

5. Results of the interviews

7 interviews have been conducted: 5 of them are identified with sporadic exporters and 1 of them with regular exporters. One company though, can neither be categorized as a sporadic exporter nor as a regular exporter, which leads us to evaluate this interview separately from the others. This particular company maintains permanent exporting activities with Germany for several years, although export sales never reached more than 5% of its total sales. The low dependence on exports of overall sales normally would provoke sporadic exporting behavior; this firm has succeeded in sustaining permanent exporting activities to Germany despite sharing many characteristics with sporadic exporters.

This company might represent the “missing-link” between sporadic and regular exporters, going through the transition stage from discontinuous exporting- to permanent exporting behavior.

Table 1: Basic data about interviewees

	Sporadic exporters	Regular exporter	Regular exporter with mixed characteristics
Number	5	1	1
Size	SME	SME	SME
Interviewee	4 company directors, 1 sales department coordinator	1 export department coordinator	1 company director
Industry Sector	2 furniture companies, 2 hand crafting companies, 1 agro industrial company	1 furniture company	1 agro industrial company
Designation for our study	Modern X and Booths X, Talavera X and Y, Mole X	Rustic X	Nopales X

Source: own elaboration

The first step will be to detect critical characteristics differentiating sporadic from regular exporters from the interviews. These variables will be compared with table 7 from the literature review in order to filter variables that do or do not influence exporting performance according to our results. Through this comparison of both tables, table 7 and 9, we will be able to observe new variables that have not been mentioned in the literature review and examine their importance on continuous export behavior.

As already mentioned, the company with mixed properties will not be included into the analysis of critical characteristics separating sporadic exporters from regular exporters, in order to avoid any distortion of results. Nevertheless, we will search for parallels and differences between the critical characteristics, separating sporadic exporters from Rustic X and the characteristics defining the company with mixed properties¹.

We can suppose that those critical variables which do differ between both groups are key variables that are crucial for export performance, allowing us to establish a possible hierarchy in the importance of several companies' categories on export continuity.

As all companies of our samples are Micro- and SMEs (1-250 employees in the manufacturing sector), we can suppose that the detected characteristics have the same importance or impact on export performance within the interviewed companies, as they count with similar challenges and barriers due to their size. Especially, any doubt about decision makers' characteristics can be dismissed due to the comparability of the companies. Most tend to face similar problems for financing their activities. As all companies are manufacturing companies, we have a further base of comparability within the interviewed group, which increases the internal validity of our results concerning sporadic exporters operating in the manufacturing industry.

¹ Please have a quick look at table 11 and 12

5.1. Critical characteristics differentiating sporadic exporters from regular exporters extracted from the interviews

In the following, we will compare the following two tables of critical characteristics with table 7 in order to confirm or reject the variables of the literature review as essential or not for export regularity and performance. In addition, we will include newly observed variables and their importance on continuous exporting behavior.

Table 2: Critical characteristics differentiating sporadic exporters from regular exporters extracted from the interviews

Categories	Companies' resources	Companies' competencies/skills	Attitude and behavior patterns
<p>Decision makers' characteristics</p>		<ul style="list-style-type: none"> •Lack of an adequate, overall administration of the company 	<ul style="list-style-type: none"> •Frustration about negative export experience and missing export success in the past •High risk perception of the foreign market •High distance perception to the foreign market •Negative future perception •Conservative export attitude
<p>Export orientation</p>	<ul style="list-style-type: none"> •Lack of an export specific infrastructure 	<ul style="list-style-type: none"> •Lack of an export strategy and overall lack of strategies (information acquisition, client acquisition, commercialization) •Lack of tailor-made market researches (customer segment...) •Knowledge about documentation requirements for small quantities but lack of knowledge about documentation and certification requirements for bigger quantities •Lack of resource allocation to exporting activities •Lack of exact instructions how to enter the market •Pricing problems •Lack of an adequate representation of the companies in the foreign market and lack of promotion (to heavy rely on internet as only promotion possibility) •Lack of specialization of products and processes •Lack of knowledge about market trends •Lack of company's own information sources •Lack of providing after-sales service •Overall lack of export service (respecting dead-lines...) 	<ul style="list-style-type: none"> •One-market focus •Lack of adaptation to foreign market trends and movements •Increasing dependence on domestic market operations •High perception of competition in the foreign market •Lack of looking for a market niche or for specific market segments in the foreign market •Irregular participation in trade fairs and trade shows •Lack of use of various information sources – high dependence on one information source •Too high reliance on information provided by public institutions – companies did not try to adapt information to their special needs •Lack of concrete actions taken to enter the foreign market •Big mismatch between companies' offers and customer needs – wrong interpretation of foreign customer needs •Lack of knowledge about public promotion programs and low use of the same •Frustration about public institutions

Source: own elaboration

Table 9: Critical characteristics differentiating sporadic exporters from regular exporters extracted from the interviews

<p>Human Resources</p>	<ul style="list-style-type: none"> •Lack of specialized personnel for exporting issues 	<ul style="list-style-type: none"> •High turnover rate of employees •Lack of firms' motivation on employees in order to seek export sales possibilities
<p>Finance</p>	<ul style="list-style-type: none"> •Lack of resources in order to invest in exporting activities (less for the exporting process and the production process than for certifications and promotion purposes for example) 	
<p>Innovation and R&D</p>	<ul style="list-style-type: none"> •Lack of certifications •Total lack of strategy innovation •Total lack of market innovation 	<ul style="list-style-type: none"> •Quality problems •Lack of product adaptation to market trends but existing flexibility of the companies to incorporate changes •Lack of standardization and routinization of processes
<p>Organizational behaviour and learning</p>		<ul style="list-style-type: none"> •High export motivation but low export commitment •Lack of an overall employee motivation •Rather use of learning on-the-job than previous acquisition of information
<p>Relationship capacities and behaviour</p>	<ul style="list-style-type: none"> •Limited production capacity •Lack of concrete representative of the company in the foreign market •Limited access to distribution channels 	<ul style="list-style-type: none"> •Lack of personal contact possibilities to clients – client visits •Mismanagement of foreign client portfolio •Communication problems between domestic companies and foreign clients
		<ul style="list-style-type: none"> •High perception of differences in technology levels between the domestic market and the foreign market •One-sided focus on quality issues as a competitive advantage instead of other possible features such as service
		<ul style="list-style-type: none"> •Short-term relationships with clients •Bad relationship with public institutions due to bad experience

Source: own elaboration

Decision makers' characteristics

A series of attitudes and behavior patterns have been identified to be crucial for export performance. However, decision makers' competencies and skills, such as the international background, language skills and foreign trade experience seem not to represent such an impacting obstacle for the overall export behavior of the company.

The director of Modern X (2010) stated:

"I was studying design at the university "Iberoamericana". After that, I worked in some companies in Mexico City. Later on, I worked in the biggest Scandinavian plant in Finland. I came back to the Mexican Federal District in order to work in a museum, planning exhibitions. Then, I went to New York in order to study my MBA and I stayed in New York working there for two years. Afterwards, I came to Puebla starting my manufacturing facility; I have been here for 15 years now."

Nevertheless, a new variable has been observed– the lack of an adequate, overall administration of the company by the decision maker – which negatively influences export performance.

"It was a dream for us, to transfer the production to such a big production facility; but the costs overtook us. First, the rental expenses and then the general costs of the production facility. Additionally, we did not notice the disadvantages of having just a few clients instead of a bigger client portfolio; that caused further problems." (Talavera X, 2010)

Sporadic exporters seem more likely to be frustrated by their past negative experiences and failure to reach export success and regularity.

“I am somewhat downhearted. At the beginning, [...], I tried to search potential clients. [...]. Coca Cola invited us, too, but they always wanted ridiculous prices, which are not supportable from the cost-side. [...]. The only thing that happened was that I got disappointed from the things they wanted. It was a too low price. Buying the product for a low price in order to sell it at a better price.” (Talavera Y, 2010)

In addition, they seem to have a much higher risk aversion and a perception of a higher distance towards foreign markets in comparison with regular exporters.

Distance refers to the perceived geographical distance by sporadic exporters that complicates the successful encounter between potential customers and the company.

“I think the core element of the answers of this interview is to show the difficulty of the successful encounter between the buyer and the seller when they are in two different countries.” (Modern X, 2010)

The fact that decision makers in SMEs in general are involved into various operational areas, has not been determined to be crucial for export performance.

The executive of Talavera Y (2010) declared:

“I am the owner. I have a lot of responsibility in many areas; commercially as well as administrating the retail stores [...].”

In general, sporadic exporters describe themselves to be ready to export and export motivated but with negative future perception with respect to export opportunities, which causes a conservative export attitude.

“That is the most important: customer satisfaction [...], this motivates us to continue exporting and the fact that we have the capacity to penetrate foreign markets.” (Talavera X, 2010)

“Well, we have a new client who promises us to convert us into his main supplier for the North American region. Well, we are waiting for this to be real, to have a good end. Honestly, with all these experiences that we have already had – the difficulty to acquire clients, it is very difficult to say how many we will have in the following 5 years.” (Modern X, 2010).

Although sporadic exporters struggle with external barriers, also Rustic X admits to have a perception of external barriers, such as the impact of the financial crisis or the difficulties in national logistics as being important.

“[...], Rustic X was a company of 700 employees, now we are 200. Well, the difficulty has not been maintaining exporting activities but the global economy. This has ruined our sales [...].” (Rustic X, 2010)

“We are in this project right now, but it has been postponed. We would have wanted to start last year but that year, there was the crisis.” (Mole X, 2010)

Additionally, decision makers have the intention to expand further into foreign markets, but with lack of an overall export marketing strategy, as we will see below the study of companies' export orientation, impeding the successful penetration of foreign markets.

Our interviews indicate that P1 does not seem to be rejected in the context of our samples.

Export orientation

Export-specific infrastructure, such as the establishment of a foreign trade department or the harmonization of the complete companies' processes towards exportation, is totally absent in sporadic exporting companies.

“I do everything [export documentation], I studied foreign trade since a couple of years; I need to update myself but I know where I get the latest information from.” (Mole X, 2010)

Export assistance does not appear as crucial for export performance as both types of exporting companies have at their disposal similar forms of export assistance.

Companies' competencies and skills with respect to their export orientation strongly influence permanent exporting activities.

Rustic X seems to reallocate resources to exporting activities and to overall company's activities that boost exports.

“We are implementing new designs, which are more modern, more innovative; we think that we can get more clients that way.” (Rustic X, 2010).

Although an adequate product presentation in the foreign market has been observed within both exporting groups, the lack of an adequate overall representation of the company in the foreign market impedes an easier acquisition of clients and so export success.

“What we do is to manufacture the same they have in their market [United States] with the same quality but a lower price, but they do not know that. “ (Modern X, 2010)

Sporadic exporters lack adapted information, such as tailor-made market research, providing instructions as how to enter the market and knowledge about documentation and certification requirements for larger product quantities.

“Well, financing is really important, I think, that is fundamental; and the other, real market research, a focused and deep market analysis that tells us [...] how to promote your product [what kind of packaging in which markets and market segments].”
(Mole X, 2010)

The following new variables separating regular- from sporadic exporters have been identified: Sporadic exporters seem to rely too much on the internet for promotion purposes, ignoring other marketing possibilities.

What kind of measures have you taken in order to enter the foreign market?

“No, nothing in special. Well, my web page that I had before and that I do not have anymore.” (Talavera Y, 2010)

Furthermore, they lack product specialization efforts disregarding necessary adaptation to market trends. The problem is that sporadic exporters lack knowledge about recent market changes and therefore cannot integrate product or process specializations. Rustic X, whereas states to take permanent measures in order to adapt their products to changing customer needs.

“We participated in trade fairs in Guadalajara and the Mexican Federal District and we have received visits from the U.S. but they are still looking for the farmhouse style that they lack of in their own market, something exotic. And what we are doing, is to manufacture the same they have in their market with the same quality but with a lower price [...].” (Modern X, 2010)

“[...] what we want is to have the traditional furniture in Mexican style but more modern. Well, we need to adapt to the market, implementing new techniques. You will see that in our exhibition room, all colored furniture [are a product of this modernization] that has helped us to [...] renew relationships with our clients and to please them.” (Rustic X, 2010)

Another very important factor is that sporadic exporters do not offer after-sales service or customer support during export operations that prevent the formation of long-term customer relationships.

Due to the perception of an intense competition in the foreign markets, sporadic exporters withdraw or do not even dare to initiate new international activities.

“One major obstacle [of exporting] is that we are too expensive in comparison with Asian countries. There are many Asian countries [...] that compete heavily with us; [...], according to my personal experience I know that we cannot compete with them with respect to their export capacity.” (Talavera X, 2010)

“We even wanted to change the market due to the intense competition. There were too many competitors in the existing market.” (Modern X, 2010)

Those exporters tend to use scarcely export promotion programs, either due to the lack of knowledge about existing services or because of the previous frustration about insufficient support from public institutions.

“When they give us a data base, of companies that are looking for Mexican firms, sometimes the data base is not the latest one, sometimes we do not even receive a response [from the foreign companies], that is when we wonder where they [public institutions] have the information from. (Modern X, 2010)

“I say [to a representative of Bancomext]: “well look, give me an appointment that you can explain to us what kind of programs we need because we do not know where you have them, or maybe you are hiding them from us.” One does not know if such programs do exist or not.” (Mole X, 2010)

This dissatisfaction about public institutions might surge from the fact that sporadic exporters rarely adapt the acquired information to their own needs,

depending too much on the supplied information. Sporadic exporters are irregular participants in international trade fairs. This impedes a continuous companies' appearance in foreign markets.

All sporadic exporters are highly focused on only one market in order to impede that their resources are spread too thin. However, due to the lack of tailor-made market research and of an overall export strategy, the possibilities of diversification remain limited. The one-market focus and thus the low diversification of the client portfolio increase additionally the fragility of existing operations.

To what markets have you been exporting?

“Only to the U.S” (Modern X, 2010)

To what markets have you been exporting?

“Only to the U.S” (Booths X, 2010)

As already mentioned, sporadic exporters lack of a strong specialization in their products and processes, due to the lack of knowledge to remain updated about market changes. Another similar characteristic which highly impacts continuous exporting behavior is the lack of identification of relevant market niches or specific market segments, where the density of competition might be lower and where prices could be set higher. Sporadic exporters also claim that they have serious problems with pricing, setting prices either too low or too high.

The cited samples of our interviews indicate that P2 should not be rejected.

Human Resources

The lack of skilled workers with foreign trade experience is a main obstacle preventing better export performance. Training did not appear in our interviews as a factor. The lack of skilled personnel appeared as the only influential factor in terms of Human Resources on export performance.

How did you do that with the export documentation? Have you established something internally to boost exporting activities?

“No, that should have been a person dedicated to exports. That what we have done is that the UDLAP has sent an intern to us each semester.” (Modern X, 2010)

Companies' competencies and skills referring to Human Resources do not seem to have an impact on continuous exporting behavior. Employee empowerment has been observed for both types of exporters, indicating that the employees' ability to take over other tasks and to incorporate higher responsibility does not boost export activity per se.

Nevertheless, attitude and behavior patterns must be considered as important for permanent exporting activities. Especially firm's motivation on employees- an adequate system of incentives - is a dimension that is absent in the sporadic exporting companies we observed.

“I do accept that I do not know how to motivate them [employees] if I apply financial incentives. After that it becomes a vicious circle, they do not want to work except if there is another financial incentive. This is a very complicating part, how to apply adequate incentives in order to motivate my employees.” (Modern X, 2010)

Furthermore, we have detected a new variable dealing with the turnover rate of employees. Sporadic exporting firms seem to have a higher rate of employee turnover than in Rustic X. The latter relies on long-term relationships with its employees, increasing their sense of responsibility and working moral. They also seem to take a better advantage out of the rich experience of their employees.

“Our colleague, responsible for the purchasing department, has been working with our director for more than 23 years. [...]. And the controllers, almost since the beginning of the company, one has 12 years and the other one 8 years [working with us].” (Rustic X, 2010)

Our interviews indicate that P3 does not seem to be rejected in the context of our samples.

Finance

The lack of financial resources was examined to be of highest importance for export performance. Interestingly, sporadic companies did not complain about scarce financial resources with respect to finance export processes. They lack financial resources concerning the overall preparation of the company in order to be ready to enter foreign markets. The previous preparation includes the acquisition of certifications, sometimes costly information, or the intensification of promotion and advertising in foreign markets.

*“[...] what we have done was: when we had good utilities, we looked for possibilities to reinvest it into the shop, modernizations, and the production facility and assist trade fairs.”
(Modern X, 2010)*

“Everything depends on the exported volume. The bigger the order, the more problems exist in order to finance it, but till now we had very few problems, but not more.”(Modern X, 2010)

The access to financial institutions surprisingly has not been detected to be significant as both groups noticed similar problems with respect to the acquisition of credits. Rustic X, in particular, does not have the necessity to approach financial institutions as they generate enough financial resources internally with their export operations, therefore overcoming the obstacle of a limited access to financial institutions. As sporadic exporters do not have internal possibilities of financing specific activities for export preparation, they do depend on the problematic access to financial institutions.

We did not identify characteristics which have an impact on export continuity in terms of knowledge about financial resources. The lack of financial knowledge did not appear in our interviews, neither for sporadic exporters nor for Rustic X.

The cited samples of our interviews indicate that P4 should not be rejected.

Innovation and R & D

Companies' resources with respect to innovation and R&D impacts export performance. Especially, the lack of strategic innovations and market innovations, due the lack of knowledge about possible customer segments and adaptation to market trends, impedes successful penetration of new markets and hence, tends to decrease export performance.

We have not found any relevant difference in terms of presence or absence of product and process innovations between sporadic exporters, on the one hand, and Rustic X on the other hand, as both groups conducted similar approaches concerning this type of innovations.

“We are about to change our production process from manual to partially automated.” (Mole X, 2010)

“You need to adapt it [your product] to what they really want.” (Mole X, 2010)

Sporadic exporters lack of routinized and standardized processes, rather than having problems in implementing modernizations in existing processes.

R&D intensity is very low in both groups, so that, the allocation of resources to R&D activities is not supposed to be significant for continuous exporting behavior, at least in the context of our sample. The impact of inter-sectoral innovations on export performance could not be examined as this factor could not be extracted from the interviews.

Companies' competencies and skills with respect to innovation and R&D are considered to be of high importance for companies' export performance. The ability of the firm to combine different categories of innovation in order to establish competitive advantage and product adaptation and customization² – could not be identified to be crucial for sporadic exporting behavior. However, we have been able to observe new variables in that respect.

Sporadic exporting companies lack of product adaptations to market trends. Rustic X, on the contrary, has integrated new market requirements and new product variations instead of customizing the product to each customer need, thus avoiding additional costs. Furthermore, sporadic exporters admit that foreign customers expressed complaints about quality issues as they could not meet the expectations in foreign markets.

“Well, we had a few problems with the carpentry, too. We manufactured really big furniture with a difficult curve that is why we had to postpone the delivery.” (Modern X, 2010)

As sporadic exporters, as well as Rustic X, lack of sufficient knowledge about the different innovation forms, they tend to focus on product innovation exclusively.

“Apart from product innovations, there exists the possibility to innovate internally concerning Human Resources [...]. The other forms of innovation that I am thinking of are all related to product innovations.” (Modern X, 2010)

Both groups have a positive attitude towards innovation. The lack of application of technology in processes has not been identified to be of high importance; nevertheless, sporadic exporters have a higher perception of differences in technology levels between the domestic market and the foreign market as regular exporters, causing the withdrawal from international activities or the rejection of the idea to enter into new foreign markets.

² please compare with Table 7

“Yes, it is difficult to maintain your clients, and the differences in technology levels are an obstacle as well.” (Modern X, 2010)

The one-sided focus on quality issues as a competitive advantage instead of other possible features such as after-sales service; avoid the ability to increase customer loyalty, thus the development of long-term relationships or word-to-mouth recommendation.

The cited examples from the interviews indicate to us, that P5 should not be rejected.

Organizational behavior and learning:

An adequate organizational behavior and policies orientated towards export learning are critical for continuous exporting behavior.

As team-work, shared-vision and a good internal communication have been detected in both groups, these variables do not form part of the critical factors. The problem might not lay in the lack of the collaboration of the employees in charge of exporting issues but on the overall lack of motivation concerning exporting within the company.

“Yes, they do have the idea about the quality, concerning exports or not. They have the idea that we are a world-class company of quality although we are a SME. [...]. We are small, your are small, but we are a part of a good team.” (Mole X, 2010)

Sporadic exporters rather rely on the acquisition of knowledge through experience and on-the-job learning instead of the previous acquisition of information. This provokes that sporadic exporting companies frequently commit mistakes as they lack information about specific obstacles. As a consequence, they tend to try to penetrate the market without a proper planning and preparation, often causing disappointing failures, forcing them to withdraw.

“[...] many times our products are not exactly what the clients expect, therefore we need to try a lot [...].” (Mole X, 2010)

P6 seems to be partially valid for this study as only a few variables have been detected from the interviews.

Relationship capacities and behavior

Companies' resources with respect to relationship capacities and behavior have been noted to be highly important for export continuity. The only variable which could not be identified due to the lack of information extracted from the interviews is the intensity of networks involved into daily operations.

Sporadic exporters lack production capacity, which impedes the acquisition of larger projects from foreign trade clients or distributors. Although production capacity is a limiting factor, sporadic exporters try to overcome this obstacle by participating in associations with various companies.

What are the weaknesses of your company with respect to exports?

“A limited space for production; 800m has not been sufficient for a U.S. company that seeks the possibility to produce bigger volumes.” (Modern X, 2010)

“[...]. We have organized ourselves, friends and other companies; we are not a real association but some kind of organization.” (Mole X, 2010)

As both groups consider the membership in associations as an alternative, it does not represent a critical factor influencing export continuity.

However, both forms of exporters maintain personal contacts or an individual associate in the foreign market, who should provide specific information about foreign market movements. Both groups maintain as well intensive collaborations with customs agencies.

Sporadic exporters, for their part, complain about having difficulties to enter distribution channels as those distribution channels are already dominated by bigger companies impeding the entry of new competitors.

Even though sporadic exporters maintain personal contacts in relation with foreign markets, they lack of an official representation that acts in the interest of the company.

“But in order to distribute it [the product], [...], you need a representation, who takes care of your product, our product; that is what we need.” (Mole X, 2010)

Sporadic exporters claim that they do not have the possibility to make personal client visits due to the lack of specific resources financing such trips.

What kind of actions have you already taken to enter foreign markets?

“Today, I am lacking the possibility to make client visits. When they receive samples, I need to have the opportunity to talk to them: Have you received the sample? I am coming to discuss it with you.” (Talavera Y, 2010)

Except from the missing networking capabilities – maintaining personal foreign client contacts, sporadic exporters suffer from communication problems between domestic and foreign clients. This surges from the lack of information sharing in addition to the misinterpretation of customer needs. The mismanagement of the foreign client portfolio, meaning the lack of something similar to customer relationship management, impedes the adequate gathering of information about clients.

Especially companies’ attitudes and behavior patterns concerning relationship capacities and behavior deserve a special attention. An interesting difference between sporadic exporters and Rustic X is the different management of client contacts. Rustic X seems to attach more importance to long-term relationships with their clients. Sporadic exporters without an exception, only sustain short-term relationships with fewer clients. The fact that sporadic exporters frequently change of

clients complicates client acquisition and impedes the establishment of a trustworthy relationship which presents the base for achieving long-term company objectives.

Nevertheless, both exporter groups emphasized the importance of long-term relationships to their suppliers.

“Well, till now we had various accidental projects, which started and ended. Well, we had big clients and small clients. Some of these were retail stores that sold other furniture as well. Others were hotels.” (Modern X, 2010)

“Honestly, we have a lot of clients with whom we have created an environment of loyalty and trust. We have had some of them for more than 10 years now. [...], but they have told me that we have had customers for more than 15 years [...].

We are proud of our relationships because they are good relations, meaning that we do not have a new client for one year only because he does not like our products or our service.” (Rustic X, 2010)

Sporadic exporters rather focus on short-term success instead of focusing on long-term goals. Furthermore, apart from the lack of knowledge about services provided from public institutions and low use rate of the same, sporadic exporters describe their relationship with public institutions as negative ones, due to past negative experiences, thus causing the feeling of being all alone in the foreign market without any support from the government.

“I am disappointed. Why do I go there [public institutions] if I cannot get anything arranged. What you get from Pymexporta or ProMéxico is particularly nothing. Till now, nothing; but I do speak for my experience.” (Talavera Y, 2010)

As various characteristics have been extracted from the interviews, we can assume that P7 should not be rejected.

The following table shows the summary of new variables that have been observed from the interviews.

Table 3: Summary of new observed variables which are important for the differentiation between sporadic and regular exporters

Categories	Companies' resources	Companies' competencies and skills	Attitudes and behavior patterns
Decision makers' characteristics		<ul style="list-style-type: none"> • Lack of an adequate, overall administration of the company 	<ul style="list-style-type: none"> • High distance perception to the foreign market
Export orientation		<ul style="list-style-type: none"> • Pricing problems • Too heavy rely on internet as only promotion possibility • Lack of specialization of products and processes • Lack of knowledge about market trends • Lack of companies' own information sources • Lack of providing after-sales service • Overall lack of an export service 	<ul style="list-style-type: none"> • One-market focus • Lack of looking for a market niche or for specific market segments in the foreign market • Too high reliance on information provided by public institutions – companies did not try to adapt information to their special needs • Big gap between companies' offers and customer needs
Human Resources			<ul style="list-style-type: none"> • Turnover rate of employees
Finance			
Innovation and R&D		<ul style="list-style-type: none"> • Lack of product adaptation to market trends but existing flexibility of the companies to incorporate changes 	<ul style="list-style-type: none"> • One sided-focus on quality issues as a competitive advantage instead of other possible features such as service • High perception of differences in technology levels between the domestic market and the foreign market

Organizational behavior and learning			<ul style="list-style-type: none"> • Rather use of learning on-the-job than previous acquisition of information
Relationship capacities and behavior			

Source: own elaboration

Table 11 and 12 show the common and differing critical characteristics between Table 9 and the company with mixed properties of sporadic and regular exporters. The goal is to determine the potential differences that could exist between the characteristics of the mixed properties company in comparison to the characteristics that differentiate sporadic exporters and Rustic X. We can suppose that those critical variables, which do differ between both groups, are key variables that are crucial for export performance.

Table 4: Critical characteristics from Table 9 that hold true for the company with mixed properties

Categories	Companies' resources	Companies' competencies/skills	Attitudes and behavior patterns
Decision makers' characteristics			
Export orientation	<ul style="list-style-type: none"> •Lack of an export specific infrastructure 	<ul style="list-style-type: none"> •Lack of resource allocation to exporting activities •Lack of company's own information sources 	<ul style="list-style-type: none"> •One-market focus •High perception of competition in the foreign market
Human Resources	<ul style="list-style-type: none"> •Lack of specialized personnel for exporting issues 		
Finance	<ul style="list-style-type: none"> •Lack of resources in order to invest in exporting activities (less for the exporting process and the production process than for certifications and promotion purposes for example) 		
Innovation and R&D	<ul style="list-style-type: none"> •Lack of certifications 		<ul style="list-style-type: none"> •One-sided focus on quality issues as a competitive advantage instead of other possible features such as service
Organizational behaviour and learning			
Relationship capacities and behaviour			

Source: own elaboration

Table 5: Critical characteristics from Table 9 that do not hold true for the company with mixed properties

Categories	Companies' resources	Companies' competencies/skills	Attitudes and behavior patterns
<p>Decision makers' characteristics</p>			<ul style="list-style-type: none"> •Frustration about negative export experience and missing export success in the past •High risk perception of the foreign market •High distance perception to the foreign market •Negative future perception •Conservative export attitude
<p>Export orientation</p>		<ul style="list-style-type: none"> •Lack of an export strategy and overall lack of strategies (information acquisition, client acquisition, commercialization) •Lack of tailor-made market researches (customer segment...) •Knowledge about documentation requirements for small quantities but lack of knowledge about documentation and certification requirements for bigger quantities •Lack of exact instructions how to enter the market •Lack of an adequate representation of the company in the foreign market and lack of promotion (to heavy rely on internet as only promotion possibility) •Lack of specialization of products and processes •Lack of knowledge about market trends •Lack of providing after-sales service •Overall lack of export service (respecting dead-lines...) 	<ul style="list-style-type: none"> •Lack of adaptation to foreign market trends and movements •Lack of use of various information sources – high dependance on one information source •Increasing dependance on domestic market operations •Lack of looking for a market niche or for a specific market segment in the foreign market •Irregular participation in trade fairs and trade shows •Too high reliance on information provided by public institutions – companies did not try to adapt information to their special needs •Lack of concrete actions taken to enter the foreign market •Big mismatch between companies' offers and customer needs – wrong interpretation of foreign customer needs •Lack of knowledge about public promotion programs and low use of the same •Frustration about public institutions

Source: own elaboration

Table 12: Critical characteristics from Table 9 that do not hold true for the company with mixed properties (continuation)

Human Resources				
Finance				
Innovation and R&D	<ul style="list-style-type: none"> •Quality problems •Lack of product adaptation to market trends but existing flexibility of the company to incorporate changes •Lack of standardization and routinization of processes 	<ul style="list-style-type: none"> •Total lack of strategy innovation •Total lack of market innovation 	<ul style="list-style-type: none"> •High perception of differences in technology levels between the domestic market and the foreign market 	
Organizational behaviour and learning				<ul style="list-style-type: none"> •High export motivation but low export commitment •Rather use of learning on –the-job than previous acquisition of information
Relationship capacities and behaviour		<ul style="list-style-type: none"> •Lack of concrete representatives of the company in the foreign market •Limited access to distribution channels 	<ul style="list-style-type: none"> •Communication problems between domestic company and foreign clients 	<ul style="list-style-type: none"> •Short –term relationships with clients •Bad relationship with public institutions due to bad experience

Source: own elaboration

The step towards a more continuous exporting activity seems to depend highly on the decision makers' motivation to go international. A positive perception of market opportunities and proactive export efforts are more likely to be linked with an increasing export performance.

“Well, they pay you in Dollars or in Euros and you can obtain economies of scale when exporting. With higher volumes, your costs are diminishing and you have a higher income.” (Nopal X, 2010)

This export motivation is associated with a low distance perception and risk perception of foreign markets. The Nopal X executive, we interviewed, did not express any particular frustration about past negative exporting experiences. There does not exist any company in our sample that did not have its own negative experiences, indicating that export regularity rests very much on the decision makers' personal attitude toward exports.

Variables concerning export orientation have an extremely strong influence over export performance. The critical factor in this case is not the establishment of an adequate export infrastructure within the company. It is rather the acquisition of tailor-made information and the correct interpretation of the same information.

“Now, with ProMéxico we have done a market research in Germany in order to see the feasibility of further products we have and see how we might penetrate the market.” (Nopal X, 2010)

The elaboration of a market strategy on the base of collected information represents another critical factor. A diversified approach in terms of information gathering - internet, public institutions and international trade fairs - help to create a more comprehensive picture about foreign markets in order to harmonize the product offer together with foreign market needs.

Continuous exporting behavior might not depend on companies' resources with respect to export orientation, human resources and finances. It deals with adding more value to companies' operations with respect to an international market approach without a sole financial support, but with the acquisition of information in order to act more rationally concerning new market entry.

The company in the transition stage from a sporadic exporter to regular exporter status, still shares a few characteristics with sporadic exporters, such as a one-market focus and the lack of allocation of resources to exporting activities.

“We are only exporting to Germany. We have been trying to export to the U.S. [...], but the production facilities of Aloe Vera there are a lot bigger than our one, well, their costs are better.”
(Nopal X, 2010)

Nopal X still lacks of internal, routinized processes with respect to export operations that makes it easy to withdraw again from export activities. The one-market focus and the low degree of diversification of clients increase the fragility of the existing relationships, threatening the continuity of the exporting activity of the company.

“Till now, no [implementation of special export processes] [...], but they have offered me some students who need to do their social services in export planning and construction of a department only for exports.” (Nopal X, 2010)

Another important feature is the provision of after-sales service and overall service during exporting activity that supports the development of long-term relationships to clients. In the case of Nopal X, only a rudimentary base of after-sales service have been found, nevertheless, it seems to be more elaborated than in sporadic exporters.

Previous planning of export activities is crucial for a more permanent export activity, avoiding unexpected surprises during the export operations.

Another critical factor of export continuity is represented by the continuous adaptation of processes and strategies that not necessarily need to involve a high

degree of innovation or technology. The routinization and modernization of processes within the company, with respect to production, is another critical factor, in order to supply highly demanding markets. In this case as well, initial continuity in export performance does not depend on the application of sole financial resources to reach the same degree of technology and innovation of competitors in international markets. The company in this transition stage is able to interpret market needs and adapt flexibly to foreign market demands.

“What we have seen lately is that the brand recognition in Germany is a lot lower than here in Mexico, so that we will change our strategy and try to be supplier of raw material within this product branch.” (Nopal X, 2010)

“Well, the last thing we did was to invent a machine with an engineer that washes the Aloe.” (Nopal X, 2010)

Similar importance like export orientation and decision makers' characteristics for export continuity in the context of our sample have relationship capacities and behavior. Although the company with mixed properties maintains a single customer in the foreign market, increasing the fragility of the persistence of its international export operations, it maintains a long-term relationship with its foreign client. This increases the security to have a continuous flow of demand from the client due to a high degree of client satisfaction.

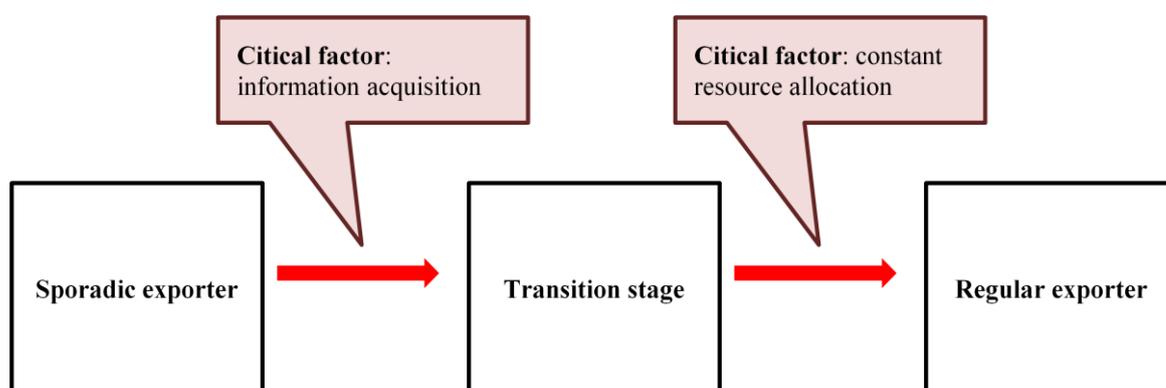
“[...] we have a business relationship with the Germans since 2004, well, if they order I send them the product because I know that they will pay. If it was a new client, I would do the exports by applying letters of credit.” (Nopal X, 2010)

Furthermore, Nopal X is a heavy user of export promotion programs and is well informed about existing programs for its industry sector.

“What I have seen, is that they are investing a lot in companies that try to export. In fact, they have invited me to attend a course about technology implementation; different things that help you to look for new markets.” (Nopal X, 2010)

The following graph shows our classification of export sophistication of companies as a result of the data analysis.

Table 6: Export sophistication of companies



Source: own elaboration

Sporadic exporter: existing export interest but lack of export oriented administration efforts

Transition stage: high fragility of existing foreign trade activities but existing export oriented administration efforts

Regular exporter: low fragility of existing foreign activities due to diversification, existence of export oriented administration and permanent allocation of resources to improving export oriented administration efforts.

In order to overcome a discontinuous exporting activity and enter the transition stage, does not require material measures, such as pure financial resources. Sporadic exporting firms rather depend on the acquisition of tailor-made information and export oriented administration efforts that include various forms of innovation and ways to acquire clients. Initial exporting activities do not diminish the fragility of existing relationships but represent a beginning towards a further diversification of the customer portfolio. The following step, from the

transition stage to permanent exporting activities is more dependent on financial resources. These financial resources are necessary for investment and the allocation of additional resources to existing exporting activities..

“Financial incentives with a good interest rate such in the U.S. would be excellent, 3% annually. That would be great, in order to be able to invest into the automation of our production processes, and, well, that would cause a decrease in production costs.”(Nopal X, 2010)