.204(**)	.215(**)	.168(**)	.120(*)	0.108	.158(**)	.133(*)	.192(**)	.210(**)	.213(**)	.148(*)
g7	.256(**)	0.104	.271(**)	.213(**)	.275(**)	.278(**)	0.034	.192(**)	.176(**)	.240(**)	.202(**)	.182(**)	0.107	.216(**)	.146(*)	.134(*)	.182(**)	.191(**)	.148(*)	0.106
d1	0.051	-0.012	0.063	0.061	0.000	0.102	0.001	0.061	.135(*)	0.060	.136(*)	.131(*)	0.071	0.065	.172(**)	.120(*)	.218(**)	.246(**)	0.059	0.049
d2	0.105	0.075	.128(*)	.125(*)	0.115	.156(**)	0.096	.205(**)	0.103	.145(*)	.163(**)	.121(*)	0.107	.141(*)	.157(**)	0.115	.186(**)	.192(**)	0.088	0.106
d3	.136(*)	0.018	.142(*)	.124(*)	.138(*)	.194(**)	0.050	0.106	0.054	0.082	0.117	.131(*)	0.090	0.096	.176(**)	0.088	.156(**)	.235(**)	0.066	0.054
d4	0.080	-0.038	0.057	0.071	0.075	.124(*)	0.041	0.069	0.095	0.070	0.060	0.069	0.078	0.004	.148(*)	.146(*)	.185(**)	.208(**)	0.090	.120(*)
d5	.132(*)	0.006	.142(*)	.128(*)	0.091	.191(**)	0.093	0.051	0.067	.169(**)	0.071	.130(*)	0.032	0.029	.202(**)	.148(*)	.217(**)	.264(**)	0.107	0.069
d6	.152(*)	0.002	.150(*)	.148(*)	.172(**)	.215(**)	0.094	.149(*)	.177(**)	.194(**)	.206(**)	.202(**)	0.116	.126(*)	.167(**)	.171(**)	.209(**)	.268(**)	.146(*)	0.108
d7	0.117	0.054	.150(*)	0.094	.158(**)	.200(**)	0.087	0.111	0.077	.138(*)	0.044	.158(**)	.139(*)	0.096	.149(*)	.152(*)	.212(**)	.192(**)	.125(*)	0.111
d8	0.096	-0.002	.153(*)	.138(*)	0.093	.162(**)	0.074	.148(*)	.137(*)	0.117	.155(**)	.128(*)	0.104	0.035	.223(**)	.152(*)	.229(**)	.297(**)	0.078	0.044
d9	0.088	0.053	0.100	0.105	0.094	.135(*)	0.093	0.114	0.078	.152(*)	.128(*)	0.049	0.005	.120(*)	.182(**)	.156(**)	.196(**)	.249(**)	.153(*)	.156(**)

	lc1	lc2	lc3	lc4	lc5	lc6	lc7	df1	df2	df3	df4	df5	df6	df7	FC1	FC2	FC3	FC4	pur1	pur2
d10	.361(**)	.215(**)	.371(**)	.287(**)	.306(**)	.371(**)	0.092	.173(**)	.185(**)	.196(**)	.266(**)	.304(**)	.258(**)	.235(**)	.243(**)	.211(**)	.276(**)	.255(**)	.141(*)	.215(**)
r1	.189(**)	.120(*)	.203(**)	.256(**)	.263(**)	.306(**)	0.111	0.100	0.071	.152(*)	.144(*)	.142(*)	0.104	0.115	.243(**)	.265(**)	.272(**)	.294(**)	.240(**)	.150(*)
r2	.164(**)	0.096	.134(*)	.202(**)	.160(**)	.205(**)	0.095	0.020	0.030	0.082	0.064	0.051	0.115	0.007	.162(**)	.253(**)	.225(**)	.238(**)	.158(**)	0.074
r3	.163(**)	0.013	.152(*)	.201(**)	.128(*)	.212(**)	0.098	0.062	-0.004	0.051	0.095	0.071	0.082	0.026	.185(**)	.220(**)	.270(**)	.250(**)	.142(*)	0.029
r4	.259(**)	.125(*)	.218(**)	.225(**)	.204(**)	.288(**)	.142(*)	0.027	0.111	0.116	.131(*)	.192(**)	.158(**)	0.060	.215(**)	.252(**)	.319(**)	.280(**)	.149(*)	0.101
r5	.134(*)	.152(*)	.200(**)	.197(**)	.196(**)	.263(**)	0.082	0.032	0.013	.130(*)	.130(*)	.141(*)	0.075	0.010	.182(**)	.184(**)	.247(**)	.197(**)	.176(**)	.131(*)
r6	0.098	0.060	0.099	.164(**)	0.091	0.070	-0.069	.155(**)	0.012	0.099	0.062	0.091	0.116	0.073	.142(*)	0.080	.131(*)	0.094	-0.038	0.057
r7	.251(**)	.176(**)	.232(**)	.249(**)	.176(**)	.277(**)	.126(*)	0.045	0.078	.132(*)	.145(*)	0.089	0.101	0.044	.190(**)	.278(**)	.237(**)	.235(**)	.166(**)	0.101
r8	.199(**)	.120(*)	.206(**)	.225(**)	.197(**)	.268(**)	0.097	0.088	0.110	.121(*)	0.063	0.105	.154(*)	0.023	.192(**)	.207(**)	.259(**)	.233(**)	.190(**)	.135(*)
r9	.214(**)	0.107	.191(**)	.241(**)	.190(**)	.269(**)	0.037	0.094	0.090	0.089	.136(*)	0.105	0.094	0.073	.201(**)	.197(**)	.242(**)	.298(**)	.186(**)	.152(*)
r10	.187(**)	.172(**)	.195(**)	.222(**)	.146(*)	.201(**)	0.027	0.110	0.109	.119(*)	0.104	.188(**)	.122(*)	0.086	.224(**)	.205(**)	.250(**)	.233(**)	.146(*)	.148(*)
r11	.176(**)	.137(*)	.191(**)	.176(**)	.177(**)	.245(**)	0.102	.145(*)	0.066	0.105	.126(*)	.151(*)	0.053	0.029	.251(**)	.294(**)	.268(**)	.299(**)	.202(**)	.163(**)
r12	.175(**)	.178(**)	.192(**)	.204(**)	.167(**)	.206(**)	0.092	.151(*)	0.095	.161(**)	.139(*)	.129(*)	.135(*)	.118(*)	.238(**)	.272(**)	.289(**)	.337(**)	.193(**)	.181(**)
com1	-.353(**)	-.213(**)	-.323(**)	-.352(**)	-.307(**)	-.399(**)	-.180(**)	-.144(*)	-0.085	-.218(**)	-.217(**)	-.266(**)	-.170(**)	-.260(**)	-.196(**)	-.232(**)	-.257(**)	-.232(**)	-.134(*)	-.148(*)
com2	-.321(**)	-.182(**)	-.289(**)	-.256(**)	-.273(**)	-.317(**)	-.166(**)	-.132(*)	-.121(*)	-0.091	-.170(**)	-.213(**)	-.120(*)	-.196(**)	-.126(*)	-.213(**)	-.242(**)	-.125(*)	-0.070	-.118(*)
com3	-.366(**)	-.203(**)	-.355(**)	-.333(**)	-.297(**)	-.395(**)	-.173(**)	-0.053	-0.109	-.212(**)	-.231(**)	-.209(**)	-.196(**)	-.196(**)	-.187(**)	-.160(**)	-.245(**)	-.176(**)	-.163(**)	-0.109
com4	-.313(**)	-.166(**)	-.314(**)	-.267(**)	-.240(**)	-.277(**)	-.190(**)	-0.079	-0.099	-.169(**)	-.131(*)	-.211(**)	-0.107	-.174(**)	-.222(**)	-0.103	-.220(**)	-0.106	-0.032	-0.015
com5	-.352(**)	-.219(**)	-.267(**)	-.290(**)	-.258(**)	-.360(**)	-.129(*)	-0.040	-0.087	-0.116	-.197(**)	-.247(**)	-.175(**)	-.151(*)	-0.101	-.260(**)	-.251(**)	-.167(**)	-0.105	-.119(*)
dd1	-.242(**)	-.209(**)	-.260(**)	-.310(**)	-.277(**)	-.339(**)	-0.066	-.235(**)	-.188(**)	-.290(**)	-.267(**)	-.257(**)	-.272(**)	-.173(**)	-.275(**)	-.261(**)	-.233(**)	-.322(**)	-.256(**)	-.305(**)
dd2	-.274(**)	-.180(**)	-.276(**)	-.296(**)	-.295(**)	-.341(**)	-0.100	-.232(**)	-.217(**)	-.287(**)	-.263(**)	-.289(**)	-.241(**)	-.218(**)	-.278(**)	-.259(**)	-.209(**)	-.296(**)	-.185(**)	-.277(**)
dd3	-.302(**)	-.208(**)	-.301(**)	-.327(**)	-.296(**)	-.360(**)	-0.063	-.149(*)	-.146(*)	-.205(**)	-.223(**)	-.264(**)	-.180(**)	-.161(**)	-.291(**)	-.233(**)	-.240(**)	-.275(**)	-.197(**)	-.193(**)
dd4	-.321(**)	-.212(**)	-.290(**)	-.342(**)	-.270(**)	-.374(**)	-.148(*)	-.193(**)	-.246(**)	-.261(**)	-.253(**)	-.260(**)	-.213(**)	-.171(**)	-.249(**)	-.260(**)	-.214(**)	-.239(**)	-.245(**)	-.313(**)
pf1	.364(**)	.295(**)	.338(**)	.359(**)	.338(**)	.397(**)	.166(**)	.296(**)	.299(**)	.200(**)	.352(**)	.301(**)	.249(**)	.304(**)	.320(**)	.326(**)	.285(**)	.318(**)	.310(**)	.267(**)
pf2	.380(**)	.292(**)	.371(**)	.364(**)	.335(**)	.411(**)	0.117	.352(**)	.331(**)	.300(**)	.340(**)	.300(**)	.368(**)	.353(**)	.272(**)	.292(**)	.272(**)	.263(**)	.273(**)	.299(**)
pf3	.411(**)	.345(**)	.390(**)	.422(**)	.341(**)	.439(**)	.131(*)	.275(**)	.328(**)	.281(**)	.372(**)	.311(**)	.317(**)	.328(**)	.345(**)	.376(**)	.315(**)	.293(**)	.230(**)	.298(**)
pf4	.406(**)	.417(**)	.431(**)	.425(**)	.395(**)	.450(**)	0.087	.387(**)	.368(**)	.352(**)	.324(**)	.311(**)	.348(**)	.346(**)	.339(**)	.315(**)	.302(**)	.272(**)	.283(**)	.296(**)
gr1	.356(**)	.217(**)	.369(**)	.350(**)	.338(**)	.376(**)	0.103	.195(**)	.144(*)	.180(**)	.369(**)	.286(**)	.300(**)	.273(**)	.344(**)	.432(**)	.422(**)	.403(**)	.325(**)	.372(**)
gr2	.410(**)	.222(**)	.367(**)	.382(**)	.374(**)	.392(**)	0.102	.263(**)	0.108	.210(**)	.265(**)	.318(**)	.281(**)	.233(**)	.346(**)	.455(**)	.402(**)	.318(**)	.292(**)	.309(**)
gr3	.392(**)	.214(**)	.370(**)	.340(**)	.349(**)	.349(**)	0.084	.193(**)	.169(**)	.236(**)	.336(**)	.301(**)	.357(**)	.255(**)	.362(**)	.399(**)	.377(**)	.313(**)	.329(**)	.370(**)
gr4	.334(**)	.226(**)	.365(**)	.347(**)	.332(**)	.360(**)	.124(*)	.206(**)	.160(**)	.285(**)	.325(**)	.324(**)	.322(**)	.290(**)	.359(**)	.413(**)	.402(**)	.347(**)	.244(**)	.320(**)
cr1	.329(**)	.225(**)	.349(**)	.317(**)	.363(**)	.357(**)	0.072	.259(**)	.157(**)	.172(**)	.284(**)	.266(**)	.266(**)	.206(**)	.339(**)	.357(**)	.359(**)	.323(**)	.368(**)	.365(**)
cr2	.350(**)	.209(**)	.364(**)	.339(**)	.389(**)	.401(**)	.135(*)	.215(**)	.166(**)	.198(**)	.341(**)	.267(**)	.234(**)	.190(**)	.328(**)	.320(**)	.315(**)	.291(**)	.357(**)	.349(**)
cr3	.362(**)	.221(**)	.379(**)	.377(**)	.418(**)	.400(**)	0.115	.208(**)	.135(*)	.186(**)	.281(**)	.244(**)	.259(**)	.152(*)	.352(**)	.329(**)	.333(**)	.309(**)	.343(**)	.380(**)
cr4	.311(**)	.126(*)	.336(**)	.308(**)	.316(**)	.335(**)	0.063	.180(**)	0.114	.154(*)	.309(**)	.237(**)	.243(**)	.142(*)	.319(**)	.310(**)	.321(**)	.309(**)	.310(**)	.293(**)
cr5	.158(**)	0.018	.226(**)	.188(**)	.242(**)	.186(**)	0.106	0.065	-0.016	0.023	.188(**)	.156(**)	0.080	0.007	.242(**)	.188(**)	.290(**)	.205(**)	.168(**)	.233(**)
LC	.860(**)	.480(**)	.845(**)	.874(**)	.847(**)	.888(**)	.500(**)	.391(**)	.348(**)	.439(**)	.398(**)	.378(**)	.428(**)	.485(**)	.311(**)	.286(**)	.337(**)	.288(**)	.245(**)	.237(**)
DF	.564(**)	.403(**)	.567(**)	.548(**)	.536(**)	.564(**)	.120(*)	.650(**)	.687(**)	.645(**)	.695(**)	.698(**)	.672(**)	.722(**)	.308(**)	.309(**)	.314(**)	.315(**)	.297(**)	.265(**)
FC	.346(**)	.241(**)	.327(**)	.343(**)	.324(**)	.391(**)	0.040	.236(**)	.249(**)	.247(**)	.261(**)	.292(**)	.250(**)	.219(**)	.842(**)	.862(**)	.847(**)	.857(**)	.302(**)	.303(**)
G	.260(**)	.152(*)	.312(**)	.248(**)	.274(**)	.319(**)	0.041	.133(*)	.183(**)	.236(**)	.230(**)	.199(**)	.137(*)	.169(**)	.228(**)	.194(**)	.259(**)	.277(**)	.222(**)	.151(*)
D	.135(*)	0.022	.153(*)	.140(*)	.132(*)	.208(**)	0.089	.139(*)	.131(*)	.159(**)	.152(**)	.155(**)	0.111	0.085	.222(**)	.175(**)	.255(**)	.304(**)	.128(*)	0.112
R	.242(**)	.160(**)	.242(**)	.273(**)	.230(**)	.312(**)	0.115	0.099	0.089	.144(*)	.145(*)	.158(**)	.137(*)	0.069	.260(**)	.300(**)	.329(**)	.328(**)	.221(**)	.154(**)

	pur3	pur4	pur5	pur6	g1	g2	g3	g4	g5	g6	g7	d1	d2	d3	d4	d5	d6	d7	d8
lc1																			
lc2																			
lc3																			
lc4																			
lc5																			
lc6																			
lc7																			
df1																			
df2																			
df3																			
df4																			
df5																			
df6																			
df7																			
FC1																			
FC2																			
FC3																			
FC4																			
pur1																			
pur2																			
pur3	1																		
pur4	.466(**)	1																	
pur5	.402(**)	.518(**)	1																
pur6	.533(**)	.545(**)	.512(**)	1															
g1	.124(*)	.190(**)	0.079	.148(*)	1														
g2	0.099	.181(**)	0.106	.165(**)	.558(**)	1													
g3	0.053	0.080	0.043	0.084	.565(**)	.481(**)	1												
g4	0.101	.164(**)	0.086	.155(**)	.591(**)	.591(**)	.527(**)	1											
g5	.131(*)	.182(**)	0.082	.186(**)	.559(**)	.518(**)	.555(**)	.547(**)	1										
g6	.132(*)	.146(*)	0.072	.132(*)	.518(**)	.511(**)	.491(**)	.537(**)	.500(**)	1									
g7	0.117	.195(**)	0.079	0.111	.594(**)	.522(**)	.482(**)	.527(**)	.417(**)	.552(**)	1								
d1	0.061	0.102	0.063	0.111	.390(**)	.362(**)	.424(**)	.362(**)	.401(**)	.346(**)	.386(**)	1							
d2	0.105	.158(**)	0.101	0.111	.460(**)	.476(**)	.475(**)	.439(**)	.478(**)	.382(**)	.427(**)	.546(**)	1						
d3	0.059	0.098	-0.001	0.066	.464(**)	.433(**)	.407(**)	.458(**)	.444(**)	.414(**)	.435(**)	.538(**)	.572(**)	1					
d4	0.070	.137(*)	0.026	0.107	.454(**)	.470(**)	.421(**)	.497(**)	.426(**)	.374(**)	.393(**)	.565(**)	.578(**)	.542(**)	1				
d5	0.079	.145(*)	0.034	0.111	.457(**)	.430(**)	.469(**)	.424(**)	.473(**)	.421(**)	.457(**)	.534(**)	.551(**)	.536(**)	.569(**)	1			
d6	.140(*)	.237(**)	0.098	.209(**)	.469(**)	.515(**)	.409(**)	.474(**)	.405(**)	.374(**)	.410(**)	.502(**)	.563(**)	.556(**)	.630(**)	.601(**)	1		
d7	0.111	.139(*)	0.029	0.100	.456(**)	.468(**)	.427(**)	.486(**)	.455(**)	.391(**)	.423(**)	.526(**)	.596(**)	.578(**)	.618(**)	.594(**)	.584(**)	1	
d8	.142(*)	.169(**)	0.073	.130(*)	.531(**)	.482(**)	.467(**)	.523(**)	.499(**)	.414(**)	.460(**)	.600(**)	.582(**)	.589(**)	.619(**)	.620(**)	.620(**)	.531(**)	1
d9	.174(**)	.195(**)	0.088	.180(**)	.408(**)	.481(**)	.344(**)	.463(**)	.400(**)	.383(**)	.424(**)	.536(**)	.562(**)	.574(**)	.554(**)	.578(**)	.616(**)	.553(**)	.606(**)

	pur3	pur4	pur5	pur6	g1	g2	g3	g4	g5	g6	g7	d1	d2	d3	d4	d5	d6	d7	d8
d10	.181(**)	.238(**)	.170(**)	0.114	.332(**)	.307(**)	.225(**)	.347(**)	.298(**)	.336(**)	.378(**)	.398(**)	.427(**)	.441(**)	.381(**)	.426(**)	.383(**)	.381(**)	.398(**)
r1	.159(**)	.278(**)	0.044	.198(**)	.413(**)	.401(**)	.424(**)	.423(**)	.420(**)	.315(**)	.378(**)	.287(**)	.395(**)	.335(**)	.382(**)	.397(**)	.426(**)	.439(**)	.397(**)
r2	.172(**)	.214(**)	0.022	.132(*)	.292(**)	.279(**)	.342(**)	.328(**)	.356(**)	.254(**)	.253(**)	.262(**)	.331(**)	.262(**)	.318(**)	.365(**)	.329(**)	.360(**)	.310(**)
r3	.153(*)	.228(**)	0.060	0.099	.370(**)	.333(**)	.347(**)	.348(**)	.360(**)	.293(**)	.284(**)	.248(**)	.349(**)	.358(**)	.368(**)	.336(**)	.387(**)	.382(**)	.344(**)
r4	.200(**)	.280(**)	.142(*)	.148(*)	.405(**)	.430(**)	.335(**)	.393(**)	.389(**)	.284(**)	.284(**)	.268(**)	.339(**)	.327(**)	.343(**)	.375(**)	.399(**)	.399(**)	.349(**)
r5	.216(**)	.282(**)	0.076	.172(**)	.413(**)	.365(**)	.368(**)	.361(**)	.404(**)	.349(**)	.309(**)	.354(**)	.369(**)	.374(**)	.345(**)	.449(**)	.379(**)	.456(**)	.349(**)
r6	0.075	0.115	0.020	0.040	.157(**)	.148(*)	.124(*)	.120(*)	.150(*)	.120(*)	.136(*)	.121(*)	.214(**)	.181(**)	.244(**)	.177(**)	.187(**)	.250(**)	.189(**)
r7	.147(*)	.267(**)	0.031	.177(**)	.327(**)	.403(**)	.387(**)	.357(**)	.385(**)	.312(**)	.273(**)	.243(**)	.369(**)	.285(**)	.281(**)	.380(**)	.377(**)	.363(**)	.297(**)
r8	.124(*)	.235(**)	0.058	.148(*)	.378(**)	.408(**)	.384(**)	.389(**)	.393(**)	.288(**)	.321(**)	.335(**)	.400(**)	.395(**)	.375(**)	.404(**)	.413(**)	.474(**)	.377(**)
r9	.254(**)	.286(**)	.128(*)	.217(**)	.396(**)	.307(**)	.384(**)	.323(**)	.436(**)	.335(**)	.346(**)	.300(**)	.366(**)	.363(**)	.373(**)	.418(**)	.386(**)	.424(**)	.401(**)
r10	.167(**)	.275(**)	0.049	.168(**)	.319(**)	.277(**)	.362(**)	.382(**)	.393(**)	.296(**)	.286(**)	.223(**)	.274(**)	.287(**)	.284(**)	.330(**)	.377(**)	.341(**)	.309(**)
r11	.244(**)	.264(**)	0.097	.219(**)	.409(**)	.472(**)	.352(**)	.465(**)	.422(**)	.344(**)	.347(**)	.309(**)	.419(**)	.383(**)	.384(**)	.450(**)	.487(**)	.475(**)	.407(**)
r12	.228(**)	.297(**)	0.096	.241(**)	.418(**)	.373(**)	.345(**)	.383(**)	.388(**)	.375(**)	.360(**)	.290(**)	.347(**)	.380(**)	.374(**)	.405(**)	.395(**)	.379(**)	.374(**)
com1	-0.089	-.133(*)	-0.114	-.156(**)	-.316(**)	-.292(**)	-.281(**)	-.251(**)	-.312(**)	-.285(**)	-.332(**)	-.238(**)	-.265(**)	-.257(**)	-.261(**)	-.264(**)	-.303(**)	-.283(**)	-.247(**)
com2	0.010	-.121(*)	-.140(*)	-.139(*)	-.320(**)	-.323(**)	-.264(**)	-.242(**)	-.285(**)	-.289(**)	-.321(**)	-.287(**)	-.280(**)	-.287(**)	-.310(**)	-.267(**)	-.341(**)	-.253(**)	-.259(**)
com3	-0.055	-.126(*)	-0.101	-.125(*)	-.277(**)	-.353(**)	-.311(**)	-.349(**)	-.364(**)	-.278(**)	-.281(**)	-.251(**)	-.271(**)	-.325(**)	-.333(**)	-.319(**)	-.338(**)	-.340(**)	-.303(**)
com4	0.031	-.154(**)	-0.063	-0.052	-.305(**)	-.332(**)	-.313(**)	-.256(**)	-.310(**)	-.279(**)	-.293(**)	-.242(**)	-.307(**)	-.303(**)	-.321(**)	-.305(**)	-.370(**)	-.354(**)	-.313(**)
com5	-.118(*)	-.149(*)	-0.087	-.181(**)	-.300(**)	-.320(**)	-.257(**)	-.296(**)	-.334(**)	-.259(**)	-.327(**)	-.210(**)	-.240(**)	-.269(**)	-.293(**)	-.303(**)	-.337(**)	-.330(**)	-.281(**)
dd1	-.286(**)	-.275(**)	-.170(**)	-.324(**)	-.315(**)	-.329(**)	-.295(**)	-.308(**)	-.308(**)	-.289(**)	-.301(**)	-.324(**)	-.382(**)	-.256(**)	-.335(**)	-.358(**)	-.420(**)	-.370(**)	-.340(**)
dd2	-.299(**)	-.281(**)	-.169(**)	-.253(**)	-.334(**)	-.290(**)	-.295(**)	-.318(**)	-.294(**)	-.293(**)	-.308(**)	-.269(**)	-.393(**)	-.259(**)	-.306(**)	-.306(**)	-.364(**)	-.350(**)	-.289(**)
dd3	-.300(**)	-.294(**)	-.148(*)	-.240(**)	-.370(**)	-.348(**)	-.359(**)	-.325(**)	-.335(**)	-.293(**)	-.301(**)	-.353(**)	-.366(**)	-.315(**)	-.333(**)	-.378(**)	-.358(**)	-.382(**)	-.326(**)
dd4	-.376(**)	-.355(**)	-.203(**)	-.294(**)	-.291(**)	-.320(**)	-.277(**)	-.302(**)	-.291(**)	-.326(**)	-.338(**)	-.275(**)	-.351(**)	-.229(**)	-.302(**)	-.339(**)	-.351(**)	-.376(**)	-.302(**)
pf1	.378(**)	.379(**)	.374(**)	.350(**)	.275(**)	.206(**)	0.098	.151(*)	.148(*)	0.117	.163(**)	.125(*)	.177(**)	0.089	0.097	.136(*)	.161(**)	0.069	.188(**)
pf2	.294(**)	.368(**)	.347(**)	.302(**)	.248(**)	.136(*)	.159(**)	.135(*)	.162(**)	.145(*)	.257(**)	0.099	.154(**)	0.078	0.089	0.066	.152(*)	0.064	.120(*)
pf3	.357(**)	.330(**)	.327(**)	.331(**)	.231(**)	.195(**)	.195(**)	.201(**)	.187(**)	.170(**)	.267(**)	.136(*)	.209(**)	.207(**)	0.096	.148(*)	.180(**)	0.063	.159(**)
pf4	.385(**)	.331(**)	.377(**)	.355(**)	.215(**)	.182(**)	.124(*)	.124(*)	.128(*)	.152(*)	.180(**)	0.036	.138(*)	0.083	0.068	0.068	0.112	.121(*)	0.112
gr1	.309(**)	.424(**)	.335(**)	.307(**)	.276(**)	.257(**)	.235(**)	.229(**)	.236(**)	.230(**)	.264(**)	0.105	.277(**)	.197(**)	.204(**)	.171(**)	.238(**)	.199(**)	.234(**)
gr2	.368(**)	.433(**)	.387(**)	.325(**)	.271(**)	.239(**)	.184(**)	.262(**)	.278(**)	.142(*)	.226(**)	.120(*)	.205(**)	.118(*)	.181(**)	.210(**)	.209(**)	.219(**)	.231(**)
gr3	.298(**)	.373(**)	.375(**)	.328(**)	.320(**)	.273(**)	.254(**)	.282(**)	.281(**)	.231(**)	.253(**)	.126(*)	.206(**)	0.112	.184(**)	.202(**)	.205(**)	.206(**)	.145(*)
gr4	.311(**)	.407(**)	.345(**)	.298(**)	.324(**)	.277(**)	.213(**)	.262(**)	.236(**)	.207(**)	.289(**)	.128(*)	.213(**)	.168(**)	.197(**)	.195(**)	.238(**)	.169(**)	.218(**)
cr1	.258(**)	.309(**)	.308(**)	.362(**)	.230(**)	0.107	.213(**)	.223(**)	.200(**)	.209(**)	.276(**)	0.097	.121(*)	.143(*)	.145(*)	.158(*)	.148(*)	.159(**)	.173(**)
cr2	.287(**)	.370(**)	.284(**)	.338(**)	.201(**)	.183(**)	.232(**)	.222(**)	.220(**)	.211(**)	.215(**)	0.107	.168(**)	.119(*)	.183(**)	.206(**)	.219(**)	.181(**)	.217(**)
cr3	.300(**)	.313(**)	.284(**)	.323(**)	.285(**)	.165(**)	.257(**)	.313(**)	.262(**)	.226(**)	.192(**)	.135(*)	.126(*)	.172(**)	.160(**)	.177(**)	.196(**)	.187(**)	.227(**)
cr4	.234(**)	.294(**)	.243(**)	.291(**)	.159(**)	.157(**)	.184(**)	.202(**)	.200(**)	.182(**)	.185(**)	.157(**)	.173(**)	0.113	.210(**)	.190(**)	.229(**)	.209(**)	.202(**)
cr5	.133(*)	.247(**)	.214(**)	.217(**)	.309(**)	.278(**)	.211(**)	.225(**)	.228(**)	.163(**)	.237(**)	.175(**)	.195(**)	.251(**)	.282(**)	.255(**)	.320(**)	.247(**)	.283(**)
LC	.344(**)	.323(**)	.293(**)	.259(**)	.216(**)	.242(**)	.221(**)	.183(**)	.246(**)	.234(**)	.272(**)	0.055	.150(*)	.162(**)	0.086	.156(**)	.191(**)	.163(**)	.142(*)
DF	.350(**)	.325(**)	.333(**)	.376(**)	.235(**)	.191(**)	.167(**)	.204(**)	.184(**)	.208(**)	.278(**)	.142(*)	.207(**)	.143(*)	0.094	0.114	.246(**)	.163(**)	.156(**)
FC	.283(**)	.383(**)	.370(**)	.337(**)	.211(**)	.206(**)	.245(**)	.258(**)	.199(**)	.202(**)	.192(**)	.222(**)	.190(**)	.191(**)	.199(**)	.242(**)	.237(**)	.210(**)	.263(**)
G	.142(*)	.213(**)	0.103	.184(**)	.813(**)	.779(**)	.753(**)	.800(**)	.758(**)	.754(**)	.755(**)	.493(**)	.580(**)	.566(**)	.563(**)	.578(**)	.567(**)	.575(**)	.625(**)
D	.134(*)	.194(**)	0.072	.158(**)	.577(**)	.581(**)	.542(**)	.582(**)	.562(**)	.494(**)	.539(**)	.758(**)	.781(**)	.774(**)	.801(**)	.787(**)	.799(**)	.790(**)	.813(**)
R	.237(**)	.331(**)	0.093	.219(**)	.472(**)	.463(**)	.459(**)	.474(**)	.496(**)	.393(**)	.393(**)	.355(**)	.451(**)	.428(**)	.436(**)	.491(**)	.497(**)	.512(**)	.447(**)

	d9	d10	r1	r2	r3	r4	r5	r6	r7	r8	r9	r10	r11	r12	com1	com2	com3	com4	com5	dd1	dd2
d10	.399(**)	1																			
r1	.402(**)	.288(**)	1																		
r2	.403(**)	.225(**)	.610(**)	1																	
r3	.385(**)	.250(**)	.605(**)	.569(**)	1																
r4	.414(**)	.281(**)	.652(**)	.630(**)	.583(**)	1															
r5	.424(**)	.272(**)	.555(**)	.537(**)	.515(**)	.600(**)	1														
r6	.246(**)	0.077	.259(**)	.276(**)	.332(**)	.324(**)	.317(**)	1													
r7	.375(**)	.274(**)	.663(**)	.647(**)	.600(**)	.629(**)	.515(**)	.329(**)	1												
r8	.436(**)	.326(**)	.593(**)	.599(**)	.575(**)	.620(**)	.578(**)	.390(**)	.605(**)	1											
r9	.395(**)	.325(**)	.666(**)	.640(**)	.594(**)	.614(**)	.564(**)	.331(**)	.640(**)	.610(**)	1										
r10	.334(**)	.323(**)	.588(**)	.532(**)	.605(**)	.612(**)	.510(**)	.317(**)	.629(**)	.591(**)	.625(**)	1									
r11	.502(**)	.323(**)	.676(**)	.651(**)	.602(**)	.689(**)	.614(**)	.328(**)	.664(**)	.635(**)	.649(**)	.665(**)	1								
r12	.438(**)	.360(**)	.548(**)	.533(**)	.580(**)	.564(**)	.506(**)	.330(**)	.586(**)	.571(**)	.614(**)	.608(**)	.609(**)	1							
com1	-.276(**)	-.295(**)	-.246(**)	-.143(*)	-.213(**)	-.197(**)	-.203(**)	-0.046	-.211(**)	-.178(**)	-.199(**)	-.122(*)	-.200(**)	-.180(**)	1						
com2	-.325(**)	-.287(**)	-.238(**)	-.157(**)	-.254(**)	-.231(**)	-.208(**)	-0.046	-.222(**)	-.258(**)	-.161(**)	-.161(**)	-.242(**)	-.221(**)	.616(**)	1					
com3	-.369(**)	-.341(**)	-.267(**)	-.256(**)	-.261(**)	-.297(**)	-.323(**)	-0.073	-.250(**)	-.262(**)	-.235(**)	-.230(**)	-.264(**)	-.250(**)	.614(**)	.595(**)	1				
com4	-.341(**)	-.323(**)	-.255(**)	-.213(**)	-.265(**)	-.265(**)	-.248(**)	-.149(*)	-.275(**)	-.224(**)	-.216(**)	-.208(**)	-.243(**)	-.252(**)	.556(**)	.602(**)	.612(**)	1			
com5	-.332(**)	-.279(**)	-.272(**)	-.257(**)	-.215(**)	-.243(**)	-.254(**)	-0.101	-.274(**)	-.217(**)	-.246(**)	-.172(**)	-.273(**)	-.211(**)	.656(**)	.631(**)	.645(**)	.588(**)	1		
dd1	-.400(**)	-.331(**)	-.383(**)	-.325(**)	-.313(**)	-.320(**)	-.286(**)	-.234(**)	-.353(**)	-.380(**)	-.346(**)	-.345(**)	-.410(**)	-.358(**)	.235(**)	.173(**)	.203(**)	.202(**)	.213(**)	1	
dd2	-.326(**)	-.344(**)	-.313(**)	-.280(**)	-.292(**)	-.312(**)	-.290(**)	-.261(**)	-.343(**)	-.382(**)	-.330(**)	-.343(**)	-.389(**)	-.392(**)	.213(**)	.180(**)	.126(*)	.225(**)	.169(**)	.703(**)	1
dd3	-.376(**)	-.350(**)	-.387(**)	-.391(**)	-.364(**)	-.430(**)	-.406(**)	-.250(**)	-.382(**)	-.421(**)	-.423(**)	-.412(**)	-.451(**)	-.419(**)	.247(**)	.213(**)	.223(**)	.281(**)	.227(**)	.659(**)	.654(**)
dd4	-.344(**)	-.408(**)	-.337(**)	-.312(**)	-.303(**)	-.375(**)	-.303(**)	-.278(**)	-.402(**)	-.394(**)	-.392(**)	-.436(**)	-.440(**)	-.387(**)	.212(**)	.154(**)	.166(**)	.232(**)	.215(**)	.631(**)	.663(**)
pf1	0.117	.270(**)	.123(*)	0.105	0.084	.130(*)	0.075	.119(*)	.122(*)	.144(*)	.195(**)	.128(*)	.202(**)	.242(**)	-.143(*)	-0.107	-.135(*)	-0.087	-.133(*)	-.285(**)	-.303(**)
pf2	0.091	.266(**)	0.110	0.108	0.062	.120(*)	0.046	0.026	0.086	0.116	.185(**)	.132(*)	0.112	.207(**)	-.156(**)	-.118(*)	-.160(**)	-0.074	-.149(*)	-.270(**)	-.262(**)
pf3	.182(**)	.343(**)	.152(*)	.164(**)	0.108	.209(**)	.123(*)	0.105	.160(**)	.196(**)	.193(**)	.163(**)	.184(**)	.250(**)	-.210(**)	-.143(*)	-.200(**)	-.131(*)	-.212(**)	-.262(**)	-.302(**)
pf4	.131(*)	.317(**)	0.080	0.073	0.030	0.116	0.051	0.069	.127(*)	0.106	.162(**)	0.114	.141(*)	.222(**)	-.210(**)	-0.110	-.189(**)	-.142(*)	-.167(**)	-.266(**)	-.300(**)
gr1	.230(**)	.276(**)	.338(**)	.252(**)	.268(**)	.276(**)	.226(**)	.195(**)	.278(**)	.259(**)	.315(**)	.189(**)	.259(**)	.308(**)	-.309(**)	-.273(**)	-.279(**)	-.236(**)	-.292(**)	-.243(**)	-.259(**)
gr2	.219(**)	.304(**)	.297(**)	.241(**)	.335(**)	.291(**)	.235(**)	.138(*)	.274(**)	.250(**)	.283(**)	.245(**)	.290(**)	.308(**)	-.199(**)	-.177(**)	-.214(**)	-.182(**)	-.245(**)	-.202(**)	-.246(**)
gr3	.207(**)	.272(**)	.313(**)	.257(**)	.241(**)	.337(**)	.271(**)	.206(**)	.267(**)	.260(**)	.332(**)	.256(**)	.277(**)	.326(**)	-.211(**)	-.221(**)	-.216(**)	-.210(**)	-.297(**)	-.262(**)	-.235(**)
gr4	.263(**)	.261(**)	.283(**)	.235(**)	.292(**)	.296(**)	.273(**)	.207(**)	.286(**)	.200(**)	.296(**)	.249(**)	.267(**)	.319(**)	-.273(**)	-.217(**)	-.253(**)	-.239(**)	-.271(**)	-.212(**)	-.272(**)
cr1	.132(*)	.178(**)	.220(**)	.194(**)	.122(*)	.150(*)	.214(**)	-0.060	.208(**)	.202(**)	.253(**)	.239(**)	.222(**)	.223(**)	-.292(**)	-.195(**)	-.208(**)	-.151(*)	-.224(**)	-.204(**)	-.189(**)
cr2	.244(**)	.250(**)	.261(**)	.195(**)	0.084	.224(**)	.215(**)	-0.055	.254(**)	.191(**)	.243(**)	.227(**)	.259(**)	.200(**)	-.297(**)	-.213(**)	-.262(**)	-.184(**)	-.229(**)	-.255(**)	-.210(**)
cr3	.194(**)	.212(**)	.283(**)	.204(**)	.198(**)	.228(**)	.244(**)	-0.054	.245(**)	.232(**)	.270(**)	.293(**)	.281(**)	.239(**)	-.267(**)	-.208(**)	-.226(**)	-.139(*)	-.220(**)	-.263(**)	-.219(**)
cr4	.153(*)	.147(*)	.188(**)	.130(*)	0.101	.141(*)	.149(*)	-0.092	.173(**)	.139(*)	.155(*)	.175(**)	.157(**)	.143(*)	-.187(**)	-0.116	-.171(**)	-.144(*)	-.159(**)	-.226(**)	-.234(**)
cr5	.231(**)	.199(**)	.174(**)	0.090	0.092	.242(**)	.248(**)	0.024	.152(*)	.165(**)	.162(**)	.136(*)	.227(**)	.203(**)	-.226(**)	-.178(**)	-.200(**)	-.195(**)	-.208(**)	-.174(**)	-.161(**)
LC	.124(*)	.368(**)	.270(**)	.197(**)	.197(**)	.272(**)	.219(**)	0.092	.272(**)	.243(**)	.231(**)	.200(**)	.217(**)	.212(**)	-.392(**)	-.334(**)	-.397(**)	-.329(**)	-.339(**)	-.305(**)	-.324(**)
DF	.135(*)	.341(**)	.171(**)	0.075	0.080	.166(**)	0.111	.125(*)	.132(*)	.135(*)	.141(*)	.174(**)	.139(*)	.192(**)	-.286(**)	-.219(**)	-.254(**)	-.205(**)	-.217(**)	-.353(**)	-.366(**)
FC	.227(**)	.292(**)	.315(**)	.256(**)	.269(**)	.309(**)	.240(**)	.131(*)	.276(**)	.261(**)	.276(**)	.266(**)	.324(**)	.328(**)	-.272(**)	-.211(**)	-.227(**)	-.196(**)	-.233(**)	-.321(**)	-.306(**)
G	.538(**)	.410(**)	.514(**)	.390(**)	.432(**)	.469(**)	.477(**)	.176(**)	.453(**)	.475(**)	.467(**)	.428(**)	.522(**)	.490(**)	-.383(**)	-.376(**)	-.410(**)	-.387(**)	-.388(**)	-.397(**)	-.395(**)
D	.785(**)	.512(**)	.487(**)	.415(**)	.445(**)	.454(**)	.495(**)	.254(**)	.419(**)	.509(**)	.483(**)	.390(**)	.538(**)	.478(**)	-.337(**)	-.367(**)	-.400(**)	-.401(**)	-.365(**)	-.448(**)	-.403(**)
R	.513(**)	.369(**)	.815(**)	.791(**)	.774(**)	.822(**)	.738(**)	.401(**)	.819(**)	.796(**)	.821(**)	.793(**)	.850(**)	.766(**)	-.239(**)	-.267(**)	-.328(**)	-.304(**)	-.301(**)	-.435(**)	-.418(**)

	dd3	dd4	pf1	pf2	pf3	pf4	gr1	gr2	gr3	gr4	cr1	cr2	cr3	cr4	cr5	LC	DF	FC	G	D	R
d10																					
r1																					
r2																					
r3																					
r4																					
r5																					
r6																					
r7																					
r8																					
r9																					
r10																					
r11																					
r12																					
com1																					
com2																					
com3																					
com4																					
com5																					
dd1																					
dd2																					
dd3	1																				
dd4	.638(**)	1																			
pf1	-.242(**)	-.308(**)	1																		
pf2	-.241(**)	-.244(**)	.623(**)	1																	
pf3	-.300(**)	-.265(**)	.626(**)	.619(**)	1																
pf4	-.244(**)	-.269(**)	.632(**)	.630(**)	.661(**)	1															
gr1	-.287(**)	-.254(**)	.379(**)	.398(**)	.403(**)	.340(**)	1														
gr2	-.250(**)	-.345(**)	.387(**)	.363(**)	.361(**)	.349(**)	.599(**)	1													
gr3	-.265(**)	-.320(**)	.392(**)	.412(**)	.394(**)	.325(**)	.658(**)	.643(**)	1												
gr4	-.232(**)	-.276(**)	.358(**)	.322(**)	.359(**)	.334(**)	.652(**)	.659(**)	.686(**)	1											
cr1	-.155(**)	-.194(**)	.202(**)	.241(**)	.181(**)	.241(**)	.327(**)	.360(**)	.322(**)	.347(**)	1										
cr2	-.223(**)	-.235(**)	.220(**)	.213(**)	.194(**)	.203(**)	.393(**)	.375(**)	.314(**)	.375(**)	.705(**)	1									
cr3	-.237(**)	-.208(**)	.226(**)	.240(**)	.218(**)	.205(**)	.375(**)	.396(**)	.348(**)	.386(**)	.722(**)	.743(**)	1								
cr4	-.224(**)	-.170(**)	0.106	.129(*)	.157(**)	.166(**)	.287(**)	.338(**)	.257(**)	.345(**)	.638(**)	.623(**)	.601(**)	1							
cr5	-.126(*)	-0.111	.118(*)	0.088	0.098	0.071	.270(**)	.279(**)	.273(**)	.261(**)	.510(**)	.524(**)	.514(**)	.477(**)	1						
LC	-.335(**)	-.359(**)	.399(**)	.405(**)	.438(**)	.452(**)	.388(**)	.416(**)	.385(**)	.382(**)	.364(**)	.404(**)	.419(**)	.341(**)	.225(**)	1					
DF	-.278(**)	-.336(**)	.424(**)	.493(**)	.477(**)	.510(**)	.372(**)	.356(**)	.393(**)	.406(**)	.340(**)	.309(**)	.341(**)	.293(**)	.112	.601(**)	1				
FC	-.306(**)	-.283(**)	.370(**)	.325(**)	.392(**)	.362(**)	.471(**)	.449(**)	.429(**)	.448(**)	.409(**)	.373(**)	.392(**)	.372(**)	.275(**)	.362(**)	.369(**)	1			
G	-.433(**)	-.397(**)	.217(**)	.230(**)	.268(**)	.206(**)	.321(**)	.299(**)	.351(**)	.337(**)	.269(**)	.275(**)	.314(**)	.236(**)	.309(**)	.299(**)	.272(**)	.280(**)	1		
D	-.451(**)	-.406(**)	.162(**)	.128(*)	.194(**)	.122(*)	.260(**)	.241(**)	.224(**)	.252(**)	.179(**)	.231(**)	.222(**)	.230(**)	.315(**)	.172(**)	.196(**)	.279(**)	.717(**)	1	
R	-.512(**)	-.466(**)	.177(**)	.147(*)	.217(**)	.141(*)	.338(**)	.348(**)	.358(**)	.342(**)	.256(**)	.269(**)	.310(**)	.188(**)	.217(**)	.289(**)	.174(**)	.356(**)	.583(**)	.582(**)	1

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).
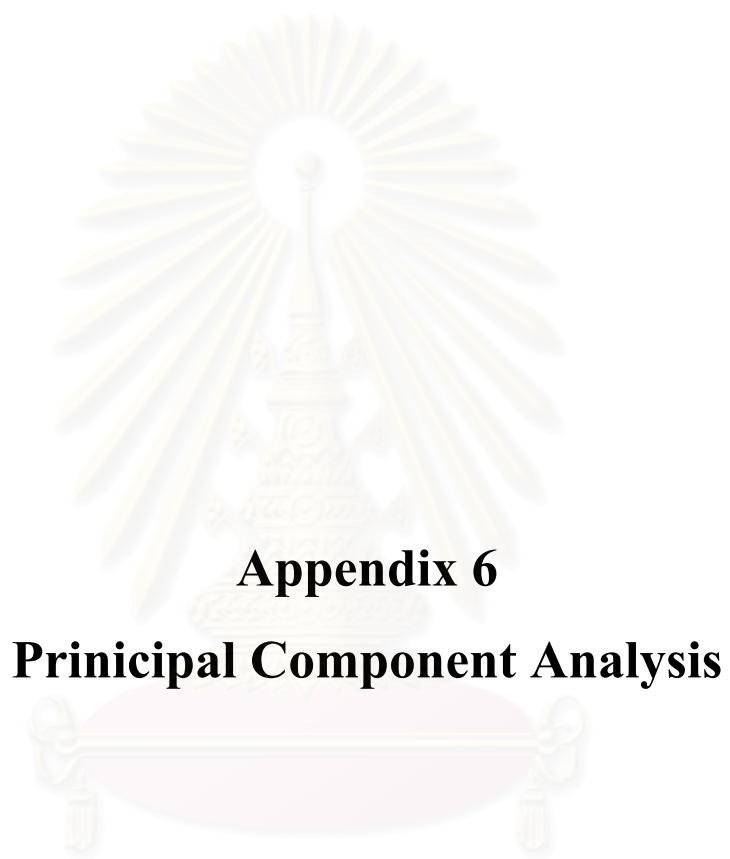
Appendix 6

Prinicipal Component Analysis

Principal Component Analysis Results

Total Variance Explained

Component	Initial Eigenvalues		
	Total	% of Variance	Cumulative %
1	1.899	63.292	63.292
2	0.703	23.421	86.713
3	0.399	13.287	100.000

Component Matrix(a)

	Component
	1
LC	0.843
DF	0.846
FC	0.687

Extraction Method: Principal Component Analysis

a. 1 components extracted.
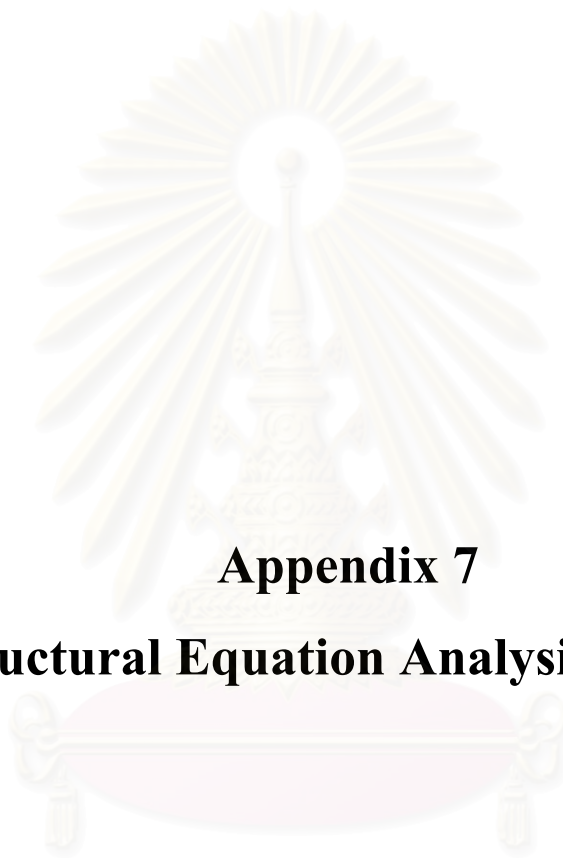
Appendix 7

Structural Equation Analysis Results

Variable Name & Description

ST	=	Strategy
PUR	=	Purchasing
EMO	=	Export Maket Orientation
PF	=	Export Profitability
GR	=	Export Sales Growth
CR	=	Export Customer Retention
LC	=	Low Cost
DF	=	Differentiation
FC	=	Focus
G	=	Export Intelligence Generation
D	=	Export Intelligence Dissemination
R	=	Export Intelligence Responsiveness

Structual Equation Model of Export Profitability

Regression Weights (Structural Path)

			Estimate	S.E.	C.R.	P
ST	<--	PUR	0.455	0.069	6.623	0.000
ST	<--	EMO	0.268	0.070	3.810	0.000
PF	<--	ST	0.980	0.156	6.300	0.000
PF	<--	PUR	0.200	0.097	2.063	0.039
PF	<--	EMO	-0.073	0.091	-0.800	0.424

Standardized Regression Weights (Structural Path)

			Estimate
ST	<--	PUR	0.553
ST	<--	EMO	0.267
PF	<--	ST	0.687
PF	<--	PUR	0.171
PF	<--	EMO	-0.051

Covariance

			Estimate	S.E.	C.R.	P
PUR	<-->	EMO	0.468	0.124	3.765	0.000

Correlation

			Estimate
PUR	<-->	EMO	0.291

Fit Measures

Discrepancy	664.278	CMIN
Degrees of freedom	319	DF
P	0.000	P
Discrepancy / df	2.082	CMINDF
Normed fit index	0.964	NFI
Relative fit index	0.958	RFI
Incremental fit index	0.981	IFI
Tucker-Lewis index	0.978	TLI
Comparative fit index	0.981	CFI
RMSEA	0.062	RMSEA

Structual Equation Model of Export Profitability

Regression Weights (Measurement Path)

			Estimate	S.E.	C.R.	P
PUR1	<--	PUR	1.000			
PUR2	<--	PUR	1.022	0.111	9.236	0.000
PUR3	<--	PUR	1.091	0.116	9.417	0.000
PUR4	<--	PUR	1.178	0.118	9.961	0.000
PUR5	<--	PUR	1.092	0.115	9.519	0.000
PUR6	<--	PUR	1.236	0.117	10.608	0.000
LC	<--	ST	1.000			
DF	<--	ST	0.876	0.081	10.787	0.000
FC	<--	ST	0.884	0.107	8.231	0.000
G	<--	EMO	1.251	0.106	11.803	0.000
D	<--	EMO	1.142	0.097	11.738	0.000
R	<--	EMO	1.000			
PF1	<--	PF	1.000			
PF2	<--	PF	0.998	0.074	13.414	0.000
PF3	<--	PF	1.019	0.073	13.867	0.000
PF4	<--	PF	0.989	0.070	14.182	0.000

Standardized Regression Weights (Measurement Path)

			Estimate
PUR1	<--	PUR	0.653
PUR2	<--	PUR	0.651
PUR3	<--	PUR	0.666
PUR4	<--	PUR	0.714
PUR5	<--	PUR	0.675
PUR6	<--	PUR	0.778
LC	<--	ST	0.720
DF	<--	ST	0.768
FC	<--	ST	0.557
G	<--	EMO	0.863
D	<--	EMO	0.826
R	<--	EMO	0.694
PF1	<--	PF	0.781
PF2	<--	PF	0.778
PF3	<--	PF	0.801
PF4	<--	PF	0.818

Structual Equation Model of Export Profitability

Variance Associated with Measurement Path

	Estimate	S.E.	C.R.	P
e_pur1	2.635	0.254	10.393	0.000
e_pur2	2.777	0.267	10.388	0.000
e_pur3	2.933	0.284	10.309	0.000
e_pur4	2.612	0.266	9.833	0.000
e_pur5	2.800	0.274	10.233	0.000
e_pur6	1.957	0.220	8.876	0.000
e_lc	1.237	0.139	8.886	0.000
e_df	0.708	0.091	7.811	0.000
e_fc	2.306	0.217	10.643	0.000
e_g	0.705	0.130	5.417	0.000
e_d	0.799	0.118	6.765	0.000
e_r	1.416	0.143	9.921	0.000
e_pf1	1.725	0.183	9.429	0.000
e_pf2	1.752	0.185	9.477	0.000
e_pf3	1.561	0.172	9.070	0.000
e_pf4	1.307	0.150	8.719	0.000

Structual Equation Model of Export Sales Growth

Regression Weights (Structural Path)

			Estimate	S.E.	C.R.	P
ST	<--	PUR	0.461	0.069	6.676	0.000
ST	<--	EMO	0.278	0.070	3.992	0.000
GR	<--	ST	0.649	0.137	4.734	0.000
GR	<--	PUR	0.243	0.089	2.719	0.007
GR	<--	EMO	0.216	0.082	2.627	0.009

Standardized Regression Weights (Structural Path)

			Estimate
ST	<--	PUR	0.567
ST	<--	EMO	0.283
GR	<--	ST	0.498
GR	<--	PUR	0.229
GR	<--	EMO	0.168

Covariance

			Estimate	S.E.	C.R.	P
PUR	<-->	EMO	0.476	0.125	3.791	0.000

Correlation

			Estimate
PUR	<-->	EMO	0.294

Fit Measures

Discrepancy	702.705	CMIN
Degrees of freedom	319	DF
P	0.000	P
Discrepancy / df	2.203	CMINDF
Normed fit index	0.962	NFI
Relative fit index	0.955	RFI
Incremental fit index	0.979	IFI
Tucker-Lewis index	0.975	TLI
Comparative fit index	0.979	CFI
RMSEA	0.066	RMSEA

Structual Equation Model of Export Sales Growth

Regression Weights (Measurement Path)

			Estimate	S.E.	C.R.	P
PUR1	<--	PUR	1.000			
PUR2	<--	PUR	1.030	0.111	9.293	0.000
PUR3	<--	PUR	1.081	0.116	9.344	0.000
PUR4	<--	PUR	1.191	0.119	10.042	0.000
PUR5	<--	PUR	1.099	0.115	9.560	0.000
PUR6	<--	PUR	1.225	0.116	10.534	0.000
LC	<--	ST	1.000			
DF	<--	ST	0.836	0.085	9.809	0.000
FC	<--	ST	0.973	0.114	8.552	0.000
G	<--	EMO	1.242	0.104	12.002	0.000
D	<--	EMO	1.123	0.095	11.855	0.000
R	<--	EMO	1.000			
GR1	<--	GR	1.000			
GR2	<--	GR	1.045	0.076	13.819	0.000
GR3	<--	GR	1.085	0.074	14.667	0.000
GR4	<--	GR	1.067	0.073	14.715	0.000

Standardized Regression Weights (Measurement Path)

			Estimate
PUR1	<--	PUR	0.653
PUR2	<--	PUR	0.656
PUR3	<--	PUR	0.659
PUR4	<--	PUR	0.721
PUR5	<--	PUR	0.678
PUR6	<--	PUR	0.770
LC	<--	ST	0.710
DF	<--	ST	0.723
FC	<--	ST	0.605
G	<--	EMO	0.865
D	<--	EMO	0.819
R	<--	EMO	0.700
GR1	<--	GR	0.789
GR2	<--	GR	0.784
GR3	<--	GR	0.825
GR4	<--	GR	0.828

Structual Equation Model of Export Sales Growth

Variance Associated with Measurement Path

	Estimate	S.E.	C.R.	P
e_pur1	2.637	0.253	10.405	0.000
e_pur2	2.746	0.265	10.361	0.000
e_pur3	2.978	0.287	10.371	0.000
e_pur4	2.556	0.262	9.760	0.000
e_pur5	2.776	0.272	10.212	0.000
e_pur6	2.018	0.223	9.038	0.000
e_lc	1.271	0.147	8.635	0.000
e_df	0.824	0.098	8.374	0.000
e_fc	2.121	0.211	10.063	0.000
e_g	0.696	0.126	5.507	0.000
e_d	0.828	0.116	7.154	0.000
e_r	1.392	0.141	9.869	0.000
e_gr1	1.333	0.141	9.462	0.000
e_gr2	1.502	0.157	9.551	0.000
e_gr3	1.213	0.138	8.770	0.000
e_gr4	1.153	0.132	8.714	0.000

Structual Equation Model of Export Customer Retention

Regression Weights (Structural Path)

			Estimate	S.E.	C.R.	P
ST	<--	PUR	0.460	0.069	6.685	0.000
ST	<--	EMO	0.284	0.072	3.929	0.000
CR	<--	ST	0.589	0.154	3.833	0.000
CR	<--	PUR	0.332	0.108	3.063	0.002
CR	<--	EMO	0.221	0.103	2.142	0.032

Standardized Regression Weights (Structural Path)

			Estimate
ST	<--	PUR	0.554
ST	<--	EMO	0.277
CR	<--	ST	0.385
CR	<--	PUR	0.261
CR	<--	EMO	0.141

Covariance

			Estimate	S.E.	C.R.	P
PUR	<-->	EMO	0.478	0.126	3.786	0.000

Correlation

			Estimate
PUR	<-->	EMO	0.293

Fit Measures

Discrepancy	720.322	CMIN
Degrees of freedom	345	DF
P	0.000	P
Discrepancy / df	2.088	CMINDF
Normed fit index	0.962	NFI
Relative fit index	0.955	RFI
Incremental fit index	0.980	IFI
Tucker-Lewis index	0.976	TLI
Comparative fit index	0.980	CFI
RMSEA	0.062	RMSEA

Structual Equation Model of Export Customer Retention

Regression Weights (Measurement Path)

			Estimate	S.E.	C.R.	P
PUR1	<--	PUR	1.000			
PUR2	<--	PUR	1.020	0.108	9.447	0.000
PUR3	<--	PUR	1.061	0.113	9.422	0.000
PUR4	<--	PUR	1.157	0.115	10.068	0.000
PUR5	<--	PUR	1.068	0.112	9.571	0.000
PUR6	<--	PUR	1.222	0.113	10.793	0.000
LC	<--	ST	1.000			
DF	<--	ST	0.814	0.082	9.873	0.000
FC	<--	ST	0.894	0.108	8.258	0.000
G	<--	EMO	1.250	0.105	11.883	0.000
D	<--	EMO	1.137	0.096	11.782	0.000
R	<--	EMO	1.000			
CR1	<--	CR	1.000			
CR2	<--	CR	1.019	0.059	17.274	0.000
CR3	<--	CR	1.016	0.059	17.296	0.000
CR4	<--	CR	0.916	0.066	13.926	0.000
CR5	<--	CR	0.707	0.065	10.880	0.000

Standardized Regression Weights (Measurement Path)

			Estimate
PUR1	<--	PUR	0.662
PUR2	<--	PUR	0.660
PUR3	<--	PUR	0.656
PUR4	<--	PUR	0.711
PUR5	<--	PUR	0.669
PUR6	<--	PUR	0.779
LC	<--	ST	0.737
DF	<--	ST	0.730
FC	<--	ST	0.577
G	<--	EMO	0.864
D	<--	EMO	0.824
R	<--	EMO	0.695
CR1	<--	CR	0.841
CR2	<--	CR	0.854
CR3	<--	CR	0.855
CR4	<--	CR	0.737
CR5	<--	CR	0.610

Structual Equation Model of Export Customer Retention

Variance Associated with Measurement Path

	Estimate	S.E.	C.R.	P
e_pur1	2.578	0.250	10.324	0.000
e_pur2	2.724	0.264	10.328	0.000
e_pur3	2.998	0.289	10.389	0.000
e_pur4	2.634	0.267	9.872	0.000
e_pur5	2.841	0.276	10.288	0.000
e_pur6	1.946	0.220	8.852	0.000
e_lc	1.171	0.148	7.909	0.000
e_df	0.806	0.100	8.056	0.000
e_fc	2.231	0.218	10.240	0.000
e_g	0.699	0.128	5.463	0.000
e_d	0.809	0.117	6.940	0.000
e_r	1.411	0.142	9.923	0.000
e_cr1	1.350	0.151	8.937	0.000
e_cr2	1.249	0.146	8.579	0.000
e_cr3	1.234	0.144	8.557	0.000
e_cr4	2.298	0.221	10.414	0.000
e_cr5	2.745	0.246	11.140	0.000
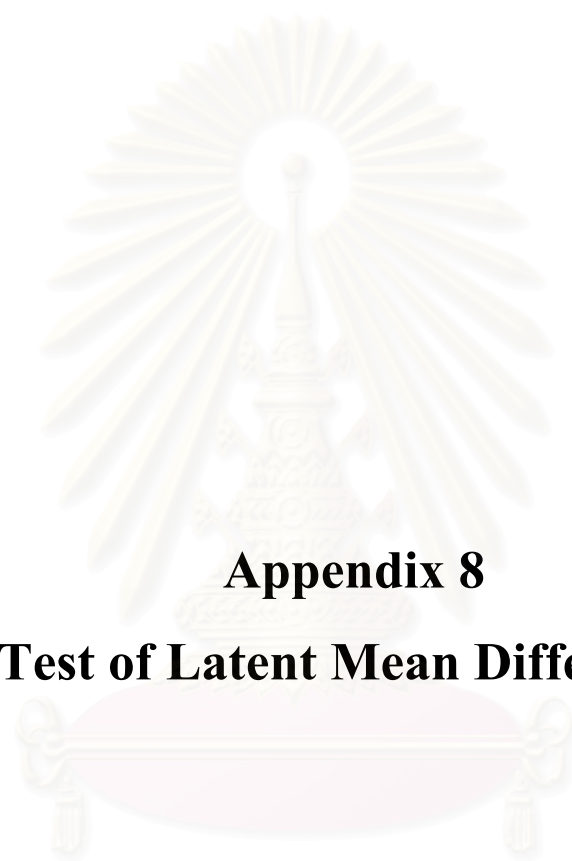
Appendix 8

Test of Latent Mean Difference

Estimated Mean Differences Between High and Low Performance Firms

Below is the table showing the result of estimated mean differences between high and low performance firms.

Performance	Factors	Estimate	C.R.	*p*
Export Profitability	PUR	1.176	6.018	0.000
	EMO	0.370	2.540	0.011
	LC	1.539	7.062	0.000
	DF	1.074	6.203	0.000
	FC	1.155	4.612	0.000
Export Sales Growth	PUR	1.497	7.824	0.000
	EMO	0.863	5.673	0.000
	LC	1.734	9.288	0.000
	DF	1.184	6.636	0.000
	FC	1.739	8.803	0.000
Export Customer Retention	PUR	1.103	5.756	0.000
	EMO	0.610	3.871	0.000
	LC	1.049	5.106	0.000
	DF	0.782	4.503	0.000
	FC	1.731	8.695	0.000
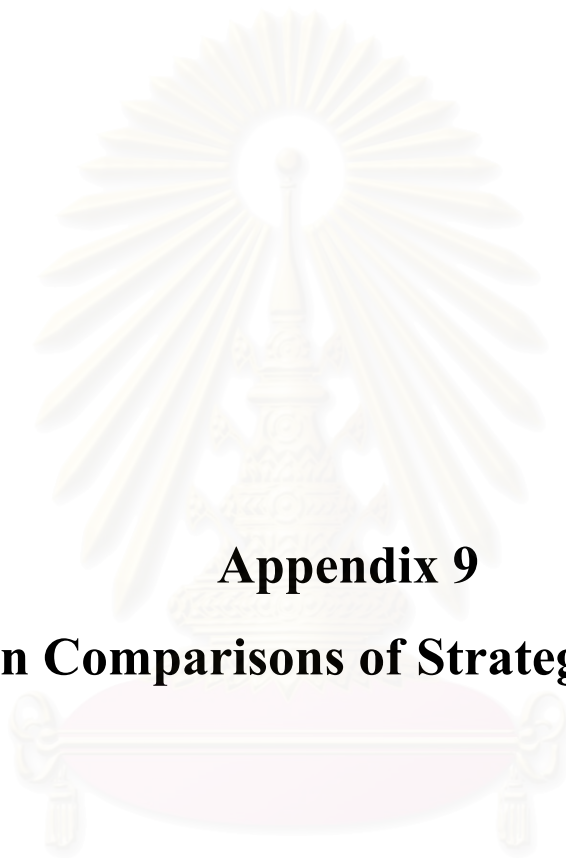
Appendix 9
Mean Comparisons of Strategy Profiles

Descriptive Statistics of Strategy Profiles

Reference and Low Performance Groups (A)

Group Statistics

	Strategy Profile	N	Mean	Std. Deviation
Low Cost	Reference Profile	281	4.80	1.60
	Low Performance (A)	142	3.90	1.57
Differentiation	Reference Profile	281	5.02	1.32
	Low Performance (A)	142	4.39	0.93
Focus	Reference Profile	281	4.68	1.83
	Low Performance (A)	142	3.74	1.92

Reference and High Performance Groups (B)

Group Statistics

	Strategy Profile	N	Mean	Std. Deviation
Low Cost	Reference Profile	281	4.80	1.60
	High Performance (B)	95	5.16	0.57
Differentiation	Reference Profile	281	5.02	1.32
	High Performance (B)	95	4.91	0.79
Focus	Reference Profile	281	4.68	1.83
	High Performance (B)	95	5.50	0.72

Reference and High Performance Groups (C)

Group Statistics

	Strategy Profile	N	Mean	Std. Deviation
Low Cost	Reference Profile	281	4.80	1.60
	High Performance (C)	44	6.93	0.59
Differentiation	Reference Profile	281	5.02	1.32
	High Performance (C)	44	7.33	0.57
Focus	Reference Profile	281	4.68	1.83
	High Performance (C)	44	5.94	1.61

Mean Comparison of Strategy Profiles

Reference vs. Low Performance Groups (A)

Strategy Variable	t-test for Equality of Means		
	t	Sig.	Mean Difference
Low Cost	5.52	0.000	0.90
Differentiation	5.77	0.000	0.64
Focus	4.90	0.000	0.94

Reference vs. High Performance Groups (B)

Strategy Variable	t-test for Equality of Means		
	t	Sig.	Mean Difference
Low Cost	-3.23	0.001	-0.36
Differentiation	1.01	0.315	0.11
Focus	-6.20	0.000	-0.82

Reference vs. High Performance Groups (C)

Strategy Variable	t-test for Equality of Means		
	t	Sig.	Mean Difference
Low Cost	-16.25	0.000	-2.12
Differentiation	-19.84	0.000	-2.30
Focus	-4.75	0.000	-1.26

Biography

Mr. Phongsak Leartharanon was born in Bangkok, Thailand on October 13, 1978. He earned a bachelor degree (BBA) in Marketing Management and General Management majors with Magna Cum Laude (second class honors) from Assumption university in March, 1999. In November, 2000, he earned a Master degree in Business Administration from the same university and got Srisakdi Charmonman's Prize for outstanding performance in completing the degree requirements. With the determination to further extend his knowledge, he joined the Joint Doctroal Program in Business Administration (International Business Major) in 2002.