

## **6. Discussion of results, Limitations and Recommendations**

### 6.1. Discussion

After having shown the existence of specific companies' characteristics to be crucial for export performance, we need to arrange the categories in a table according to their individual importance and influence on export performance. Furthermore, we now will take into consideration the possible grade of influence of public promotion programs on the three subcategories (companies' resources, companies' competencies and skills and attitudes and behavior patterns). The hierarchy of critical factors separating sporadic exporters from regular exporters has been elaborated on the base of the characteristics differentiating sporadic exporters from the company in the transition stage.

The companies' export orientation and their relationship capacities and behavior have been identified to be the two most important variables influencing export performance, thus supporting the results of Doole et al. (2006). Sporadic exporters emphasized, that they were ready to export. However, due to the difficulties in the process of acquisition of client contacts, they are not able to start exporting in a permanent way.

Although decision makers' characteristics influence highly firms' export behavior, it has not been taken into account as one of the most important factors.

Decision makers' background collaborates less to permanent exporting behavior than we primarily supposed. Furthermore, the decision makers' attitude and behavior patterns of sporadic exporters match in a few cases those of regular exporters, indicating that a certain percentage of sporadic exporters have the desire of exporting, but are disappointed of past negative experiences (i.e. "disappointed firms" (Crick, UK 2004)) which surge from the shortage of internal variables influencing the export orientation or the relationship capacities and behavior. Especially, the lack of an export strategy, adaptation to market trends and customer needs than the customization of products to each client, failing interpretation of customer demand and the one-market focus are basic elements affecting exporting behavior. These variables have to do with an adequate approach with important clients. The interaction of these characteristics causes the inability to make customer

contacts evolve in a positive way over the long-term, leading only to short-term relationships with clients.

**Table 1: Hierachization of classified characteristics**

Grade of Influence on export performance	Export orientation			
	Relationship capacities and behavior			
	Decision makers' characteristics			
	Innovation and R&D			
	Organizational behavior and learning			
	Finances			
	Human Resources			
		Attitudes and behavior patterns	Companies' resources	Companies' competencies and skills
<b>Possible grade of influence of public promotion programs</b>				
	<span style="color: #80201c;">■</span>	<span style="color: #e08070;">■</span>	<span style="color: #f0d9d9;">■</span>	
	Possible target	Considerable target	No recommendable target	

Source: own elaboration

Although sporadic exporting firms use product and process innovations with a similar intensity as Rustic X, they clearly lack of strategy and market innovations. The executive of Nopal X stated, that thanks to a market research they had recently realized, they would change their existing strategy in the German market. This indicates that innovation and R&D represents an important factor that influences exporting activities. Contrarily, organizational behavior, finances and Human Resources are not considered to have a great impact on export performance. Sporadic exporters as well Rustic X have various variables, concerning organizational behavior and learning, in common. Shared-vision and employee motivation are common characteristics that therefore do not impact export performance. Interestingly, financial resources have not been identified to be crucial for export continuity. In order to be able to take the following step from sporadic exporting

activities to a more permanent export performance, sporadic exporters rather lack of competencies and skills with respect to export orientation than financial resources. The second step, entering the regular exporting stage, requires financial resources in order to allocate resources to exporting infrastructure, for instance. The least important factor impeding export regularity is Human Resources. Obviously, the lack of qualified personnel might be supposed to be crucial but due to the decision makers' involvement into various operational areas – especially in SMEs – the lack of skilled workers does not represent a crucial factor.

Export promotion programs have a higher influence on companies' competencies and skills than on companies' resources and attitudes and behavior patterns. Obviously, the attitudes and behavior patterns vary between different companies, making it very difficult to establish tailor-made programs. Furthermore, attitudes and behavior patterns represent the mindset based on past experiences which makes each organization unique. It is, thus, almost impossible to forecast reactions or to influence existing behavior patterns as they form part of the organizational culture.

Different to the attitudes and behavior patterns, public promotion programs can provide companies with resources, financial ones as well as non-financial ones. However, the difficulty is to provide structural resources, such as the establishment of an adequate internal infrastructure for exports.

Respecting the limitation concerning both already mentioned elements, we might consider that companies' competencies and skills are more susceptible to respond to measures taken by public promotion programs. It is all about providing tailor-made information to sporadic exporters about foreign markets and marketing knowledge

The dark red fields in the table show the recommendable target of public promotion programs, followed by the light red fields, representing the considerable target. The pink colored fields should not be the aim of these programs as they do not influence export continuity as the other categories and are not as receptive as the other elements.

## 6.2.Limitations

This work is subject to various limitations.

As the sample size only consists of 7 interviewees – not reaching the saturation point of qualitative data recollection (Glaser & Strauss, 1967) - it cannot be considered to be highly representative for all sporadic exporting companies in Mexico. Furthermore, since only specific sectors of the manufacturing industry have been included into the sample size, this study can only give a partial account of sporadic exporters. Additionally, the limited geographical coverage of the interviews reduces the representativeness of the study to reflect a nationwide situation.

Only one regular exporter was interviewed in order to establish a control data base, it would have been better to increase the sample size of the control data base, reaching the same number of interviewed sporadic exporters.

## 6.3.Recommendations

The following table shows the close-up of the dark red fields of table 14. Only the most important factors have been added that have not been addressed correctly by public promotion programs, yet.

Table 2: Possible target of public promotion programs

<b>Categories</b>	<b>Companies' Resources</b>	<b>Companies' competencies and skills</b>
<b>Export orientation</b>	<ul style="list-style-type: none"> <li>• Lack of an export specific infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of an export strategy and overall lack of strategies (information acquisition, client acquisition, commercialization)</li> <li>• Lack of tailor-made market researches (customer segment...)</li> <li>• Knowledge about documentation requirements for small quantities but lack of knowledge about documentation and certification requirements for bigger quantities</li> <li>• Lack of exact instructions how to enter the market</li> <li>• Pricing problems</li> <li>• Lack of specialization of products and processes</li> <li>• Lack of knowledge about market trends</li> <li>• Lack of providing after-sales service</li> <li>• Overall lack of export service (respecting deadlines...)</li> </ul>
<b>Relationship capacities and behavior</b>	<ul style="list-style-type: none"> <li>• Limited production capacity</li> <li>• Limited access to distribution channels</li> </ul>	<ul style="list-style-type: none"> <li>• Mismanagement of foreign client portfolio</li> <li>• Communication problems between domestic company and foreign clients</li> </ul>

Source: own elaboration

Public promotion programs should be aimed at the generation of knowledge, competencies and skills, adding value to internal and external operations of a company, instead of the sole provision of value in form of financial resources. This can be achieved by providing tailor-made information to the special needs of each company.

Although public promotion programs already offer this possibility, they have been criticized to have a very long answering time due to required bureaucratic processes, to lack of latest information, and to lack of export programs directed at specific industry branches.

Another serious obstacle is that sporadic exporters lack of knowledge about existing public promotion programs. On the one hand this might come from the little promotion and advertising that public institutions are using, in order to draw sporadic exporters' attention to existing public promotion programs. On the other hand it might represent the unwillingness of sporadic exporters to look for adequate programs, due to past negative experiences with public institutions.

We suggest a two stage model in order to strengthen the international presence of sporadic exporting companies.

The first step should be to provide immaterial help, consisting in supporting sporadic exporters with respect to their companies' export administration efforts. Export administration efforts include: the acquisition of tailor-made, recent information about foreign markets, the elaboration of an export market strategy and the acquisition of clients.

Reaching the transition stage, public institutions need to focus on the provision of financial resources to exporting companies. Exporting companies, which are in the transition stage, need to allocate resources to exporting activities and invest into the further growth of their company such as the diversification of their client portfolio.

Before implementing a two stage model, public institutions might focus on present weaknesses: the shortage of tailor-made and up-to-date information and large bureaucratic processes. In order to increase sporadic exporters' awareness about public promotion programs and transparency, public institutions might consider a regrouping of existing programs as appropriate.

Another interesting field of research might be to investigate critical characteristics differentiating sporadic exporters from regular exporters of different industry sectors. This would help to elaborate custom-made programs for specific industry sectors.