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Decision-making in an Export Context:

Combining Planning and Improvisation to Improve Export Performance

Ekaterina Nemkova

2013

I dedicate this thesis to my parents,

Natalia and Vasiliy

(Наталии Немковой и Василию Немкову)

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ABSTRACT

The increasing interdependence of economies and the recent economic crisis has considerably strengthened the importance of exporting. It is recognised as promoting the survivability of companies as they are better able to diversify risks and generate multiple income streams. Thus, investigation of the determinants of export performance has become particularly important.

Marketing decision-making has been identified as one of the core drivers of firms' success. It is a process under the direct control of managers where significant changes can be introduced to improve it, and by extension, the ability to achieve successful outcomes. However, little is known about how export marketing decisions are made and what key decision-making approaches managers rely on to drive their performance.

A literature review that span multiple disciplines (e.g. strategic management, organisation studies, marketing) helped to disentangle two key decision-making approaches, namely *planning* and *improvisation*. This is the first study examining the impact of both of these simultaneously on a firm's export performance. While planning is considered to be a unidimensional construct, improvisation is comprised of three facets: spontaneity, creativity and action-orientation.

Based on decision theory, this research was conducted in two phases. The literature review informed phase 1: a qualitative exploratory study among export managers in the UK. A conceptual model was then derived from the results and tested in phase 2 through quantitative analysis utilising data generated from 200 respondent companies via a self-reported online questionnaires and the application of structural equation modelling.

The results indicated that export customer performance was negatively affected by planning and positively influenced by action-orientation, whilst export financial performance was found to benefit from planning. All decision-making approaches (planning, spontaneity, creativity and action-orientation) were found to be positively related to responsiveness to environmental changes. Using moderator analysis, important insights were uncovered into combining decision-making approaches. The export function was found to benefit from a combination of planning and action-

orientation, whereas spontaneity and creativity while having separate positive effects are not well combined with planning, producing negative moderation effects.

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'The cost of an occasional mistake is less than the cost of delay' (Shimizu and Hitt, 2004)

'You can't improvise on nothin' you gotta improvise on somethin' (Charles Mingus, bassist and composer, in Kamoche and Cunha, 2001)

Chapter 1: Introduction

This work seeks to examine marketing decision-making within the export context and determine the performance effects of this decision-making. To this end, a two-phase empirical study is conducted. Informed by the literature, the first phase is a qualitative study of export managers designed to elicit information and insights into export decision-making in UK firms such that a model of export decision-making can then be developed. The second phase is a quantitative study of UK exporters designed to test the model and the hypotheses derived from the literature and the qualitative work. The results are discussed with reference to the literature and management practice.

This chapter describes the context for the research and then proceeds with an explanation of the focus of the study. From this, the research gaps are presented along with the objectives of the research. Indications of the potential contribution of this work are then outlined.

1.1 The Research Context

Today's business environment is characterised by increased globalisation of markets, interdependence of economies and intensified competition (Sousa, Ruzo and Iosada, 2010). Under those conditions, the internationalisation of firms is particularly important as it can contribute to long-term success (Navarro et al., 2010). Firms operating only in the domestic environment are more vulnerable as they

concentrate their resources within one market (Gao et al., 2010). Internationalisation enables firms to diversify risks and to become more resistant to uncontrollable environmental challenges (Westhead, Wright and Ucbasaran, 2001). The tendency toward increased internationalisation of world markets emphasises the importance of understanding how firms behave and how they perform in the international market (Rundh, 2007).

For a long time, exporting has been characterised as the most popular and the quickest mode of international marketing entry (Leonidou, Katsikeas and Samiee, 2002; Hultman, Katsikeas and Robson, 2011). Compared to other market entry modes (e.g. joint venture and wholly owned subsidiary), it requires fewer resources and allows for greater flexibility in terms of entering or withdrawing from markets (e.g. Haahti et al., 2005). Moreover, during economic crises the importance of exporting increases as it helps national industries to develop, improves productivity and creates jobs (Singer and Czinkota, 1994). According to Hultman, Robson and Katsikeas (2009), exporting is more a matter of survival rather than choice for many firms that face challenging economic conditions. Thus, it can be argued that the significance of exporting has increased in the light of the recent economic crisis (2008-2009).

A firm's export success and expansion is dependent on a better comprehension of drivers that influence export performance (Stoian, Rialp and Rialp, 2011). As a result, an understanding of the determinants of export performance has become particularly important for marketing academics, business managers and policy makers (Sousa, Martinez and Coelho, 2008). In this task, the key role is assigned to marketing academics as independent research on drivers of export success will help to provide recommendations to export managers and government policy makers.

1.2 The Prime Focus of the Study

Marketing is an important element of business success. It is the way to attract customers, build relationships with them and satisfy their needs to the best of the company's ability. An understanding of the importance of marketing can encourage companies to be more market-oriented and make effective marketing decisions (e.g. Han, Kim and Srivastava, 1998; Grewald and Tansuhaj, 2001; Cadogan, 2003). The marketing decision-making process is the prime focus of this study. It has been identified as the most significant function of management and one of the core drivers of a firm's success (Bailey, Johnson and Daniels, 2000; Wierenga, 2011).

According to Nutt (1984 p. 415), a decision-making process 'is made up of a set of activities that begins with the identification of an issue and ends with action'. In other words, a decision-making process includes the way in which managers make decisions and then implement them. However, this assumption can be challenged. Varadarajan and Jayachandran (1999) suggest separating the way in which decisions are made and how they are carried out due to the fact that not all the decisions made by managers are actually implemented. In this study, the term 'decision-making process' refers to the way marketing decisions are made, excluding their implementation (c.f. Rahman and De Feis, 2010).

It is noted that a firm's success rests on the ability of marketing managers to make high quality, effective decisions (Wind, 2005; Wierenga, 2011). The decision-making process can influence the quality of the decisions and the firm's ability to adapt its decisions to changing market conditions (Krabuanrat and Phelps, 1998). Unlike other organisational factors (e.g. structure), the decision-making process is under the direct control of managers, and major changes can be introduced to improve the process (Lyus, Rogers and Simms, 2011).

Despite the fact that the marketing decision-making process has been identified as one of the key determinants of a firm's performance, there is a dearth of research on the decision-making process in the marketing field (Sashittal and Jassawalla, 2001). Marketing decision-making are unique in that knowledge of the process of making other decisions (e.g., financial, HR, production) cannot be easily transferred.

Reasons for this is include the fact that the expertise required to make marketing mix decisions is different from the expertise of managers in other areas (Wierenga, 2011). In addition, the process of making marketing decisions requires handling a multitude of information from a variety of sources, and juggling these to make an array of specific individual decisions (e.g., product development, new product introduction, branding, logistic, country-of-origin effect management, promotional strategies, etc.) (Souchon et al. 2004). Against this background, market-specific information is rich, diverse, and can become very quickly outdated. However, little is known about how marketing decisions are made and which key decision-making approaches (different ways in which decisions are made) managers rely on to drive their performance.

Due to the lack of marketing decision-making research, it is important to rely on research within other fields (e.g. economics, strategic management) to delineate the key decision-making approaches relevant to marketing.

The tradition of decision-making research is rooted in decision theory. Within decision theory, decision-making is examined from two distinct angles: normative and descriptive (Miller, 1987). The normative approach is based on the concept of rationality and aims to prescribe how decisions *should* be made (e.g. Tamura, 2008). Rationality implies that a decision-maker takes into account all possible alternatives, evaluates their consequences and selects the most valuable option (Hart, 1992). In other words, the normative approach is underpinned by the notion that optimal decision-making entails predicting what to do next to achieve better outcomes through planning and processing information that allows the making of rational choices (Wiltbank et al., 2006).

In parallel to the development of normative models, another approach to decision-making has been developed within decision theory. As far back as the 1950s, Simon (1955) concluded that human actions are restricted by cognitive limitations and that people usually aim to satisfy rather than optimise their options. This situation is referred to as satisficing. This idea gave rise to the development of descriptive models of decision-making based on the concept of bounded rationality (Bell, Raiffa and Tversky, 1988). Tversky and Kahneman (1986) argue that deviations from the normative model are ‘too widespread to be ignored, too systematic to be dismissed

as random error, and too fundamental to be accommodated by relaxing the normative system' (p. S252).

Nowadays, some researchers (e.g. Baum and Wally, 2003; Vareman, 2008) state that real-life decision-making processes rarely follow the rational and sequential approach. Managers have to multitask by juggling a number of decisions at the same time (Nutt, 2008). Thus, decision-making can be not only sequential but also fragmented. In general, decision-making is considered to be more responsive, adaptive, spontaneous and creative (Ford, Sharfman and Dean, 2008).

The ideas of decision theory are also reflected in the strategic management literature, where the topic of strategic decision-making has received much attention (Rahman and De Feis, 2010).

Strategic management scholars mostly consider how *strategic* decisions are made (e.g. Beach and Mitchell, 1978; Fredrickson and Iaquinto, 1989; Khatri and Ng, 2000; Grant, 2003). Strategic decisions can be defined as long-term proactive decisions that affect the future direction of the firm and are usually made by top management (Mintzberg, Raisinghani and Theoret, 1976).

It is acknowledged that not all the decisions made by marketing managers are of a strategic nature (affect overall long-term direction of the firm), some decisions affecting the performance of the marketing function can have a tactical nature (have medium or short-term effects) (c.f. Nutt, 2008). If only strategic marketing decisions are considered then a major part of marketing decision-making process is overlooked which can lead to incomplete conclusions about the relationship between marketing decision-making process and performance. The aim of the current study is to consider the *overall* marketing decision-making process, which tends to include *strategic and non-strategic* (more day-to-day) decisions. However, the strategic management literature is able to provide valuable insights into how decisions are made in general.

As the strategic management literature is focused on strategic decision-making, the strategy formation process (how strategies are formed) is the core concept under investigation (e.g. Miller, 1987; Hart, 1992; Bailey, Johnson and Daniels, 2000). The

strategy can be identified as ‘a pattern in a stream of decisions’ (Mintzberg and Waters, 1985). Thus, the normative and descriptive approaches to decision-making discussed above are reflected in deliberate and emergent strategy formation within the strategic management literature.

In line with normative models, strategy is considered to be deliberate. Deliberate strategies are intentional and formally planned prior to any decisions being made (Mintzberg, 1978). On the other hand, in line with descriptive models, strategies can also be considered to be more emergent where there is no clear formulation of intentions and the direction of the firm is realised after the decisions are actually made (Slevin and Covin, 1997; Dibrell, Down and Bull, 2007). Emergent strategy formation is associated with more spontaneous, adaptive and flexible decision-making (Brown and Eisenhardt, 1998).

Some authors (e.g. Mitzberg and McHugh, 1985) state that deliberate and emergent strategy formation can be presented as a continuum on which some modes (types) are considered to be more deliberate and others more emergent (see Chapter 2, pp.25-30). A strategy formation mode is defined as ‘the activities and the cognitive, social/organizational and political processes through which strategies are intentionally or unintentionally formed’ (Balabanis and Spyropoulou, 2007 p.45). The closest to the ‘pure’ deliberate strategy formation mode is the ***planning*** approach (Bailey, Johnson and Daniels, 2000). Planning is defined as formulation of clear objectives, systematic collection and analysis of internal and external information, evaluation of different options and formulation of detailed implementation plans (e.g. Mintzberg and Waters, 1985).

Research on planning has more than a 50 year tradition in the literature (Ansoff, 1965), and the concept of planning has received wide acceptance in the fields of strategic management and marketing. However, it is acknowledged that planning represents an incomplete description of the real decision-making process (Bargh and Chartrand, 1999; Mintzberg and Westley, 2001) and the reality of decision-making in firms.

The strategic management scholars also identify a number of strategy formation modes that can be considered more emergent, including among others

environmental, adaptive (or responsive) and entrepreneurial (Dess, Lumpkin and Covin, 1997; Balabanis and Spyropoulou, 2007) (see Chapter 2 pp. 29-30). The major problem regarding those modes is that their conceptual definitions present an overlap between the way in which decisions are made, the actual content of the decisions and internal (e.g. structural) and external (e.g. environmental) factors influencing the decision-making process. This means that even if a relationship is identified between a certain mode and a firm's performance, the researcher cannot clearly attribute the firm's success or failure to the way in which decisions are made or to the other factors.

It is sometimes argued that the decision-making process cannot be considered in isolation from the external and internal conditions at play (Hart, 1992; Ozsomer and Prussia, 2000). However, the author of the current work believes that initially it is necessary to identify the key 'pure' decision-making approaches and to investigate their influence on the firm's performance prior to considering the influence of any other factors. At the moment, this type of 'pure' decision-making research is missing from the marketing field and represents a gap in our understanding.

Up to this point, the following conclusion can be made. On the one hand, decision-making considered from a normative perspective is more deliberate and sequential (Dibben, Harris and Wheeler, 2003). In the marketing and management literature, this approach is usually associated with planning (Dew et al., 2009). On the other hand, decision-making considered from a descriptive perspective has a more emergent nature and is incremental, flexible, spontaneous and creative (Brown and Eisenhardt, 1998). However, the conceptualisation of a 'pure' decision-making approach that encompasses such characteristics is missing from decision theory and the strategic management literature.

As discussed previously, the conceptual definitions of emergent approaches (e.g. entrepreneurial, adaptive) tend to overlap with other constructs. Despite this, a conceptualisation of the emergent, more 'pure' decision-making approach is found in the organisation studies literature, where authors refer to ***improvisation*** as 'the spontaneous and creative process of attempting to achieve an objective in a new way' (Vera and Crossan, 2004 p. 733).

The word improvised is derived from the Latin ‘improvisus’, which means ‘not seen ahead of time’ (Barrett, 1998 p. 606). The concept of improvisation first emerged in the 1990s and was adopted from Jazz theory, whereby performers create new music through spontaneous and creative experimentation within the band mid performance (Kamoche and Cunha, 2001). A similar approach was proposed in organisational studies (Moorman and Miner, 1998ab). Some authors suggest that the firm is able to achieve better outcomes by employing spontaneous, creative and action-oriented processes that are associated with improvisation (Crossan et al., 1996).

Similar to planning, improvisation can be argued to represent a ‘pure’ decision-making approach as there is no overlap with other factors influencing the decision-making process. However, unlike planning, improvisation does not require analysis of additional information as decisions can be made based on the information available at hand (Kamoche, Cunha and Cunha, 2003). In addition, planning aims to determine the future directions of the company and predict environmental changes (Dibben, Harris and Wheeler, 2003), whereas improvisation does not necessarily have such long-term goals (Montuori, 2003).

Despite the fact that improvisation is claimed to result in positive outcomes for the firm (Eisenhardt, 1989; Crossan et al., 1996; Lynn, 2002; Crossan et al., 2005; Leybourne, 2006), improvisation research within management, and especially marketing, is still in its infancy, which is quite surprising. The concept of improvisation can provide valuable insights into the decision-making process of marketing managers, who often have to act under time pressure and without a clear understanding as to how the situation will unfold. These conditions are considered to be the major drivers of improvisation (Vera and Crossan, 2005).

Thus, the analysis of the literature in multiple disciplines revealed that planning and improvisation represent the ‘pure’ decision-making approaches. That is the first research to consider *both* planning and improvisation as drivers of a firm’s performance.

1.3 Research Gaps

To understand the limitations of marketing decision-making research in an international context, it is necessary to refer to the history of the marketing field.

In the 1960s, the development of the marketing concept and the marketing mix approach significantly changed the marketing field as it became customer-focused compared to the prior production-focused approach (c.f. Webster, 1988). This initiated research on marketing decision-making from both managerial and consumer perspectives to explain the drivers and outcomes of the behaviour of both parties (Wierenga, 2011). However, since then, research on consumer decision-making has grown tremendously, whereas the decision-making of marketing managers has received relatively limited attention in both domestic (Sashittal and Jassawalla, 2001) and international contexts (Brouthers and Nakos, 2005).

Moreover, within the already limited segment of marketing decision-making research in an international and more specifically an exporting context, the majority of scholars have been looking at the content of decision-making rather than the process. For example, a lot of researchers focus on adaptation versus standardisation of export marketing activities and their influence on export performance (e.g. Cavusgil, Zou and Naidu, 1993; Zou, Andrus and Norvell,1997; Leonidou, Katsikeas and Samiee, 2002; Katsikeas, Samiee and Theodosiou, 2006; Schilke, Reimann and Thomas, 2009; Hultman, Katsikeas and Robson, 2011). Surprisingly, despite the fact that the decision-making process is identified as a key driver of export success (Raven, McCullough and Tansuhaj, 1994), research into this has been mainly overlooked in the export marketing field (Balabanis and Spyropoulou, 2007). This positions marketing academics poorly with regards to providing any suggestions on how the export marketing decision-making process can be improved. In light of the above, **the first research gap** identified is one concerning the lack of decision-making process research within the export marketing field.

Supporters of the normative approach claim that managers are rational actors who are able to make optimal choices while developing decisions (e.g. Slater, Olson and Hult, 2006). Traditionally, logical-sequential decision-making within the firm is

associated with planning (McDonald, 1996; Lambin, 2000; Greenley, Hooley and Saunders, 2004). By now the concept of planning is well-established in management and marketing studies (Cavusgil and Zou, 1994; Shoham, 1999; Pulendran, Speed and Widing, 2003).

Planning is based on the assumption that managers can agree on the objectives prior to decision-making, then thoroughly search through alternatives and come to a conclusion about an optimal choice (Fredrickson and Mitchell, 1984). The majority of academics and practitioners see planning as an 'accepted norm' in terms of how decisions should be made within the company (e.g. Ansoff, 1965; Johnson, 1987; Dennis and Macaulay, 2003). The supporters of planning claim that the ability to analyse and predict more precisely will enable companies to outperform competitors (Wiltbank et al., 2006) and to achieve export success (Shoham, 2002). However, many scholars claim that planning results in negative outcomes for the company (e.g. Chae and Hill, 2000) and specifically for the export function (e.g. Katsikeas, Piercy and Loannidis, 1996). It is argued that planning leads to rigidity and delays in market response as obtaining detailed information is time-consuming (Fredrickson, 1984; Atuahene-Gima and Murray, 2004). Some authors claim that planning outcomes are contingent on environmental conditions; under the conditions of stable (less turbulent) environmental conditions, planning is found to benefit the company, while under conditions of high turbulence, planning is argued to result in negative outcomes (Fredrickson and Mitchell, 1984; Balabanis and Spyropoulou, 2007). The current contradictory view on planning cannot be ignored, and the relationship between export planning and export performance is yet to be established. As a result, the **second research gap** identified concerns the nature of the relationship between export planning and export performance.

There is mounting evidence that planning does not always represent a complete view of how decisions are made (Krabuanrat and Phelps, 1998; Mintzberg and Westley, 2001; Ford, Sharfman and Dean, 2008; Goldfarb et al., 2012; Hmieleski, Corbett and Baron, 2013). The discrepancy in planning outcomes may be due to the fact that research on export decision-making has tended to focus on planning, overlooking other ways in which exporters make decisions. It is suggested that in reality many decisions affecting the firm's performance are made outside the

planning process (Sinha, 1990; Grant, 2003) and can be associated with improvisation (Vera and Crossan, 2005).

Improvisation research within the marketing field is still in its infancy (Kyriakopoulos, 2011), and the majority of marketing scholars fail to recognise the importance of improvisation for successful marketing decision-making (Chelariu, Johnston and Young, 2002). The same applies to the field of export marketing, where the topic of export improvisation is overlooked. However, improvisation can be particularly significant in the exporting context, and the reasoning behind this argument is outlined below.

The international environment is recognised as being more complex (e.g. a higher number of competitors, more fluctuating demand) and less certain compared to the domestic one (Lee, 2010). Uncertainty is characterised by insufficient information and conflicting signals about forthcoming trends (Raven, McCullough and Tansuhaj, 1994). Under those conditions, the ability to analyse and forecast the environment is limited (Baum and Wally, 2003). A traditional way to avoid mistakes is to wait and see how things unfold or to imitate others. However, 'wait and see' and 'me too' decisions may result in failure as windows of opportunity are temporal and can close (Bourgeois and Eisenhardt, 1988). A key managerial concern is the ability to keep pace with major environmental changes (Geletkanycz and Black, 2001). It may thus be more appropriate to 'just decide'. Otherwise, delays in decision-making can result in the firm losing its local market presence (Grein, Craig and Tasada, 2001). Moreover, the international environment is argued to favour more explorative, flexible and quicker decision-making (e.g. Brown and Eisenhardt, 1998), which improvisation is able to facilitate (Crossan et al., 1996). Improvisational decision-making enables managers to distinguish the company from competitors and to capitalise on rapidly changing conditions (Moorman and Miner, 1998b).

Despite the evidence that export marketing managers can potentially benefit from improvisation, no prior research has focused on the concept of export improvisation (with the exception of exploratory work by Nemkova, Souchon and Hughes, 2012). Therefore, the **third research gap** identified reflects this lack of research and a dearth of evidence on improvisation and its outcomes within the field of marketing, especially export marketing.

Finally, a holistic view of decision-making is lacking from the marketing and export marketing research fields. Prior research has focused predominantly on either planning or improvisation with little or no attempt made to consider those approaches within the same conceptual model. This results in an incomplete consideration of the process of decision-making in firms. Increasingly, the decision-making process of organisations entails a combination of rigid and flexible decision-making (Brown and Eisenhardt, 1998; Dibrell, Down and Bull, 2007). So the reality of decision-making within firms is that both planning and improvisation are used. Models that focus on one or the other are therefore mis-specified.

Furthermore, companies that are able to combine different decision-making approaches tend to outperform those who rely on one particular type (Dickson, 1992; Hart and Banbury, 1994; Khatri and Ng, 2000; White, Cocnat and Echambati, 2003). All decision-making approaches have their limitations and do not represent an ideal way of making decisions. However, the drawbacks of one approach can be compensated for by another approach used in combination (Hart, 1992).

This premise can be applied to planning and improvisation. As noted previously, prior planning-performance research has tended to return equivocal results as both positive and negative relationships are documented. Despite the fact that improvisation is argued to benefit the company, it can also have some negative effects, including among others biased learning and opportunity traps (see Chapter 2 pp. 47-48). Following the logic proposed by decision-making scholars, it can be the case that the relative drawbacks of planning and improvisation are cancelled out when the two approaches are applied together and that their combined application results in better outcomes for the company. Yet, this very suggestion is currently underexplored. Thus, it is important to examine the influence of both planning and improvisation on export performance and whether both co-exist in firms. Therefore, the **fourth and the final gap** identified relates to the lack of the research on the combination of ‘pure’ decision-making approaches, including planning and improvisation.

1.4 Research Objectives

In the light of the research gaps identified above, the current study has three main objectives, including an investigation into the relevance of the concept of improvisation to the exporting context, the conceptualisation and operationalisation of export improvisation, and an examination of the relationship between export decision-making approaches (both export planning and export improvisation) and export performance.

The relevance of the phenomenon of improvisation has been established for the domestic marketing context (e.g. Miner, Bassoff and Moorman, 2001; Kyriakopoulos, 2011). Improvisation is argued to result in a number of positive outcomes, including quicker decision-making, flexibility, innovativeness and the ability to adapt to and capitalise on rapidly changing conditions (Crossan et al., 1996). This can be especially beneficial for firms operating in an international environment since it is characterised by higher complexity and unpredictability compared to a domestic one (Wiltbank et al., 2006). However, the relevance of improvisation still has to be established for the exporting context as concepts are not automatically transferable from one context to another (domestic to exporting) (Cadogan, 2003). More specifically, an export setting (characterised by greater environmental diversity, complexity, and volatility) may require greater reliance on improvisation than domestic marketing, and the construct may manifest itself differently as a result of the different requirements of export marketing decision-making. For example, while it is already known that improvisation entails elements of creativity and spontaneity (Vera and Crossan, 2004), exporting may benefit more from greater spontaneity than creativity. Based on the above, the first objective is:

To investigate the relevance of the concept of improvisation to the exporting context.

As research on company improvisation is relatively recent, the majority of published academic sources represent a conceptualisation of the construct rather than its operationalisation (Weick, 1998; Crossan and Sorrenti, 2002; Vera and Crossan 2005). However, most of the authors who conducted studies to test the construct viewed improvisation as a time-based phenomenon, which is defined as a convergence between composition and execution and is operationalised through a time lag between making a decision and implementing it (Moorman and Miner, 1998b, Akgün et al., 2007). In that case, the shorter the time frame between making

a decision and its implementation, the more improvisational the decision-making process can be considered (c.f. Moorman and Miner, 1998a). However, that reflects an instantaneous element of improvisation overlooking its creative nature which is an important component of Jazz where the concept of organisational improvisation was initially adopted from (Barrett, 1998). Moreover, to the author's best knowledge the concept of export improvisation has not been previously conceptualised and tested. Thus, the working conceptual definition of export improvisation is yet to be chosen which needs to reflect its spontaneous and creative nature. Following its definition, reliable and valid scales of export improvisation have to be developed in order that a conceptual model can be tested. The second objective of the current research is thus:

To conceptualise and operationalise the concept of export improvisation.

It can be argued that prior export marketing decision-making research represents a biased view on decision-making as it mostly relies on normative models. As a result, export planning is traditionally viewed as the 'accepted norm' regarding making decisions (Moorman and Miner, 1998ab) despite inconsistent findings on its relationship to export performance (Samiee and Walters, 1990; Katsikeas, Piercy and Ioannidis, 1996). This results in an incomplete consideration of the process of export decision-making in firms and the development of misspecified models in extant research. On the other hand, it is documented that decisions are not always made following a planning approach (e.g. Baum and Wally, 2003). In reality, managers also tend to make more spontaneous and creative decisions (Ford, Sharfman and Dean, 2008) associated with improvisation (Crossan et al., 1996; Vera and Crossan, 2004; Vera and Crossan, 2005).

This is the first study of its kind to consider the concept of export improvisation alongside the concept of export planning as the two main approaches to export decision-making. Instead of looking for one 'best' way of making decisions, the aim of the current study is to step aside from a singular view of export decision-making and to find out how export planning and export improvisation can be combined to achieve the best export outcomes. Thus, the final objective is:

To investigate the relationship between both export planning and export improvisation and export performance.

1.5 Potential Contribution

Theoretically, the study relies on multiple disciplines (economics, strategic management, organisation studies) to outline the key decision-making approaches relevant to the marketing field, including planning and improvisation.

Despite the rich tradition of planning-performance research, the study aims to provide deeper insights into the nature of the planning-performance relationship as prior findings have been deemed to be inconsistent. On the other hand, improvisation research is still in its infancy and as a result, its outcomes are rarely empirically examined.

This current research contributes to marketing knowledge through combining the traditional planning approach to decision-making (normative approach) with improvisation (descriptive approach). To the author's best knowledge, this is the first study that empirically addresses the impact of both planning and improvisation on a firm's performance with respect to the export context. The respective drawbacks of planning and improvisation could be cancelled out when the two approaches are applied together, and their combined application could result in better outcomes for the company. The results of the research are expected to provide deeper insights into the process of export decision-making as a determinant of export success. This should stimulate academic debate on how effective export marketing decisions are made. The current discourse in the literature is focusing on either one approach (planning) or the other (improvisation) with a dominant attention on the former approach. The current project is aiming to encourage academic community to look at the decision-making from a new angel and consider a co-existence of approaches.

Managerially, it is argued that the pace of change in the international business environment is accelerating, which increases its unpredictability (c.f. Lyus, Rogers and Simms, 2011). Under those conditions, good decision-making is crucial for companies attempting to further develop their export activities. However, there is a lack of understanding as to how managers can make successful export decisions.

It is suggested that managers should not try to find 'one best way' of making decisions. There is a notion that no single decision-making approach can adequately represent the whole decision-making process. Nowadays, planning is usually

considered as the ‘accepted norm’ in terms of how managers should make their decisions. Due to the fact that planning has long been one of the main concepts in the decision-making literature, the attempts to deviate from the plan or to go without a plan may be seen by managers as dangerous and unnecessary (Vera and Crossan, 2004).

The author of the current work is not aiming to diminish the importance of planning or to identify substitutes for it. It is suggested that planning and improvisation are viewed as potentially complementary to each other. Improvisation can be extremely beneficial for companies. However, in order to train managers effectively, it is important to understand ‘what improvisation is and what it is not’ (Vera and Crossan, 2005 p.204) or the motivation to engage in it could be relatively low (Crossan and Sorrenti, 2002).

The results of the study ought to uncover whether a combination of planning and improvisation can benefit the performance of a firm. In general, it is hoped that the findings of this research will provide useful practical guidelines and recommendations for marketing managers on the improvement of the export decision-making process.

1.6 Thesis Overview

In order to meet the objectives identified, the research was implemented in a sequential manner (see Figure 1.1). The structure of the thesis is detailed below.

Chapter 2 represents a literature review on the topic of decision-making. Decision theory was chosen as a cornerstone of the current decision-making research. This splits into two camps of thought: normative and descriptive, which helps to explain the origin of two decision-making approaches considered in the study, namely export planning and export improvisation. The conceptualisation, operationalisation and outcomes of planning and improvisation are presented. As the research aims to investigate the relationship between export decision-making approaches and export performance, the literature on export performance is therefore reviewed.

Chapter 3 is focused on the exploratory qualitative research conducted as a part of the current research. As the research on improvisation is still in its infancy, exploratory research is considered necessary for the development of insights into the construct of export improvisation. Moreover, it is essential to establish whether the construct of improvisation is relevant for the exporting context. In this chapter, the methodology employed for the exploratory study is discussed, and this is followed by the presentation of the preliminary findings and a pool of items intended to capture the concept of export improvisation.

In Chapter 4, the choice of the export function as a unit of analysis is explained. Then, a number of hypotheses are developed regarding the relationship between export decision-making approaches and export performance. The exploratory research together with the literature review informed the development of the final conceptual model. Based on the results of the exploratory study, it is proposed that the relationship between export decision-making and export performance is not necessarily direct but is mediated by export responsiveness, which is conceptualised as the ability to adapt *quickly* to the changes in the export environment. Moreover, it is proposed that the relationship between export planning and export responsiveness as well as that between export planning and export performance is moderated by export improvisation. Export performance itself is conceptualised two-dimensionally (as customer performance and financial performance) based on managers' view of their own export success.

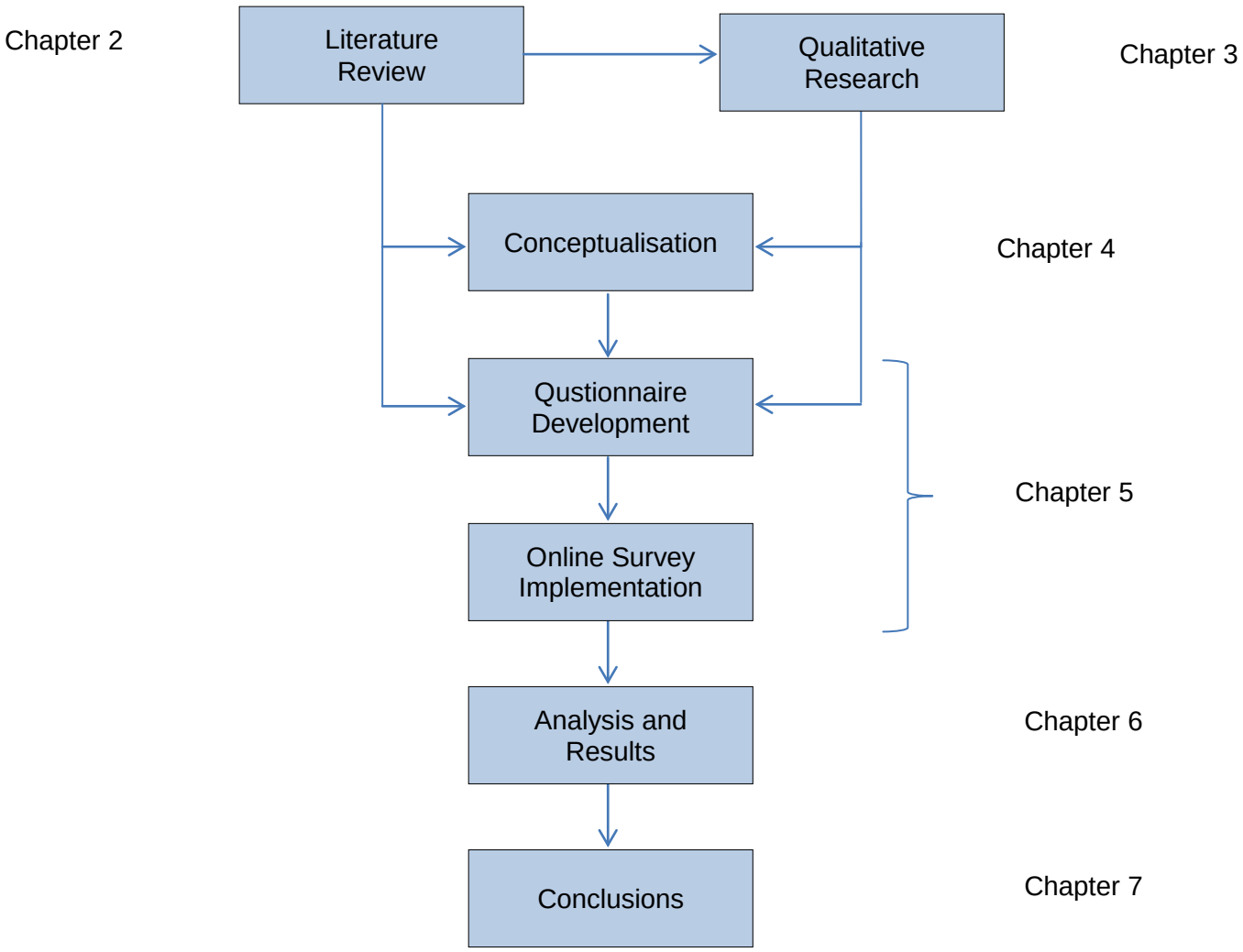
Chapter 5 presents a description of the methodology used for the main part of the study. Quantitative methodology is chosen as it allows for further generalisation of the results if a representative sample is drawn. In this chapter, the process of online questionnaire development is outlined and the implementation of the main study is discussed. The chapter concludes with an explanation of the analytical procedure employed. The study relies on a two-stage approach proposed by Anderson and Gerbing (1988), which includes an estimation of the measurement model and testing of the structural model.

Chapter 6 focuses on the results of the quantitative study. Initially, the characteristics of the sample are presented, including company size, export specificity, size of the export function, export experience, export complexity and export dependence. There

is evidence that drawing the sample from a wide variety of companies maximised the findings. This chapter also incorporates the results of the measurement model (exploratory and confirmatory factor analysis results) and the structural model (hypotheses testing). The results of all the proposed hypotheses are discussed in turn, including individual and moderating relationships.

Chapter 7 offers the conclusions of the study. It is comprised of a summary of the research, theoretical and managerial implications of the findings, limitations and future directions of research.

Figure 1.1: Structure of the Thesis



Chapter 2: Literature Review

2.1 Introduction

In this chapter, the main streams of the relevant literature are discussed as these serve as a basis for the conceptual development. In this context, four major areas are presented.

First, decision theory serves as a platform for the current research. In order to understand the decision-making process, an overview of decision theory is provided. Decision theory is split into two camps of thought: *the normative approach* to decision-making and *the descriptive approach*. The former is rooted in the field of economics, whereas the later emerged from the field of psychology (Rivis and Sheeran, 2003). As both normative and descriptive approaches contribute to the understanding of decision-making in management and marketing disciplines, these are therefore reviewed.

Second, within the marketing and management disciplines, the attention has mostly been focused on strategic decision-making, with authors trying to distinguish the most effective types of decision-making (Varadarajan, 2010). To provide a comprehensive literature review, the nature of strategic decision-making and strategy formation are discussed with a view to understanding how such decisions are made. A critical evaluation of those approaches is then presented.

Third, an analysis of the decision-making literature reveals two key decision-making approaches, namely planning and improvisation. The conceptualisation, operationalisation and outcomes of planning and improvisation are examined.

Fourth and finally, the export performance literature is presented. In spite of the fact that export performance is studied widely, it is still often misunderstood. The measurement of export performance in particular has been quite disparate with little consensus having been reached so far about how export performance should be operationalised.

2.2 Decision Theory

Globalisation of the economy and increased international competition have made international marketing decisions ever more critical to the survival, growth and profitability of companies operating worldwide (Katsikeas, Samiee and Theodosiou, 2006).

Decision-making is one of the main functions of management (Bailey, Johnson and Daniels, 2000), and being a key part of a manager's daily work, it influences a firm's performance and success (Dean and Sharfman, 1996; Ireland and Miller, 2004). To understand how the decision-making process influences export performance, an overview of the decision-making literature is presented. Improving marketing decision-making requires a better understanding of how decisions are made (Wierenga, 2011). However, most of the decision-making studies overlook those processes (Nutt, 2008).

2.2.1 Normative and Descriptive Approaches

Decision theory is split into two camps that have traditionally examined decision-making from two distinct angles: *normative* (or prescriptive) and *descriptive* (or behavioural) (e.g. Tamura, 2008). The normative approach is rooted in economics and aims to investigate how people ought to behave, whereas the descriptive approach aims to understand how people actually behave in reality (March, 1978; Simon, 1987). Much research in organisational decision-making has been carried out on the development of normative models (e.g. Grant, 2003). However, less attention has been given to how managers actually make decisions (Nutt, 1984; Nutt, 2008).

The normative approach is rationality-based and stresses the importance of market analysis, evaluation of strengths and weaknesses, threats and opportunities in the market and the development of optimal solutions (Fredrickson, 1984). The dominant theme of the normative decision-making model suggests that companies should examine their environment and then derive lists of possible decisions. They then should use the set of objective criteria to evaluate alternatives and make decisions. Thus, according to the normative approach, decision-making involves a series of

sequential, rational and analytical processes (Hitt and Tyler, 1991) and assumes that managers are able to make optimal and rational choices (e.g. Ansoff, 1965).

In the decision-making literature, the concept of rationality is usually described as 'procedural rationality' in order to focus on the decision-making process and to distinguish decision-making rationality from more the universal usage of the term in other areas of social science (Dean and Sharfman, 1996). For example, rationality focuses on optimal choice in order to maximise utility in economic theory (Hough and White, 2003). Decision rationality implies that a decision-maker takes into account all possible alternatives, evaluates all the consequences that will follow from the adoption of each alternative and selects the most valuable option (Hart, 1992). 'Rationality is the use of information for the purpose of selecting a sensible alternative in the pursuit of one's goals' (Hough and White, 2003 p. 482). The rational view of decision-making emphasises that all decisions have facts (means) and value (ends), where ends are identified before the means to achieve them, which leads to greater success (Fredrickson, 1986; Simon, 1993).

Thus, according to the normative approach to studying decision-making, the process of decision-making is based on rational analysis, which includes the collection and analysis of information, the formulation of different alternatives of action, the evaluation of these alternatives and making a choice between them to maximise outcomes (Sadler-Smith and Shefy, 2004). In the strategic management and marketing literature, this approach is often associated with the 'planning' concept (e.g. Ansoff, 1965; Greenley, Hooley and Saunders, 2004).

The normative rationality-based approach is at the heart of decision theory development, but it has been increasingly criticised for not representing 'real' decision-making (e.g. Bell, Raiffa and Tversky, 1988; Vareman, 2008). Researchers have stated that real-life decision-making processes rarely follow this rational and sequential approach (March and Olsen, 1976). Tversky and Kahneman (1986) argue that deviations from the normative model are 'too widespread to be ignored, too systematic to be dismissed as random error, and too fundamental to be accommodated by relaxing the normative system' (p.S252).

The descriptive (or behavioural) approach to studying decision-making challenges the assumption of rationality (Gavetti, 2012). For example, as early as 1955, Simon introduced a 'behavioural model of rational choice' that was anchored in the field of psychology. He claims that human rationality has its natural limitations due to the psychological ability to process information and draw conclusions, that individuals rarely consider all available choices but rather stop when 'satisfying' (not optimal) solutions are found (Simon, 1955). Thus, in the organisational context, decision-making within firms is limited by bounded rationality (Hart, 1992; Krabuanrat and Phelps, 1998). From here, an increasing number of scholars (e.g. March and Olsen, 1976; Quinn, 1980; Schwenk, 1984; Miller, 1987; Hart, 1992; Dane and Pratt, 2007) argue that firms actually do little analysis and aim to ***satisfy*** rather than optimise their options. 'Decision makers satisfy instead of optimize, rarely engage in comprehensive search and discover their goals in the process of searching' (Eisenhardt and Zbaracki, 1992 p. 22). Instead of being entirely rational, decision-making is often based on intuitive, implicit, spontaneous and creative processes (e.g. Brown and Eisenhardt, 1998; Miller and Ireland, 2005; Akgün et al., 2007).

Therefore, decision-making research requires further investigation in order to distinguish the most effective approaches to making decisions. Within the marketing and management literature, authors try to distinguish the most effective approaches by looking at strategic decision-making.

2.2.2 Strategic Decision-Making

Normative and descriptive approaches to studying decision-making are a cause for much debate in the management literature. In this context, the majority of scholars focus their attention on strategic decision-making rather than considering the overall decision-making process (e.g. Beach and Mitchell, 1978; Fredrickson and Iaquinto, 1989; Khatri and Ng, 2000).

Despite the fact that many scholars claim to study 'strategic' decision-making, strategic decisions are difficult to define. Some authors focus on crucial and infrequent decisions made by top managers (e.g. Shimizu and Hitt, 2004). In his seminal work, Mintzberg (1978) defines decisions as strategic if they have a long-term effect, demand a considerable amount of resources and 'set precedents'.

However, those definitions are quite vague and do not necessarily disentangle strategic decisions from other decisions within the company (Nutt, 2008).

Moreover, the division of strategic and non-strategic decisions is not supported by all academics. Some authors (e.g. Langley et al., 1995; O'Leary-Kelly and Flores, 2002) illustrate the interdependence between different decisions and see the necessity to consider decision-making as a whole process as in practice there is often no clear distinction between strategic and non-strategic decisions, with decisions considered by one firm to be strategic (or long-term) being considered as non-strategic (or short-term) by another firm. The aim of the current research is not to focus on strategic versus non-strategic decisions but rather to consider the overall process of decision-making and its influence on export performance. The author of the current work believes that decisions that are made within the export function in reality represent a mixture of strategic and non-strategic decisions. For instance, some decisions affect the 'direction of the firm' (e.g. the choice of a new export market). However, many decisions are made on a daily basis but still can have an impact on export performance (attendance at a trade show, choice of a delivery company, amount of discount granted to a customer etc.). Thus, in the exporting context, the overall process of decision-making should be considered in order to draw a holistic picture.

At the same time, as mentioned above, it cannot be ignored that most decision-making research focuses on *strategic* decision-making (e.g. Grant, 2003; Hughes and Morgan, 2007; Green, Covin and Slevin, 2008). Much effort is made to examine the issue of strategy formation, defining different strategic decision-making types and their influence on the performance of the firm. Thus, to allow a consistent review of articles on decision-making, the strategy formation literature is presented below. A critical review of the strategy formation literature in combination with decision theory will help to disentangling the decision-making approaches that are important for export performance.

2.2.3 Strategy Formation

2.2.3.1 Conceptualisation of Strategy

The study of strategy and strategy formation forms a significant part of the literature on decision-making (Mintzberg and Waters, 1990; Simon, 1993).

According to the planning school of thought, strategies are viewed as intended, purposeful and consciously formulated (Slevin and Covin, 1997). ‘Strategy is concerned with moving the organisation from where it is now to where we would like it to be’ (Blythe and Zimmerman, 2004 p.369-370). Traditionally, strategy is considered to be a formal process that leads to a well-defined effort to specify the corporate, business and functional goals of the company (Hax and Majluf, 1988). Chandler (1962) explains that: ‘Strategy is the determination of the basic long-term goals of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out these goals’ (p.13). Thus, strategy is considered to be explicit, developed consciously and purposefully and made in advance ‘of the specific decisions to which it applies’ (Mintzberg, 1978 p. 935). Researchers favouring this approach tend to advocate the use of formal planning systems and management control (Hax and Majluf, 1988); they base their ideas on the normative approach to studying decision-making.

Thus, the planning school scholars view organisational strategy as an integrated ‘plan’. They claim that systematic planning helps to achieve better performance outcomes (e.g. Schwenk, 1984; Wiltbank et al., 2006) (see section 2.3.1.2 for more details). However, other researchers argue that this approach reveals little of what occurs in reality within companies (e.g. Fredrickson and Mitchell, 1984).

A second school of thought is based around the behavioural (or descriptive) approach to studying the decision-making of the firm (Wierenga, 2011) and could be referred to as the learning, adaptive or incremental school (e.g. Mintzberg, 1973; Fredrickson and Mitchell, 1984; Slevin and Covin, 1997). The basic principle of this school of thought is incrementalism (Rahman and de Feis, 2009; Martens, Matthyssens and Vandenbempt, 2012). Its scholars follow the assumption that clear goals do not exist initially but rather the firm adjusts to external conditions in

incremental steps and comprehensive actions are constrained by bounded rationality (e.g. Slater, Olson and Hult, 2006). The researchers emphasise that the companies could have multiple goals and follow the practice of 'muddling through' (when decisions are taken in small increments) (e.g. Bettis-Outland, 2012). The adaptive school of thought, as opposed to the planning school, suggests that companies find out what to do next by experimenting and quickly capturing new opportunities instead of relying on the concept of rationality. 'Purely adaptive approaches avoid defining future event spaces, and instead position the firm for quick responses to uncertain and unpredictable events as they emerge' (Wiltbank et al., 2006 p. 985). Adaptive approaches focus their attention on the description of the environment and further respond and adapt to that rather than predict how it is going to change (Wiltbank et al., 2006). For instance, prediction of the environment may be ineffective in uncertain or technologically disruptive new markets. In those situations it may be more appropriate to 'just decide' in order to maintain organisational flexibility and ability for quick redirection if necessary (Baum and Wally, 2003).

When examining strategic decision-making from the perspective of the descriptive approach, the definition of strategy as a plan fails to be adequate. The multiple observations of managers' behaviour confirm that decisions are rarely made in a sequential way and that strategies are usually formed based on other processes (Nutt, 2008). According to this perspective, strategy is formed through actions that were not necessarily intentional and can emerge over time (e.g. Slevin and Covin, 1997). In the 1970s, Mintzberg (1978 p. 935) proposed a broader definition whereby strategy is defined as a 'pattern in a stream of decisions'. This means that when a sequence of decisions presents consistency over time, a strategy is considered to have been formed (Mintzberg and Lampel, 1991). This alternative definition brings into focus the problem of strategy formation as a strategy can be formed in a multiple of ways. In the next section, different approaches to strategy formation are examined.

2.2.3.2 Strategy Formation Types

Fredrickson and Mitchell (1984) argue that strategy formation is a decision-making process and suggest that a firm's strategy is a result of many individual interrelated strategic decisions. Mintzberg (1978) identifies two fundamental approaches to strategy formation: deliberate versus emergent. Deliberate strategy formation is

intended and formally planned, which is similar to the rational approach to decision-making. Emergent strategy, on the other hand, is more intuitive, action-oriented, spontaneous and realised in the absence of intentions, which is similar to the 'satisfying' approach to decision-making. Emergent strategies represent decision-making under conditions of bounded rationality when the information is incomplete and cognitive limitations are in place (Slevin and Covin, 1997). As a result, there are two sides to the strategy formation process: strategy could be intended when practitioners formulate a strategy through a conscious process before the decisions are made or a strategy could be formed incrementally, perhaps even unintentionally (Dibrell, Down and Bull, 2007).

Mintzberg and Waters (1985) state that a number of strategies can be characterised as more deliberate or more emergent. Drawing on the above, they conceptualise a variety of real-world strategy formation modes (SDM) (types) as existing in a three-dimensional 'space': level of organisational control, level of environmental stability and the existence of precise, articulated intentions. A strategy formation mode is defined as 'the activities and the cognitive, social/organizational and political processes through which strategies are intentionally or unintentionally formed' (Balabanis and Spyropoulou, 2007 p.45). This definition highlights the fact that strategy formation modes embrace different aspects of strategy formation, which means that there is a lot of overlap between them and other constructs (e.g. organisational structure, communication process). This can lead to major limitations for the research discussed below (see p. 29).

Mintzberg is undoubtedly a seminal author in the area of strategy formation and as a result, much work has used his theories as a platform, developing different typologies of strategy development modes (e.g. Miller, 1987; Hart, 1992; Dess, Lumpkin and Covin, 1997; Bailey, Johnson and Daniels, 2000).

To make the analysis of the literature easier to understand, different typologies of strategy formation modes are compared and based upon these seven general strategic types are outlined, namely: planning, autonomous, interactive, responsive, traditional, controlling and entrepreneurial (see Table 2.1). These are derived from the interpretations of the author of the current work. First, the general strategic types are outlined below. Second, their major limitations are critically evaluated.

Table 2.1: Generic Strategic Types

General strategic type	SDMs	Authors
1.Planning	Planning	Mintzberg and Waters 1985, Mintzberg and Lampel 1999, Hart 1992, Bailey, Johnson and Daniels 2000, Miller 1987
	Rationality	Hart 1992
	Rational	Mintzberg and Lampel 1999
	Design	Mintzberg and Lampel 1999
	Cognitive	Mintzberg and Lampel 1999
2.Autonomous	Imposed	Mintzberg and Waters 1985
	Unconnected	Mintzberg and Waters 1985
	Positioning	Mintzberg and Lampel 1999
	Environmental	Mintzberg and Lampel 1999
	Enforced choice	Bailey, Johnson and Daniels 2000
3.Interactive	Consensus	Mintzberg and Waters 1985
	Interaction	Miller 1987
	Transactive	Hart 1992
	Participative	Dess, Lumpkin and Covin 1997, Mintzberg and Lampel 1999, Balabanis and Spyropoulou 2007
	Power	Bailey, Johnson and Daniels 2000
	Political	Bailey, Johnson and Daniels 2000

4.Responsive	Adaptive	Dess, Lumpkin and Covin 1997, Mintzberg and Lampel 1999, Balabanis and Spyropoulou 2007
	Learning	Bailey, Johnson and Daniels 2000
	Incremental	Bailey, Johnson and Daniels 2000
5.Traditional	Ideological	Mintzberg and Waters 1985
	Symbolic	Hart 1992
	Simplistic	Dess, Lumpkin and Covin 1997, Mintzberg and Lampel 1999, Balabanis and Spyropoulou 2007
	Cultural	Bailey, Johnson and Daniels 2000
6.Controlling	Umbrella	Mintzberg and Waters 1985
	Process	Mintzberg and Waters 1985
	Command	Hart 1992, Bailey, Johnson and Daniels 2000, Mintzberg and Lampel 1999
	Configurational	Hart 1992, Bailey, Johnson and Daniels 2000, Mintzberg and Lampel 1999
7.Entrepreneurial	Entrepreneurial	Mintzberg and Waters 1985, Mintzberg and Lampel 1999, Dess, Lumpkin and Covin 1997, Balabanis and Spyropoulou 2007
	Assertive	Miller 1987
	Generative	Hart 1992

‘Planning’ involves formal planning, systematic collection and analysis of internal and external information, evaluation of different options and formulation of detailed implementation plans (e.g. Mintzberg and Waters, 1985). This is the closest type to ‘pure’ deliberate rational strategy formation.

In the ‘traditional’ strategy-making type the main emphasis is on a routine way of doing business, following norms, rules and rituals, which are based on the mission and vision of the firm (e.g. Hart, 1992; Balabanis and Spyropoulou, 2007). The disadvantage of this group of strategy formation modes is that the concepts of formalisation and corporate culture are incorporated into its definition (e.g. Miller, 1987; Dess, Lumpkin and Covin, 1997).

The ‘controlling’ type highlights the degree to which strategy-making is centralised and determined by either a powerful individual or a small team (e.g. Mintzberg and Lampel, 1999), which overlaps with the concept of organisational structure, more specifically of centralisation (Jaworski and Kohli, 1993; Donaldson, 2000).

The main idea behind the ‘autonomous’ approach is that the strategy is developed independently from decision-makers. This type is opposite to the ‘controlling’ type described above as the decision-makers have little control over the process of strategy formation. The strategy can be either imposed by outside forces or, contrarily, sub-units within the organisation can realise their own strategy (e.g. Mintzberg and Lampel, 1999; Bailey, Johnson and Daniels, 2000). This approach does not make clear how decisions are actually made but rather focuses on the context of the decision-making process.

The ‘interactive’ type is the result of continual communication that involves interchanges between different stakeholders (i.e. employees, suppliers, customers, government and regulators) (e.g. Miller, 1987). However, in this case, the process of strategy formation overlaps with concepts of interfunctional and external communication (e.g. Fisher, Maltz and Jaworski, 1997; Goebel, Marshall and Locander, 2004; Auh and Menguc, 2005).

‘Responsive’ strategy-development emphasises continuous adaptation to the business environment (which includes customers and other stakeholders’ needs)

(e.g. Dess, Lumpkin and Covin, 1997). Nevertheless, adaptation to the environment is an outcome of the decision-making process rather than a type of strategy formation (c.f. Moorman and Miner, 1998b).

‘Entrepreneurial’ strategy-development refers to innovativeness, independency, risk-taking, proactiveness and competitive aggressiveness in decision-making (e.g. Balabanis and Spyropoulou, 2007). However, entrepreneurial strategy formation highlights certain features of the strategy content (for example competitive aggressiveness and innovativeness) rather than focusing on how decisions are made.

As a result, the main drawback of past strategy formation research as presented above is the conceptual overlap between how strategic decisions are made, the contextual factors influencing it (structural and environmental characteristics), the content of the strategy itself and its outcomes. For example, a ‘command’ strategy development mode (see Table 2.1) refers to the situation when strategy making is centralised and formalised by a powerful individual or small team (Hart, 1992; Bailey, Johnson and Daniels, 2000); this SDM already includes the structural characteristics of the organisation. Similarly, in ‘environmental’ SDM, the environmental influences are inherent in the strategy-making process (Mintzberg and Lampel, 1999). However, organisational structure and environmental turbulence are not an intrinsic part of the strategy process *per se*; they are the context within which strategies are made.

Research on strategy formation and decision-making requires the disentanglement of the decision-making process, contextual factors, strategy content and its outcomes in order that precise conceptual definition of export decision-making can be identified (which the author of this research will refer to as ‘pure’ decision-making approaches). Only in that case is it possible to draw sound theoretical conclusions and provide recommendations for the improvement of a company’s performance. If the researcher fails to distinguish between the content, context factors, process and outcomes, it would be difficult to identify key success factors for the firm. For example, even if the results indicated that a certain decision-making type would result in better performance, it would be unclear what the main factors leading to that improvement were.

2.2.4 ‘Pure’ Decision-Making Approaches

As mentioned above, deliberate strategy formation is in line with the normative approach to studying decision-making as it prescribes that decisions should be made on the basis of well-articulated intentions (e.g. Fredrickson 1983). Therefore, Mintzberg (1985) suggests that planning is the closest process to pure deliberate decision-making in the real business world. In this case, there is a clear distinction between formulation of the initial intentions or objectives and their further implementation. By now the concept of planning is well-established in the management and marketing literature (Dew et al., 2009).

On the other hand, emergent strategy formation is associated with descriptive decision-making as it describes how decisions are formed in reality (e.g. Mintzberg and Westley, 2001). Descriptive approaches challenge the idea of rationality of decision-making as managers in reality rarely make optimal choices. Instead, decision-making is argued to be more adaptive, responsive, creative and spontaneous (Brown and Eisenhardt, 1998).

The analysis of the decision theory literature and strategic management literature failed to provide the conceptualisation of a ‘pure’ more emergent approach to decision-making. Instead, researchers tend to focus on emergent approaches (e.g. entrepreneurial, intuitive), which do not represent ‘pure’ types (Lumpkin and Dess, 1996; Khatri and Ng, 2000; Sandler-Smith and Shafy, 2004; Miller and Ireland, 2005).

At first glance, it appears that entrepreneurial decision-making has features similar to spontaneous and creative decision-making (e.g. Balabanis and Spyropoulou, 2007) (for example, innovativeness is often confused with creativity) (see p. 43). However, as mentioned above, entrepreneurial strategy formation highlights certain features of the strategy content (for example competitive aggressiveness and innovativeness) but does not explain how decisions are made. Moreover, when researchers investigate entrepreneurial decision-making, they make prior judgements about the type of business they are dealing with (innovative, proactive, non-risk averse), whereas spontaneous and creative decision-making could occur in any type of business (Vera and Crossan, 2005). The assumption could be made that there is a

positive relationship between spontaneous and creative decision-making and entrepreneurial strategy formation. However, this is beyond the scope of investigation in the current study.

Some authors focus their research on an intuition-based approach to decision-making (e.g. Khatri and Ng, 2000; Miller and Ireland, 2005). Intuition is defined as ‘a cognitive conclusion based on the decision maker’s previous experiences and emotional inputs’ (Leybourne and Sadler-Smith, 2006 p. 484). It is claimed that people cannot have intuition about something they do not know anything about; intuitive responses are actually based on their previous experiences (Campbell, 1991). Nevertheless, the concept of intuition also does not provide an explanation for how decisions are made but rather explains what they are based on. Spontaneous and creative decision-making can potentially be based on intuition, but it does not have to as it also can be based on the information available at hand (Weick, 1998). This means that equating the ‘pure’ emergent approach to the intuition-based approach significantly restricts the concept of emergent decision-making, which has a broader meaning and application.

The conceptualisation of the emergent more ‘pure’ decision-making approach is found in the organisation studies literature. Authors tend to associate spontaneous and creative decision-making with a concept of improvisation (Vera and Crossan, 2005). Improvisation has an emergent nature (Kyriakopoulos, 2011) and can be defined as ‘the spontaneous and creative process of attempting to achieve an objective in a new way’ (Vera and Crossan, 2004 p.733).

Thus, based on an analysis of the decision-making literature, planning and improvisation can be considered to be the ‘pure’ decision-making approaches. They characterise the process of decision-making itself, whilst avoiding overlapping with other constructs.

As both planning and improvisation are the prime focus of this study, they require detailed attention. In the section below, their conceptualisation, operationalisation and possible outcomes are provided.

2.3 Planning and Improvisation

2.3.1 Planning

2.3.1.1 Conceptualisation and Operationalisation

The planning approach to decision-making is based on the assumption that there is a rational logic underpinning how decisions are made and that the key consequences are predictable (e.g. Fredrickson, 1984). According to strategy formation scholars, planning is a step-by-step formal process of decision-making, systematic collection and analysis of the internal and external information, evaluation of different options and formulation of detailed implementation plans (Mintzberg and Waters, 1985; Miller, 1987; Hart, 1992; Mintzberg and Lampel, 1999; Grant, 2003). As a result, there is an assumption that the planning approach to decision-making is broken into stages (Dibben, Harris and Wheeler, 2003), which ultimately assemble all elements of the organisation into one detailed, consistent and written plan (e.g. McDonald, 2002; Dennis and Macaulay, 2003).

In the strategic management literature, the conceptualisation of planning is often referred back to Ansoff (1965). Ansoff (1965) and adherents to the Ansoff school of thought (e.g. Grant, 2003; Slater, Olson and Hult, 2006) traditionally identify four stages of planning:

- *Perception that the decision is needed or an opportunity exists (problem awareness).* This can be the result of a proactive or reactive approach to decision-making. The main purpose of this stage is to establish common guidelines and objectives to be used by the business in future decision-making (Johnson, 1987).
- *Formulation of alternative ways of action based on analysis of information (problem diagnosis).* This can include, for example, SWOT analysis and general environmental analysis (Slater, Olson and Hult, 2006).
- *Evaluation of different alternatives.* At this stage, the attractiveness of the multiple options is compared (Grant, 2003).
- Finally, *choice of one or more solutions for further implementation*, which includes a choice of the most *optimal* option (Dibben, Harris and Wheeler, 2003).

However, some researchers propose breaking the process of planning down into a larger number of stages. For example, planning has also been conceptualised as a five-stage (Ogunmokun and Tang, 2012), six-stage (Chae and Hill, 2000) and eight-stage (Blythe and Zimmerman, 2004) process. The main difference between those approaches to defining stages is the issue of implementation and control. Some argue that it is a part of the planning process (e.g. Chae and Hill, 2000; Ogunmokun and Tang, 2012), whereas others view it as a separate construct (Grant, 2003; Slater, Olson and Hult, 2006). The author of the current work supports the distinction between those constructs. The planning framework decisions made today based on assumptions about the future may not be implemented for months or even years (Chaffee, 1985; Greenley, Hooley and Saunders, 2004). This means that there can be a time lag between the planning process and decision implementation. Moreover, if the assumption about the future is proven to be incorrect, some decisions can never be implemented (c.f. Xu, Cavusgil and White, 2006). As a result, there is a crucial need to separate the constructs of planning and decision-implementation.

The next conceptual distinction has to be drawn between a ‘plan’ as a physical document and the planning approach as they are often considered to be synonymous in the literature (e.g. Brews and Hunt, 1999; Eddleston, Kellermanns and Ravi, 2008). Despite the fact that some authors state that planning results in the development of a consistent plan (e.g. McDonald, 2002), the actual planning approach itself goes beyond the development and use of a business plan (Ghobadian et al., 2008). ‘Planning is not so much the creation of strategic plans as establishing a process for strategic thinking and organizational learning’ (Grant, 2003 p. 491). Slotegraaf and Dickson (2004) propose that the companies which employ a strong planning approach are better able to develop and more likely to possess comprehensive marketing plans. However, this was not confirmed by the findings of their research on strategic business units. On the other hand, companies that produce detailed plans do not necessarily employ a planning approach to making decisions (c.f. Harris, Forbes and Fletcher, 2000).

Thus, planning is defined here as a process of developing definite and precise objectives, collecting and analysing external information about the environment and

evaluating different options in order to formulate a solution to a problem or to make a decision (c.f. Bailey, Johnson and Daniels, 2000).

Planning can be considered on different levels: strategic planning, functional planning and budget planning. Strategic planning relates to long-term business objectives and aims to look ahead several years (Varadarajan and Jayachandran, 1999; Lukas, Whitwell and Hill, 2007). The main purpose of the strategic planning process is internal analysis of the firm, its competitors, the industry the firm is operating in and its environment (Bloodgood, 2007). Functional planning refers to similar issues but in relation to a specific function of the firm (Samiee and Walters, 1990). Budget planning is related to producing budgets for a function or a performance indicator, for example marketing budgets or sales budgets (Shoham, 1999). However, these three levels of planning are not separate processes within the firm. They can be compared to a 'Russian doll', where higher–order planning incorporates the elements of the lower level and visa versa. Thus, for example, functional planning can incorporate strategic elements relevant for a specific function within the firm.

The concept of *export* planning is the focus of the current study. Researchers usually assume that because readers are familiar with the concept of planning, they are therefore automatically familiar with the concept of export planning (e.g. Samie and Walters, 1990; Cavusgil and Zou, 1994; Wheeler, Ibeh and Dimitratos, 2008). They claim that the conceptualisation of export planning is in line with the overall conceptualisation of planning in the management and marketing literature (e.g. Balabanis, Theodosiou and Katsikea, 2004) discussed above. Thus, conceptual definitions are either missing from the export articles or export planning is conceptualised in the same way as strategic planning but with a reference to export matters (Shoham, 2002). At the broadest level, export planning can be defined as the decision-making process aiming to determine a direction for the export function to follow (Dibben, Harris and Wheeler, 2003)

In spite of the step-by-step nature of planning, scholars traditionally operationalise it as a uni-dimensional construct (see Appendix 2.2), whereby most of the measures can be divided into three main groups: general classifications of planning, formality of planning and planning comprehensiveness.

General classifications of planning include questions on types of planning (e.g. short-term, budget, annual), the planning horizon (e.g. one year, three years, five years) and areas of marketing planning activities (distribution, price, promotion, product) (e.g Rhyne, 1986; Walters, 1993; Slotegraaf and Dickson, 2004). These types of measure are of little value to the current project as they do not provide the information on how decisions are made in the company. In this case, researchers take for granted that companies follow the planning approach.

The formality of the planning process is defined as the degree to which a decision is a result of a number of logically planned highly controlled activities (Hetherington, 1991; Pulendran, Speed and Widing, 2003). Despite the fact that formal planning is the focus of the current study, the actual measures of planning formality suffer from major limitations. For example, some of the measures refer to the existence of a 'plan' as a physical document. This contradicts the conceptual definition adopted for the current project. As discussed above, planning does not necessary results in the development of detailed plans. The measures of planning formality often overlap with the concept of organisational structure (e.g. Miller, 1987). However, the author of the current work aims to explore the 'pure' decision-making approaches, which do not overlap with other constructs. Based on the above the measures of planning formality were considered less appropriate for the current research.

The measures of planning comprehensiveness are more in line with the conceptual definition of planning adopted for the project. Comprehensiveness is defined as the degree to which members of a particular project pay attention to the search for market information, the generation of several alternative ways of actions, the examination of multiple explanations and the use of certain criteria in making marketing decisions (Atuahene-Gima and Murray, 2004).

As a result, following Bailey, Johnson and Daniels (2000), in the current project planning is considered to be a uni-dimensional construct that is viewed as a comprehensive decision-making process based on the concept of rationality.

In the next section, the outcomes of the planning process are discussed.

2.3.1.2 Outcomes

Much research has been devoted to the relationship between planning and performance (e.g. Smith, 2002; Grant, 2003; Ghobadian et al., 2008). However, strategy and marketing scholars do not have a clear opinion on the value of formal planning (e.g. Slotegraaf and Dickson, 2004). In spite of the fact that the concept itself has been around for more than half of a century (e.g. Ansoff 1965), the debate is still in progress.

On the one hand, a strong research tradition supports the view that planning is crucial for effective decision-making process (Ansoff, 1965; Simon, 1993) as it results in more appropriate resource allocation (Pulendran, Speed and Widing, 2003) and enhances the performance of the firm (e.g. Menon, Adidam and Edison, 1999). According to Smith (2003), the benefits of formal planning are embedded in the nature of the planning process itself. The key argument in the literature is that planning positively influences performance because a comprehensive analysis of the information, the identification of strengths and weaknesses and an evaluation of different options allow firms to make more effective decisions (e.g. Eisenhardt, 1989; Menon, Adidam and Edison, 1999; Atuahene-Gima and Murray, 2004). This makes the decision-making process more ‘informed’.

According to the planning approach, the more a company analyses the information, scanning for trends, evaluating more alternatives, the better its outcomes as this enhances the alignment between the firm and its environment (Ghobadian et al., 2008). The supporters of rational planning claim that the companies that analyse and predict more precisely will outperform those that do not (e.g. Wiltbank et al., 2006). For example, Slevin and Covin (1997) found that there is a positive relationship between planning and sales growth in firms with mechanistic structures and firms operating in dynamic environments. Furthermore, according to Taghian (2010), formal marketing planning is associated with higher market share performance.

In the exporting context, scholars recognise the importance of considering the concept of planning as a predictor of export success (e.g. Cavusgil and Zou, 1994; Olson and Gough, 2001; Morgan et al., 2003; Timmor and Zif, 2005). The supporters of the planning approach claim that international marketing planning has become

significantly more important due to the increased intensity of worldwide competition (Shoham, 2002; Lukas, Whitwell and Hill, 2007). Aaby and Stater (1989) in their literature review concluded that planning is a strong determinant of successful exporters. According to Zou and Stan's (1998) review of the empirical literature, export planning is a 'consistent determinant of export sales and the composite measure of export performance, and a predictor of export profits and export growth' (p.345). In addition, export planning encourages setting clear objectives and defining the responsibilities of managers. This helps to make the goal achievement process more efficient (Shoham, 2002).

However, not all authors view planning as a positive phenomenon. A critique of planning follows.

2.3.1.3 Critique of Planning

Since the early 1980s, planning has come under attack, mostly from management scholars (e.g. Fredrickson 1983; Fredrickson and Iaquinto, 1989). The main area of concern has been the impossibility of forecasting (e.g. Langley et al., 1995), which some would say impacts upon the efficiency and effectiveness of planning in general. Chae and Hill (2000) claim that there is empirical evidence that planning does not lead to financial effectiveness. They suggest that financial outcomes are associated with other factors, like global competition and company-specific strategies. There are also significant costs associated with planning as it requires significant resources (c.f. Atuahene-Gima and Murray, 2004).

Nowadays, many companies find themselves in a rapidly changing environment, and they are required to implement flexible and creative decision-making in order to adapt to market changes quickly, which planning cannot guarantee (c.f. Slotegraaf and Dickson, 2004). Researchers view planning with scepticism as they believe it is overly rigid and inflexibile and generally slows down the decision-making process (Fredrickson, 1984; Mintzberg, 1994; Fletcher and Harris, 2002). Planning can lead to delays in market response as obtaining the necessary additional information is time-consuming (Atuahene-Gima and Murray, 2004). In addition, planning can result in negative outcomes as it is often accompanied by inertia (Amburgey, Kelly and Barnett, 1993). 'Organizational intertia is the continuance of a way of doing things

and can be detrimental when substantial changes should be made' (Bloodgood, 2007 p. 34). This can prevent the company introducing necessary changes when such a need arises (Teece et al., 1994). Some authors claim that the success or failure of planning is contingent upon internal and external organisational factors. Planning is found to be less beneficial under conditions of environmental turbulence and when the firm has an organic structure (e.g. Mintzberg and Waters, 1985; Eisenhardt and Tabrizi, 1995; Caruana, Morris and Vella, 1998).

In an exporting context, there is also evidence of conflicting results (Balabanis, Theodosiou and Katsikea, 2004). For example, Walters (1993) did not identify a consistent pattern in the relationship between export planning and export performance, whereas Katsikeas, Piercy and Ioannidis (1996) found that export planning negatively influences export performance in a European context. Katsikeas, Piercy and Ioannidis (1996) explain that the costs associated with export planning might be an obstacle for firms, resulting in lower export performance. Moreover, firms employing the export planning approach may be unable to capitalise on important market opportunities. As windows of opportunities are usually temporal, they require a quick reaction from the firm (Walters and Samiee, 1990), and export planning is unable to provide this due to its lack of flexibility (Samiee and Walters, 1991).

Sinha (1990) suggest that many decisions influencing the performance of the company are made outside the formal planning process. Since the mid-1990s, scholars have paid increasing attention to the concept of improvisation (Lewin, 1998; Moorman and Miner, 1998ab; Vendelo, 2009).

2.3.2 Improvisation

2.3.2.1 Conceptualisation and Operationalisation

Improvisation of decision-making is an area of increasing interest to academics and practitioners. The word 'improvisation' is derived from the Latin word 'improvisus', which means 'not seen ahead of time' (Barrett, 1998 p.606). The concept of organisational improvisation was initially based on jazz improvisation or theater improvisation. Those metaphors were mapped on to the organisational context in

order to view the organisational processes from a new angle (Kamoche, Cunha and Cunha, 2003).

In spite of the fact that there is extensive evidence that improvisation occurs in organisations, the concept of planning is still seen as the 'norm' (Moorman and Miner, 1998a; Chelariu, Johnston and Young, 2002). Marketing and management scholars have 'taken a rather strong stand in favor of marketing planning, especially of a formal type' (Moorman and Miner, 1998b, p.1). As a result, they have paid little attention to spontaneous and creative decision-making in companies.

It was originally accepted that improvisation only occurs in firms occasionally in problematic and unplanned situations, where adaptation, flexibility and quick learning are essential for the survival of the firm (Chelariu, Johnston and Young, 2002). It was also considered to be an undesired outcome of doing something wrong (Leybourne, 2006). For example, Montuori (2003) considers improvisation to be an exception and as a type of decision-making used when 'things don't go the way they should' (p. 245).

Nevertheless, as early as the late 1970s, Ryle (1979) argued that in the real business world no matter how well decisions are planned there will always be a novel set of circumstances and improvisation is the way to deal with them. In research conducted by Leybourne (2006), managers state that in order to achieve change, they have to move away from agreed plans. Weick (1998) argues that improvisation actually occurs in organisations all the time but managers fail to recognise it as improvisation is less feasible in organisations when compared to planning.

Certain factors can trigger the occurrence of improvisation. The level of environmental turbulence is often considered to be a major trigger of improvisation (Crossan, 1998; Hatch, 1999; Cunha, 2007). Environmental conditions have changed dramatically over the last 10-20 years. Outcomes of globalisation such as uncertainty, complexity (interdependence of markets) and dynamism (short-lived opportunities and large threats) have encouraged companies to make a conscious decision to improvise in order to be more flexible (Chelariu, Johnston and Young, 2002; Crossan et al., 2005). The need for improvisation can arise from a lack of fit

between planning and the actual environment (Cunha, Kamoche and Cunha, 2003). Eisenhardt and Tabrizi (1995) suggest that improvisation can be a response to unexpected issues and unplanned situations. However, the results of research by Kyriakopoulos's (2011) show that improvisation is a 'not a phenomenon restricted to fast-paced settings' (p.18). The increased variety of consumer needs and competitive moves in other traditionally more stable industries (e.g. food industry) create windows of opportunity and potential for improvisational decision-making.

Improvisation can also be triggered by time-pressure. It often occurs when there is a lack of time to solve the problem (Vendelo, 2009) or in order 'to accelerate the implementation of action' (Leybourne and Sadler-Smith, 2006 p.484). Time pressure relates to situations when the time to make a decision is scarce. Not being able to respond in the moment may lead to lost opportunities or the escalation of the problem (Vera and Crossan, 2004).

Thus, it is known that organisations do improvise. However, the answer to the question 'why do firms improvise?' relates to the investigation of antecedents of improvisation, which is beyond of the interest of this research. The main focus of this study is how improvisational decision-making influences export success. Nevertheless, to investigate this relationship, it is important to define improvisation.

In spite of the fact that a number of definitions of improvisation are presented in the literature, its conceptualisation and operationalisation is still an issue. The main problem with definitions of improvisation is that they are either too broad, for example 'performing without any preparation or planning' (Halpern, Close and Johnson, 1994; Crossan et al., 2005) or highlight some parts of the concept without an attempt to address the whole process (e.g. Cunha, Cunha and Kamoche, 1999; Crossan and Sorrenti, 2002). To resolve this problem, a variety of definitions of improvisation are presented and a working definition is suggested.

The literature review reveals the existence of approximately seventy definitions of improvisation in different areas of social science (such as theatre, education, management and organisational studies). However, many of these are similar to each other. To aid our understanding of these definitions, they have been placed in 10 major categories (see Appendix 2.1).

Crossan and Sorrenti (2002) define improvisation as ‘intuition guiding action in a spontaneous way’ (p. 29), which emphasises improvisation being based on intuition (Kamoche, Cunha and Cunha, 2003). Nevertheless, as mentioned above, improvisational (spontaneous and creative) decision-making could be but is not necessarily based on intuition. For example, it can also be based on the information available at hand (Weick, 1998) or past experience (e.g. Zheng, Venters and Cornford, 2011), which does not make any decisions less improvisational.

Secondly, Crossan et al. (1996) consider improvisation to be a time-based phenomenon when a timely reaction is crucial. Thus, improvisation can be considered as a ‘just-in-time strategy’ (Weick, 2001), which addresses the issue of timeframe. For example, Montuori (2003) identifies improvisation as a temporary phenomenon, which emphasises the short-term nature of improvisation. However, it appears there is no evidence in the literature that improvisation can or cannot be long-term.

It is also possible to define improvisation as performing without any preparation or planning (Halpern, Close and Johnson, 1994; Kamoche and Cunha, 2001; Crossan et al., 2005), which dismisses the possibility of co-existence of the concepts of planning and improvisation within the company. However, it can be proposed that managers choose to plan first but at a later stage decide to employ improvisation either as a deviation from a plan or for decisions not mentioned previously (c.f. Slotegraaf and Dickson, 2004). Moreover, behaving without any preparation can be considered to be random behavior and lead to chaos (Stacey, 1991; Brown and Eisenhardt, 1998).

Another type of definition of improvisation relates to a lack of resources. Cunha, Cunha and Kamoche (1999) characterise improvisation as ‘an action drawing on available cognitive, material, affective and social resources’ (p. 302). In other words, ‘making do with available resources’ (Chelariu, Johnston and Young, 2002 p. 142) or ‘making do with minimal commonalities’ (Eisenberg, 1990 p.154). Reliance only on this definition makes it difficult to separate improvisation from bricolage and increases the probability of a misunderstanding of these concepts. In reality, ‘bricolage and improvisation are two lenses that can be used to look upon a single phenomenon’ (Cunha, Cunha and Kamoche, 1999 p. 308).

Some authors in their attempt to identify improvisation do not present ‘independent’ definitions and tend to define improvisation through other concepts. The first group of researchers conceptualise it as an adaptation or response to external (e.g. environmental) conditions or the internal (e.g. structural) characteristics of the firm (Preston, 1991; Machin and Carrithers, 1996; Hatch, 1998; Marren, 2008, etc.). However, organisational structure and environmental turbulence are not an intrinsic part of the decision-making process per se but rather the context within which decisions are made. Other researchers tend to define improvisation through such phenomena as flexibility, creativity and innovation. For example, improvisation has been described as an ‘extreme case of flexibility’ (Samra, Lynn and Reilly, 2008 p.177), ‘close to pure ‘creativity’’ (Frost and Yarrow, 1990 p.2) or a certain case of innovation (Zaltman, Duncan, and Holbek, 1973; Rodgers, 1983), which is defined as ‘deviation from existing practices or knowledge’ (Moorman and Miner, 1998a p. 706). Whilst these concepts can be considered to be correlates or outcomes of improvisation, improvisation should not be defined through them (Moorman and Miner, 1998a).

The most common definition presented in the literature is based on the concept of improvisation being transferred to organisational studies from jazz music. Jazz improvisation is defined as composing and performing in real time, reworking pre-composed material in a new creative way (Kamoche, Cunha and Cunha, 2003). A similar definition was adopted for organisational improvisation, where it is defined as the convergence of composition and execution (e.g. Moorman and Miner, 1998ab; Vendelo, 2009). The main weakness of past research is that it considers this as synonymous to the convergence of planning and implementation (e.g. Chelariu, Johnston and Young, 2002; Akgün et al., 2007), which locates planning and improvisation along the same continuum but *a priori* denies the possibility of their co-existence. The possibility of the potential co-existence of planning and improvisation is discussed below (see section 2.3.3)

A definition that clearly distinguishes the concept of improvisation from other concepts (planning, adaptation, flexibility, bricolge, etc.) is provided by Vera and Crossan (2004). They define improvisation as ‘the spontaneous and creative process of attempting to achieve an objective in a new way’ (p.733). First, this incorporates

the extemporaneous nature of improvisation, producing ‘spur of the moment’ action (Weick 1998). Second, it emphasises that not all spontaneous action is regarded as improvisational; for that to happen the decision-making process has to include some novel elements (Magni, Provera and Prosperio, 2010). Finally, improvisation has to be action-oriented (Cunha, 2007).

As a spontaneous process, improvisation ‘is extemporaneous, unpremeditated, and unplanned’ (Vera and Crossan, 2004 p. 733). The spontaneity dimension is related to time orientation, meaning that individuals react to situations and make decisions in the moment rather than anticipate what might happen (Vera and Crossan, 2005). Moorman and Miner (1998b) call it ‘composing while executing’, but this is a definition of improvisation itself rather than one of its dimensions. Vera and Crossan (2005) argue that improvisation should not be considered as synonymous to spontaneous decision-making or ‘thinking on your feet’. Otherwise, there is a risk that managers may confuse improvisation with random behavior.

The creativity dimension of improvisation relates to the search for novelty and usefulness while making the decisions (Pirola-Merlo and Mann, 2004). Novelty is defined as originality and unexpectedness, whereas usefulness is related to appropriateness and adaptability concerning task constraints (Dennis and Macaulay, 2003). There is sometimes confusion between creative processes and creative outcomes. The creativity dimension of improvisation does not necessary lead to creative and innovative outcomes (Drazin, Glynn and Kazanjian, 1999; Gilson and Shalley, 2004); it is more about *how* companies make their decisions rather than *what* their outcome is. Creative outcomes share with improvisation a focus on novelty, but the main difference is that they can be carefully planned and/ or result from a plan (Cunha, Cunha and Kamoche, 1999). Innovation is also commonly confused with creativity ‘because innovation involves newness and usefulness (benefit), it can be seen to incorporate creativity’ (Pirola-Merlo and Mann, 2004 p. 235). However, these constructs are distinct. Innovation is related to ‘the successful implementation of creative ideas’ (Amabile et al., 1996 p. 1) rather than the idea-generation process.

Finally, improvisation incorporates action-orientation as it has a goal to achieve something (Miner, Bassoff and Moorman, 2001; Hmieleski, Corbett, 2006; Hmieleski,

Corbett and Baron, 2013). If not, it can be characterised merely as random behavior (Vera and Crossan, 2005). As noted in the Chapter 1 (see p. 3), in the current study the term ‘decision-making’ refers to the way decisions are made, excluding their execution. It means that all three dimensions of improvisation are related to how decisions are designed rather than how they are implemented.

Despite a variety of conceptual definitions of improvisation, the empirical research in this area is limited. To the best of the author’s knowledge, only a few authors have previously tried to measure improvisation in their research (see Appendix 2.3). The most commonly used measures are proposed by Moorman and Miner (1998b). They suggest measuring improvisation by ‘the length of time between the design and execution of an action’ (p. 716). However, this restricts improvisation to a temporal dimension and offers a ‘partial measure of organisational improvisation’ (Cunha, Cunha and Kamoche, 1999 p. 313). The current empirical research on improvisation requires further development of reliable and valid scales.

In the section below, the potential outcomes of improvisation are discussed.

2.3.2.2 Outcomes

Today’s marketplace is characterised by increased competition, globalisation and technological revolutions. A key concern within organisations is the ability to keep pace with major environmental changes (Geletkanycz and Black, 2001). Consequently, decisions need to be made faster than ever before (Burke and Miller, 1999; Matherne, 2004; Martens, Matthyssens and Vandenbempt, 2012). In this context, improvisational decision-making can be effective as it speeds up the decision-making process (Miner, Bassoff and Moorman, 2001; Miller and Ireland, 2005; Glöckner and Witteman, 2010). There is a plethora of evidence that quick decision-making results in positive outcomes. For example, Sadler-Smith and Shefy (2004) and Leybourne and Sadler-Smith (2006) find that quicker decision-making often leads to better decisions as it allows the organisation to avoid delays that might lead to missed opportunities and significant potential financial costs. While delays in decision-making can sometimes occur in a bid to seek and use more useful information than is currently available, this is not always the case. Moreover, speedy decision-making enables firms to embrace the opportunities before they vanish both

in dynamic and in non-dynamic environments as fast decisions lead to early adoption of successful new products and efficiency-gaining process technologies (Baum and Wally, 2003).

Improvisational decision-making also enables a company to achieve flexibility, which is associated with the ability to redeploy resources (Grewal and Tansuhaj, 2001). For example, Rundh (2007) explains that to be successful, a company should be flexible in order to react quickly to the changing market environment. Moreover, according to Pauwels and Matthyssens (2004), flexibility plays an important role in explaining a firm's performance. Indeed, strategic flexibility can lead to competitive advantage because it offers the firm the opportunity to adapt to new conditions during a relatively short period of time (Fiegenbaum and Karnani, 1991).

Improvisation allows managers to continuously and creatively adjust to change so it enhances a firm's adaptability and responsiveness (Brown and Eisenhardt, 1998; Vera and Crossan, 2004; Magni, Provera and Proserpio, 2010). The concept of 'responsiveness' is close to the concept of 'adaptation' as it also aims to maintain a fit between the external environment and the organisation. However, responsiveness is different from 'adaptation' as it incorporates adjustment to change at high speed (Homburg, Grozdanovic and Klarmann, 2007). The improvisation metaphor helps to explain adaptation or responsiveness as an outcome of improvisation. While performing an improvisational piece of music a jazz group identifies and responds to the needs of the audience in an interactive way and is able to adapt to its audience in real time (Dennis and Macaulay, 2003). The process is similar for companies. Improvised decision-making is usually part of an interactive process (involves other members of the team or responds to customer requests and market opportunities) (Miner, Bassoff and Moorman, 2001), and it allows the firm to adapt quickly to market changes (Rundh, 2007). Improvisation leads to incremental changes that eventually result in organisational transformation over time and make the firm more adaptable (Crossan et al., 1996).

Improvisation also increases learning opportunities for the company. 'Learning is a process that requires the discovery, retention, and exploration of stored knowledge, including information or behavioral routines' (Moorman and Miner, 1998b p. 4). Learning is related to 'acquiring and expanding procedural, declarative and episodic

memory' (Kamoche, Cunha and Cunha, 2003 p. 34). Improvisation, which is by nature a trial-and-error process, provides an opportunity to receive feedback (c.f. Lurie and Swaminathan, 2009) and to become 'familiar with the wider task environment' (Barrett, 1998 p. 610).

In addition, improvisation can improve the ability of a firm to solve customers' problems (Leybourne, 2006) and as a result leads to a better customer satisfaction. Improvisation allows actions to be undertaken quickly or even immediately, which can be crucial when handling customer requests (Barrett, 1998). The speed of the decision is provided by the spontaneous nature of improvisation (Moorman and Miner, 1998b). On the other hand, the creativity dimension of improvisation ('outside the box approach') allows an export function to come up with solutions to unusual customer problems (Brown and Eisenhardt, 1998).

Improvisation can also positively influence internal organisational processes. It has a considerable positive effect, streamlining communication and speeding interactions between team members (Cunha, Kamoche and Cunha, 2003). Cunha, Cunha and Kamoche (1999) explain that improvisation creates a feeling of transcendence among members of an organisation. This feeling of 'greatness' occurs as a result of being able to take advantage of an opportunity or tackle a problem that is considered to be important to the company and difficult to handle. As a result, improvisation can result in increased motivation to work as employees feel more freedom and autonomy in their decision-making.

In general, it is assumed that improvisation can result in superior performance (Crossan et al., 2005). Brown and Eisenhardt (1998) believe that improvisational businesses often create products and services that are somewhat unpredictable and their strategies are usually more diverse because they can change their tactics quickly. At the same time, real-time action boosts the efficiency of the company as it allows it to save time and resources (Eisenhardt and Tabrizi, 1995; Pauwels and Matthyssens, 2004; Samra, Lynn and Reilly, 2008).

2.3.2.3 Critique of Improvisation

Improvisation is not always considered to have positive outcomes for the company. Similar to improvisational theatre, which can be boring, organisational improvisation can escalate the problems instead of solving them (Vera and Crossan, 2004). Thus, improvisation can lead to negative outcomes, which include decision-making inaccuracy, biased learning, opportunity traps and over-reliance on improvisation (e.g. Cunha, Cunha and Kamoche, 1999).

Improvisation is often useful for making quick decisions. However, it can also lead to severe and systematic errors (c.f. Tversky and Kahneman, 1974). Some scholars emphasise that there is an inverse relationship between decision accuracy and decision speed (e.g. Dane and Pratt, 2007). Decision-makers can rush into making a decision when it is not necessary (Nutt, 2008) or focus on a limited number of options to resolve a problem even if the time for further searching for alternatives is available (Baum and Wally, 2003). While on the one hand, this approach allows for the simplification of the process of decision-making, on the other hand, simplification may lead decision-makers to ignore or misinterpret important information (Schwenk, 1984) and result in decision failure (Nutt, 2008).

The biased learning can occur as a result of biased generalisation, when an identified solution is not appropriate for other circumstances (Cunha, Kamoche and Cunha, 2003). The improvisational decision that resulted in positive outcomes in a certain scenario may not necessarily be appropriate when the circumstances change. Even if the solution can be implemented, there is no guarantee that it is going to be the best one in the new circumstances (Gould, 1980).

Opportunity trap takes place whenever an organisation ‘fails to exploit the novel ideas obtained through exploration processes’ (Cunha, Cunha and Kamoche 1999, p. 330). Improvisation being a trial-and-error process does not protect the company from making mistakes and can result in costly errors (Goodman, 2008; Kyriakopoulos, 2011).

If managers always adopt an improvisational approach, over relying on improvisation, they may well undermine any prior preparation. As a result, there is a danger that decision-making may become random and eventually lead to chaos

(Stacey, 1991; Brown and Eisenhardt, 1998). If improvisation is viewed as a solution to all problems, 'managers risk underestimating the need to create a context that supports improvisational process' (Vera and Crossan, 2005 p. 204). A sufficient amount of experience needs to be accumulated in order for improvisation to be successfully implemented (e.g. Leybourne and Sadler-Smith, 2006). Thus, if improvisation is implemented without any preparation, its effectiveness may decrease (Brown and Eisenhardt, 1998).

As planning and improvisation can both result not only in positive but also in negative outcomes, one of the ways of overcoming their limitations is through combining the two approaches, whereby the strengths of one approach will help to negate the weaknesses of another. The rational for the potential combination of planning and improvisation is discussed below.

2.3.3 Potential Combination of Planning and Improvisation

To the best of the author's knowledge, the current project is the first examining export improvisation alongside export planning. Prior research has focused either on planning or improvisation as some scholars (e.g. Moorman and Miner, 1998ab) believe that those constructs are opposite to each other and cannot be combined. However, the author of the current work would like to challenge that assumption. In what follows, the assumption of antagonism between planning and improvisation is challenged.

The majority of scholars investigating the topic of improvisation tend to view it as antagonistic to the planning approach, recommending that companies choose one or the other. However, planning, when considered on its own, represents quite a rigid decision-making process that is difficult to follow (Mintzberg, 1994). In reality, 'decision makers are imperfect information processors who strive to follow the rational model, but who at various points depart from it in order to avoid the cognitive overload which they would suffer from following completely. Thus, ignoring some information makes their task simpler as does only considering a limited number of the possible alternatives' (Krabuanrat and Phelps, 1998 p. 84). At the same time, if managers adopt only improvisation and undermine any prior preparation, there is a

danger that decision-making will become chaotic (Stacey, 1991; Brown and Eisenhardt, 1998).

Despite the fact that planning and improvisation approaches to decision-making are often presented as opposite to each other, some authors suggest that organisations can benefit from a combination of decision-making approaches (Mintzberg, 1973; Nutt, 1977; Fredrickson, 1983; Mintzberg and Westley, 2001; White, Cocnat and Echambati, 2003).

It is acknowledged that in reality decision-making process presents a combination of deliberate and emergent processes (e.g. Dickson, 1992; Dibrell, Down and Bull, 2007). As argued by Hart (1992), the reliance on one type of decision-making may lead to biases and limitations for the firm, whereas using different ones makes the firm more competitive. Whilst having significant drawbacks when applied on their own, planning and improvisational decision-making approaches could improve the performance of the firm when applied in combination. Companies that combine different decision-making approaches experience ‘fewer blind spots’ and improve their performance (Hart and Banbury, 1994). At the most basic level, planning represents the composition of overall objectives and a direction for organisations to follow (McDonald, 2002). In contrast, by allowing managers to improvise around the predetermined direction, the organisations will be more flexible and will react better to external conditions (Dennis and Macaulay, 2003). Fast decision-making associated with improvisation allows for quick reactions to changes in the environment (Cunha, 2007), while planning provides the company with additional information and more alternatives (Ghobadian et al., 2008). In combination, these can lead to competitive advantage (Brown and Eisenhardt, 1998), improved recognition of and a better response to customer needs (Dibrell, Down and Bull, 2007) and enhanced overall performance (Judge and Miller, 1991).

Drawing on the above, it is important for the theory of decision-making to consider both planning (deliberate) and improvisation (emergent) approaches (Pondy, 1983; Simon, 1987; Khatri and Ng, 2000; Nemkova, Souchon and Hughes, 2012). However, research into the combining of deliberate and emergent approaches to decision-making is scarce and this area requires further investigation. Authors usually either consider only one type (either planning or improvisation) (e.g.

Moorman and Miner, 1998a; Lukas, Whitwell and Hill, 2007) or compare planning and entrepreneurial decision-making (e.g. Dibben, Harris and Wheeler, 2003). As mentioned above (see section 2.2.4), entrepreneurial decision-making does not represent a 'pure' decision-making approach in comparison with improvisation, which provides insights into how decisions are made and implemented.

Moreover, the majority of scholars present only the conceptualisation of the combination of decision-making approaches rather than testing it empirically (e.g. Hart, 1992; Mintzberg and Westley, 2001). However, empirical testing is necessary in order to provide generalisable conclusions and derive practical recommendations. The same applies to the exporting context. To the best of the author's knowledge, the influence of both planning and improvisation on export performance has not been examined before except for the exploratory work done by Nemkova, Souchon and Hughes (2012).

To sum up, planning and improvisation are considered to be the main decision-making approaches that aid an understanding of export performance outcomes. It can be suggested that the combination of planning and improvisation will negate the problems of the two approaches when applied alone (see Chapter 4 for more details).

In the next section, an overview of the conceptualisation and operationalisation of export performance is presented.

2.4 Export performance

2.4.1 Overview

The concept of export performance has been studied for almost 60 years, starting with the work of Tookey (1964). Enhancing export performance is critical for public-policy-makers (in that export performance increases the employment level, improves productivity, etc.), business managers (because export performance encourages corporate growth and improves the company's prospects of long-term survival) and

researchers (since export performance is often described as a promising area for the development of international marketing theory) (Sousa, Martinez-Lopez and Coelho, 2008). As a result, export performance and its antecedents have been studied widely (Haahti et al., 2005). Nevertheless, to date, it is 'one of the most widely researched but least understood' constructs of international marketing (Sousa, Martinez-Lopez and Coelho, 2008 p. 344).

2.4.2 Conceptualisation and Operationalisation

In spite of the fact that performance is studied widely, there is no consensus in the academic literature on its conceptual definition and measurement (Cavusgil and Zou, 1994; Shoham, 2002; Baldauf, Cravens and Wagner, 2000, Hult et al., 2008; Ogunmokun, 2012), with export performance often being defined as an outcome of the firm's export activities (e.g. Shoham, 1998; Katsikeas, Leonidou and Morgan, 2000; Calantone et al., 2006), which allows evaluation of export success.

A conceptual definition of performance is missing in many export performance papers. In other words, in most of the articles written on the topic the construct is not defined (Shoham, 1998). However, there is agreement that performance is a multidimensional concept (Baldauf, Cravens and Wagner, 2000; Cadogan et al., 2005). Thus, there are different categorisations of export performance dimensions and agreement that 'the use of multiple indicators is necessary for a reliable assessment of the construct' (Sousa, Martinez-Lopez and Coelho, 2008 p. 367).

First, the conceptualisation of export performance three-dimensionally is suggested. This results in effectiveness, efficiency and adaptiveness (Walker and Ruekert, 1987). Effectiveness is defined as the degree to which an organisation manages to achieve its goals and objectives (Cavusgil and Zou, 1994; Baldauf, Cravens and Wagner, 2000; Papadopoulos and Martin, 2010), and it can be measured by using sales-related and growth-related measures. Efficiency is viewed as the ratio of performance outcomes to the inputs needed to accomplish them (Cadogan, Cui and Li, 2003), and profitability is considered as the main measurement of this dimension (Styles, 1998). Adaptiveness is defined as a firm's ability to be responsive to the changes in the external environment. It is possible to measure this dimension through the company's responses to competitors or the extent to which the

organisation capitalises on new opportunities (Morgan et al., 2003). The last dimension is particularly important when considering the search for new market opportunities, competing with other players on the market and launching new products in the international environment (Styles, 1998).

Second, Hult et al. (2008) suggest another typology of performance dimensions: financial, operational and overall performance. The first dimension presents financial results and reflects the achievement of economic goals (profit margin, sales growth, earnings per share, return on investments, etc.), whilst the second dimension is related to the performance outcomes of one particular function of the firm and reflects non-financial dimensions (market share, new product introduction and innovation etc.). Overall performance is related to a general conceptualisation of performance, including reputation, survival, perceived overall performance, achievement of goals and perceived overall performance relative to competitors.

Third, export performance could be operationalised as market, financial and customer performance (e.g. Hultman, Robson and Katsikeas, 2009). Market performance relates to sales figures (e.g. sales volume, sales growth) and market share whilst financial performance represents profit indicators (e.g. profit margins, profit growth) and customer performance is usually characterised by customer satisfaction and customer retention (Katsikeas, Samiee and Theodosiou, 2006; Hultman, Katsikeas and Robson, 2011). However, some authors refer to financial performance as a combination of sales and profit indicators (Zou, Fang and Zhao, 2003; Sichtmann, von Salesinsky and Diamantopoulos, 2011) and to market performance as synonymous to customer performance (customer satisfaction, customer retention) (Leonidou, Palihawadana and Theodosiou, 2011).

Fourth, export performance is often categorised as economic and noneconomic (Katsikeas, Leonidou and Morgan, 2000). Economic performance is represented by financial indicators and is often operationalised as sales-related (e.g. the volume, growth of export sales), profit-related (e.g. export profitability and growth of profit) and market-related measures (export market share and growth of market share). Some authors divide economic performance into sales, profit and growth related measurements (Zou and Stan, 1998). However, the meaning of indicators remains

the same: they represent the financial figures of the company in relation to exporting activities.

Noneconomic performance is represented by non-financial indicators and is often operationalised as market-related measures (e.g. export country/market number, export market penetration), product-related measures (e.g. number of new products exported, the proportion of product groups exported, the contribution of exports to product development) and miscellaneous measures (e.g. the contribution of exporting to economies of scale, company reputation) (e.g. Leonidou, Palihawadana and Theodosiou, 2011; Stoian, Rialp and Rialp, 2011).

Finally, some authors suggest considering export performance according to sales and profit dimensions (e.g. Madsen, 1987; Atuahene-Gima, 1994; Cadogan, Kuivalaineni and Sundqvist, 2009). Over the long-term, sales and profit are expected to be related: an increase in sales provides profitability (Shoham, 1998). However, in the short term, the effect of export sales and export profit can be different (Cadogan et al., 2005). Export sales could be operationalised, for example, as a ratio of export-to-total sales, absolute sales, a ratio relative to industry, market share or as export sales during the past three years relative to expectations and industry norms (e.g. Julien and Ramangalahy, 2003; Katsikeas, Samiee and Theodosiou, 2006). Export profit could be operationlised as, for example, return on assets (ROA), return on investment (ROI), absolute size and change in market share, gross and operation profit margins, profits relative to industry standards (e.g. Brouthers and Nakos, 2005; Nes, Solberg and Silkoset, 2007; Sousa, Ruzo and Losada, 2010) or as a level of satisfaction with export profits during the past three years and an overall assessment of the firm’s export operations during the past financial year (e.g. Hortinha, Lages and Lages, 2011).

The lack of agreement on conceptualisation and operationalisation of export performance results in a variety of measurements of its different dimensions (Diamantopoulos, 1998) some of which are already mentioned above (see Appendix 2.4 for more details). Nevertheless, there are two main approaches to measuring export performance: objective and subjective (e.g. Cavusgil and Zou, 1994; Francis and Collins-Dodd, 2000).

Objective measurements represent absolute values of export indicators. Among objective measurements sales-related (for example, export intensity, export sales growth) are the most commonly used (Baldauf, Cravens and Wagner, 2000; Haahti et al., 2005). However, a considerable number of researchers have evaluated export performance using profit-related measures (Koh, 1990; Sousa, Ruzo and Losada, 2010). This group includes: export profitability, export profit margin and export profit margin growth, etc. The least commonly used measurements are market-related: export market share, export market share growth and market diversification. This is due to the fact that the market share is the most difficult indicator to measure (Julien and Ramangalahy, 2003; Sousa, 2004). Objective measures can be used if the company has export specific records (figures) and is willing to provide them to the researcher.

Subjective measures represent perceptual or attitudinal performance, including, for example, perceive export success, satisfaction with export sales and profit and achievement of expectations (Dhanaray and Beamish, 2003; Cadogan, Kuivalainen and Sundgvist, 2009; Navarro et al., 2010; Sichtman, von Selasinsky and Diamantopoulos, 2011). There are several main reasons for using subjective measures (Venkatraman and Ramanujam, 1987; Day and Nedungadi, 1994; Katsikeas, Piercy and Ioannidis, 1996; Leonidou, Katsikeas and Samiee, 2002; Lages, Lages and Lages, 2005):

- First, managers can be unwilling to reveal confidential information about the company.
- Second, due to the fact that the majority of exporters are small or medium-sized companies, they do not always have separate records for exporting activities.
- Third, the interpretation of objective data can be difficult. It is not sufficient to consider pure financial figures without linking them to the company's initial goals.
- Forth, export decision-making is mainly guided by the perception of a firm's performance rather than by its absolute indicators.
- Fifth, the reliability and validity of subjective measurements are empirically supported.

The results of previous research indicate that there is a consistent positive relationship (the correlation around 0.60-0.70) between objective and subjective measures (Powell, 1992; Shoham, 1999). Thus, the choice of the relevant measurements of export performance depends on the objectives of the particular research and data availability (Brouthers et al., 2009).

2.5 Conclusion

In this chapter, a literature review on decision-making and export performance was presented. First, as decision-making research is rooted in decision theory, normative and descriptive approaches were discussed with a focus on their advantages and limitations. Second, as the majority of the decision-making studies within the management and marketing literature are focused on strategic decision-making, the strategy formation literature was reviewed. Third, two main approaches to export decision-making, namely planning and improvisation, were identified. It was argued that they represent ‘pure’ decision-making approaches to how decisions are made and avoid overlapping with any other organisational constructs. Therefore, conceptualisation, operationalisation and the outcomes of planning and improvisation were considered. Finally, the literature on export performance was reviewed.

However, the information obtained from the literature review is not sufficient to develop a conceptual framework. In order to complement a literature review, the exploratory study was conducted. The implementation procedure and preliminary findings are discussed in the next chapter.

Chapter 3: Preliminary Qualitative Study

3.1 Introduction

In this chapter, the methodology and results of the exploratory qualitative study are presented. In the first section, the research gaps are identified and the objectives of the exploratory study are outlined. The second section is focused on research design. The appropriateness of qualitative research for the current exploratory study is explained here. A discussion on the data collection method, the sample drawn and the development of the research instrument follows. In the third section, the compliance of the current research with the ethical procedures of Loughborough University is described. There then follows a fourth section on the analytical procedure employed. Miles and Huberman's (1994) approach is chosen for the data analysis, and this resulted in the development of within-case and cross-case displays. In the fifth and final section, the results of the exploratory study are discussed. First, the overview of the respondent companies is presented. This shows that a wide variety of companies participated in the study. Then, the findings are discussed according to the outlined exploratory objectives.

3.2 Research Gaps and Research Objectives

The literature review identified several major gaps in the research on export decision-making. There is increasing evidence that improvisation occurs within firms, though most research to date has tended to associate this with problematic and chaotic situations, where adaptation, flexibility and quick learning are essential for a firm's survival (Leybourne, 2006). In this context, environmental conditions have changed dramatically over the past 20 years. The outcomes of market globalisation are uncertainty, complexity (interdependence of markets) and dynamism (short-lived opportunities and large threats). Nowadays, firms often improvise in order to make more flexible and adaptive decisions (Chelariu, Johnston and Young, 2002). Yet, despite the fact that there is a growing body of work examining improvisation in organisational studies and management, research on improvisation in marketing is still in its infancy. Moreover, to date, any such research has largely neglected the concept of export

improvisation. The relevance of improvisation to the exporting context requires further investigation as constructs cannot automatically be transferred to contexts other than those they were developed within (Cadogan, 2003). In addition, despite the fact that a number of conceptual definitions of improvisation can be found in the literature (see Chapter 2), the operationalisation of this construct is still an issue, with only a few studies presenting measurements of improvisation (e.g. Moorman and Miner, 1998b; Vera and Crossan, 2005; Hmieleski and Corbett, 2006; Hmieleski, Corbett and Baron, 2013).

On the other hand, while there is a significant body of work linking export planning to export performance (Aaby and Slater 1989; Cavusgil and Zou 1994; Zou and Stan, 1998), the findings are equivocal. Some researchers find that export planning positively influences export performance (e.g. Shoham 2002, Lukas, Whitwell and Hill, 2007), while others find the opposite (e.g. Katsikeas, Piercy and Ioannidis, 1996) or unrelated results (Walters, 1993). Despite these contradictory findings, however, the concept of planning is still seen as the accepted ‘norm’ (Chelariu, Johnston and Young 2002; Moorman and Miner, 1998a).

A holistic approach to the export decision-making process that examines both planning and improvisation is missing from the marketing and management literature. This could be due to the fact that normative and descriptive approaches to studying decision-making are traditionally viewed as opposite to each other. This singular perspective detracts from our understanding of the export decision-making process as a whole. It provides an incomplete view that paints a distorted picture of the reality of decision-making in and by export functions. At the same time there is some evidence in the literature (e.g. White, Cocnat and Echmbati, 2003) that companies could benefit from a combination of decision-making approaches (see Chapter 2). Thus, considering export planning alongside export improvisation is necessary in order to gain a realistic understanding of how managers make successful export decisions.

To summarise the above, four main research objectives have been identified:

- To examine the relevance of improvisation in an export context and how this works.
- To ascertain the extent to which export decision-making relies on both planning and improvisation.

- To describe the nature of the export decision-making – export performance relationship.
- To generate a pool of items for capturing export improvisation to complement the literature on developing a measurement instrument for this elusive construct.

3.3 Research Design

3.3.1 Overall Design

Qualitative research was conducted in order to gain insights into the four main objectives outlined above. There are several key reasons for undertaking exploratory qualitative research rather than quantitative in the first instance.

First, there is a dearth of information on the concept of improvisation in the marketing, more specifically export marketing, field of research. In addition, very little is known about the combination of planning and improvisation to derive better decisions. According to Churchill (1991) when limited information is available about the phenomenon of interest, an exploratory study is needed.

Second, research on the nature of the relationship between export planning and export performance is inconclusive. Thus, it is important to develop an understanding of the potential reasons behind those inconsistent findings. In this context, qualitative methods are more appropriate than quantitative ones as they can offer insight into the reasons underlying managers' behaviour and the consequences of this (Denzin and Lincoln, 2000; Gummesson, 2000).

Third, the current study attempts to draw a more holistic picture of the marketing decision-making process within export firms and to ascertain the extent to which export decision-making relies on both planning and improvisation. Despite the fact that some authors (e.g. Hart, 1992; Dibrell, Down and Bull, 2007) suggest that companies can benefit from a combination of decision-making approaches, to the best of the author's knowledge, there is no information available in the literature on the combination of export planning and export improvisation. It is important to ascertain whether companies employ both export planning and export improvisation at the same time or view them as non-compatible. Answering those questions will provide further understanding of the

nature of the decision-making process regarding the export function. In that case, a qualitative approach is more suited to the study of complex phenomena when compared to a quantitative approach as it is able to provide ‘richness and holism’ (Miles and Huberman, 1994 p.10).

Fourth, qualitative research helps to bridge the gap between theory and practice and can ensure that theory is not imposed upon data (Ruyter and Scholl, 1998; Handfield et al., 2001). The overall outcome of the qualitative research should be the possibility of developing a conceptual framework that hypothesises the linkages between the export decision-making process and export performance with the support of existing literature on the subject. The purpose of the qualitative study is not to confirm the literature but rather to examine the decision-making process in a new context (exporting) as well as to seek new patterns of behaviour and potentially new links between constructs.

3.3.2 Data Collection Method

In-depth semi-structured interviews were used. These provide the opportunity to gather extensive data about the phenomenon of interest (Rapley, 2004) and offer a holistic picture of the process at hand, as questions in the interview can be fairly broad (Dunsmuir and Williams, 1991). This approach helps to increase the understanding of and knowledge about a particular phenomenon as it produces new insights and ideas not already covered in the literature. The interviewer should be flexible and responsive to the interviewee. He or she has the freedom to ask further questions in response to what are seen as important replies in order to gain further insights into a studied phenomenon (Gummesson, 2000). The aim of the interviewer is to facilitate a discussion on either a general list of areas or open-ended questions. The latter give a respondent the freedom to expand on the topics of interest (Denzin and Lincoln, 2000). In contrast, structured or standardised interviews ensure that all interviewees receive exactly the same questions in terms of the content and the order of presentation. The main goal of this style of interviewing is to aggregate the responses (Bryman, 2008). However, it is less valuable in terms of gaining additional insights into a phenomenon as the questions are fully guided by the predetermined theory.

3.3.3 Sample

The population of interest includes export decision-makers in manufacturing firms in the UK. The majority of export performance studies focus on manufacturing firms, with few studies having been conducted in the service sector (e.g. Cadogan et al., 2002; Sousa, Martinez-Lopez and Coelho, 2008). The key differences between manufactured goods and services are well understood in marketing, and these include inseparability of production and consumption, intangibility, variability and perishability of services (Zeithaml, 1981; Knight, 1999). La, Patterson and Styles (2005) suggest that the traditional export performance model cannot easily be applied to service firms, especially due to the characteristics of inseparability and intangibility. The inseparability of production and consumption often requires the service firm to have a local presence in a foreign country in order to deal first-hand with business issues. Intangibility refers to the fact that services cannot be touched, transported or stored. For the service company operating in different countries, this intangibility is often combined with the complex technical/ scientific nature of most professional services (e.g. engineering, IT, consulting). This means that many clients do not possess the 'know-how' necessary to evaluate the quality of the service provided and therefore they often evaluate quality based on tangible cues (e.g. brand reputation, country of origin, relational skills of the person providing a service) (La, Patterson and Styles, 2005). Thus, despite the fact that some export success factors could be common to both manufacturing and service firms, many are more likely to be specific to services; they are likely to be related to intellectual property and personnel issues (Styles, Patterson and La, 2005).

A purposive sample was used, as the potential participants were selected because they were expected to serve the research purpose (Churchill, 2001).

Managers responsible for the export decisions within the firm were chosen as the key informants. The job title was not specified in advance as depending on the structure and a size of the firm different types of managers may be in charge of export duties (e.g. export manager, marketing and sales director, managing director etc). For example, some companies do not have a dedicated export department, which means that export functions are incorporated within the other departments (often sales and marketing).

The choice of the unit of analysis is explained in detail in Chapter 4 (see section 4.2). However, it is important to mention that the export function is chosen as a unit of analysis for the current research.

The Kompass database was used as the sampling frame. Exporters were selected based on their geographic location, with the sample pooled exclusively from England (excluding Northern Ireland, Scotland and Wales) for reasons of time and cost. A total number of 214 firms were identified as being potentially eligible (export manufactures companies). The information was derived from a variety of exporters in terms of size (e.g. number of employees), industry operating in, countries exporting to (region, number) and years of exporting, as the aim of the exploratory research is to increase marginal contribution of each potential case rather than collect generalisable data (Gummesson, 2000). Collecting the information from the wide variety of companies allowed to maximise the findings and obtain potentially rich data. All potential respondents were initially contacted by phone in order to explain the purpose of the research and ask them to participate in the study. However, 93 of these were discounted because they actually proved to be ineligible (the contact details were wrong or the company was no longer exporting) or did not fit the purpose of the study (a company would ship the goods upon a customer request, but does not make any export marketing or sales decisions).

A total of 16 exporters agreed to participate in the study. However, two of these canceled their respective scheduled interviews due to an unexpected increase in their workload and being unable to allocate another time. Additionally, three companies agreed to participate in the study but only after January 2011. As a result, they were not interviewed due to the time frame of the project; January was beyond the set deadline for this phase of the research. This provided a response rate of 13% (16/121) but an effective response rate of 9% (11/121).

The data collection started on 22nd of June 2010 and ended on 16th of November 2010. A total of 12 in-depth interviews were conducted with managers responsible for export decision-making in manufacturing firms. One of these was with two managers from the same company as the export functions were split between them and they were both keen to be interviewed.

The length of time for collecting data and the relatively low response rate can be explained by the nature of the export managers' job (or managers responsible for the export functions). As they are responsible for the sales and promotion of their products abroad, they are often out of the office for weeks at a time, making visits and meeting new and existing clients. At the same time, August is a 'holiday' month for a lot of people in the UK, so only two interviews were conducted during that month as export decision-makers were on annual leave. Furthermore, and unbeknown to the author, October is the financial year-end for many organisations, so many decision-makers are busier than usual during this time and not available for interview. As a result, the data collection period was spread over four months.

3.3.4 Research Instrument

The initial interview guide was developed based on the literature review. The questions were asked in a logical order, but the structure was kept flexible, allowing room for respondents to discuss unpredictable new issues related to the phenomena of interest. Furthermore, as the preliminary research was conducted to inform the conceptual model, modifications were made to the interview guide after each interview (Berg, 2004). Modifications were made when respondents mentioned aspects of decision-making important to them but not covered by the literature or not considered to be important before.

The interview guide was designed with the intention of interviews lasting approximately 45 minutes. However, the average length of interview was about one hour. The questions were structured into several groups (see Appendix 3.1):

- About exporting in general (export intensity, complexity, key markets, years of exporting, objectives of exporting and the existence of export department).
- About decision making: export planning, improvisation, export success/failure.
- About additional constructs: innovation, competitive advantage and export memory (they were added to the questionnaire for another project undertaken at Loughborough University and funded by the British Academy).
- Closing questions (size of the company, respondents educational background).

3.4 Ethical Considerations

The preliminary qualitative study received ethical approval from Loughborough University for the following reasons. First, the objectives of the study were explained to the respondents and were undisguised. Second, confidentiality was provided for all respondents participating in the study. Third, the interviews were organised at the time and place of the respondents' convenience. Fourth, their approval was sought to voice record the interviews. Fifth, respondents were made aware of their right to withdraw from the study at any stage for any reason and that no information about their reasons for withdrawing would be asked of them. Finally, the benefits of the project for the company and exporting in general were explained and the results of the projects were offered to all the respondents. After the results were analysed, the managerial report was written and sent to the managers who participated in the study.

3.5 Analytical Procedure

All the interviews were recorded (via digital recording) and immediately transcribed by the author of the current work. The data analysis was based on Miles and Huberman's (1994) approach and involved three main stages: data reduction, data display (within- and cross-case displays) and conclusions. In order to reduce the amount of data to analyse, the data was coded. Code is a label attached to a part of text which identifies features of the data that appear to be interesting and useful to the researcher (Gummesson, 2000; Lee and Lings 2008). Because of the exploratory nature of the study, mainly in-vivo codes were used (Denzin and Lincoln, 2000) rather than pre-selected codes drawn from the literature. Previously determined codes could restrict the analysis with the ideas already established in the literature. Also at this stage the most relevant and important quotes were identified, they were copied into a separate table and later used to support the findings (see pp.69-77).

3.5.1 Within-Case Analysis

After the transcripts were coded the data was displayed separately for each interview. According to Miles and Huberman (1994), there are two major types of within-case displays: matrices 'with defined rows and columns' (p.93) and networks 'with a series of

“nodes” between them’ (p.93). The codes of 12 interviews were arranged in 29 within-case displays (see Appendix 3.2). All the transcripts were summarised as both networks and matrices. The majority of the information obtained was better suited to a network approach because the links between different concepts were clearly mentioned by the respondents (e.g., reference to a flexible organizational culture due to a small size of the company) or respondents described their activities in the chronological order (e.g. gradual expansion to different countries, change of practices after the financial crisis 2008). Networks were especially useful in creating a final within-case display (see Figure 3.1) and the development of the conceptual model (see Chapter 4). However, some information was better presented according to a matrix approach as no links were mentioned by the respondents (for example, list of the main decisions, objectives to achieve or counties exporting to)

3.5.2 Cross-Case Analysis

In order to draw general conclusions from the results of the preliminary qualitative study, one cross-case display was developed based on the within-case displays (Miles and Huberman, 1994). It summarises the results of the qualitative study in the format of a network (see Figure 3.1). In order to come up with a cross-case display the author of the current work was looking for patters in former within-case displays. If a certain reference to relationships between the constructs came out in several interviews, it was included in a final cross-case display. The cross-case display helped in developing exploratory links in the findings.

3.6 Findings

3.6.1 Company Characteristics

In Table 3.1 the firms’ characteristics are presented in order to provide a summary of the sample. The information was collected from a wide variety of firms in terms of the number of employees and turnover, from 4 employees with a turnover of £200,000 to 3,000 employees with a turnover of almost £1 billion. Export complexity (number of countries exported to) varies from 5 to almost all countries in the world (more than 100). Interestingly, however, the activity of interviewed companies exporting to such a large

number of countries is rather ‘thin’ (exporting to each country only rarely or with a small number of goods).

The main export markets found are the European Union and English-speaking countries (such as Australia, South Africa and the US) followed by the BRIC countries (Brazil, Russia, India and China), African countries and the Middle and Far East. The companies’ overall trading history ranges from 6 to 290 years, with export experience ranging from 4 to over 100 years. Four out of eleven companies are highly dependent on export activity as their export sales represent 70% of total the sales turnover or more. For other companies, export to total sales (export intensity) varies from 5 to 25%.

The respondent companies are present in different sectors of activity, including: steel wire, textile, gold mining, analyser systems, calendar, incinerators, convener belting, storage products, data loggers, cutting machinery and other industrial products (see Table 3.1).

Table 3.1: Company Characteristics

Company reference number	Respondent's position	Number of employees	Annual turnover	Export complexity (number of countries)	Export markets	Years on the market	Export experience	Product and/or sector of activity	Export intensity (% of sales)	Planning/ improvisation of decision-making	Satisfaction with export performance
1	Managing Director	4	£200 000	30	Canada, Pakistan, Europe	28 years	27 years	Machinery for cutting metal	20%	Improvisation	Not satisfied
2	Sales Manager	50	£10 million	28	EU and Norway	15 years	15 years	Data loggers, sensors and weather stations for Industry and Research	70%	Co-existence of planning and improvisation	Satisfied
3	Export manager	50	£10 million	70	Europe, BRIC, Kazakhstan	43 years	25 years	Storage product for educational and medical markets	25%	Co-existence of planning and improvisation	Satisfied
4	Managing Director	4	Over £1 million	5	Ghana, Sirloin, Ethiopia, Bahrain, Yemen	60 years	60 years	Gold mining	99.6%	Improvisation	Satisfied
5	Export manager	60	£6 million	3	Far East (Singapore), Germany, Brazil	290 years	10 years	Steel wire	10%	Co-existence of planning and improvisation	Partly satisfied
6	Major contracts manager	110 in the company, 1900 in the group, 7400 in the parent group	£12 million, £290 million in the group, £800 million in the parent group	50	Far East, the US, Spain, South Africa, Australia	160 years, 8 years part of the bigger group	60 years	Conveyer belting, food market	14-15%	Planning	Satisfied
7	Trade and export manager, Accountant (2 people)	10 (used to be with a factory around 30)	£3.5-4 million	10	Australia, Germany, the USA, Italy, Sweden, Switzerland	47 years	15 years	Advertising calendars 97.5% and 2.5% diaries, B2B	5-10%	Improvisation	Satisfied

Company reference number	Respondent's position	Number of employees	Annual turnover	Export complexity (number of countries)	Export markets	Years on the market	Export experience	Product and/or sector of activity	Export intensity (% of sales)	Planning/ improvisation of decision-making	Satisfaction with export performance
8	Managing director	4	£300 000	4	South Africa and Australia, indirectly China, Italy	6 years	4 years	Textile, cloths	used to be 17% last year, now 5-6%	Improvisation	Partly satisfied
9	Sales manager	10	£1.5 million	All countries	N/A	42 years	N/A	Analyzer systems (measuring water parameters), oil and gas industry	70%	Improvisation	Satisfied
10	Site manager	75 000, 3000 in the UK	$23.1 billion, for the UK $1 billion	all the world, for the UK Middle East, Africa, Europe	N/A	Over 100 years	Over 100 years	industrial products, 55 000 products	5-10 %	Planning	Satisfied
11	Project director	15	£4-5 million	10	Africa, Middle East, Russia, Ukraine, South America, Australia	98 years	15 years	Incinerators, Oil and gas waste, camp waste, hospital waste	95 %	Improvisation	Satisfied

3.6.2 Relevance Planning and Improvisation to the Exporting Context

Rather interestingly, managers often misunderstood planning or confused it with improvisation, as in the case of Company 9: '*I have a plan: It's in my head,*' or for instance: '*The plan is -- we respond to business we get'* (Company 11). This example of Company 11 shows that managers there react as 'things come along'. However, they define this in itself as a 'plan' (though not 'planning'). The existence of an export-specific plan was not always found to equate to a planning approach to export decision-making. The plan itself was sometimes improvised rather than developed sequentially. The existence of the plan as a document in reality is not a guarantee of success, as in the case of Company 1: *'We couldn't do any of the things we said in the plan, what we are going to do, we couldn't do it because we didn't have sufficient funds';* or, for example, the target export market was carefully planned but turned out to be unsuccessful: '*it's geographically right [to export there] in the center of the country, which is true, but it was 500 miles from anywhere, you know, sort of a desert, so in fact it was not a right place to be*' (Company 1).

The results suggest that planning is often accepted as a 'norm' and the respondents who rely mostly on improvisation to make export decisions tend to feel guilty about their lack of planning. For example, '*we don't plan because I am just not that methodical… I know we should do*' (Company 4). Alternatively, they do not see themselves as a 'normal' company because they perceive that a 'normal' company should have a plan: '*a normal company would expect to have a plan, to work more rigorously than we do, but because each individual is fully employed and everybody is busy, planning isn't any better we have plenty to do anyway*' (Company 9).

The study reveals that improvisation is actually common among the exporting organisations that took part in the study. The respondents often have to '*think on their feet', 'make decisions on the hoof'* and make spontaneous and creative decisions (Company 2 and Company 4). For example, the manager from Company 11 said that '*thinking on the feet*' allows them to respond quickly to customers' needs and changing preferences, which in turn increases customer satisfaction. However, it is also the case that improvisation without extensive experience is risky if not impossible. For example, the manager from Company 9 explained that making decisions 'on your feet' is not possible without experience: '*You cannot! Experience! You can be more flexible the more experience you have.'* Specific target market decisions can also be improvised. A

manager from Company 8 said that he had a lot of export experience from working in another company. So when he founded his own company, he immediately decided to export to countries he had worked with before without formally planning for this decision. The results show that export experience is one of the key antecedents of improvisation. However, the investigation of the drivers of export decision-making is beyond the scope of the current research.

The three dimensions of improvisation (creativity, spontaneity, and action-orientation) were relevant to the exporters interviewed. For example, spontaneous export decisions were common among the exporters. Several companies see ‘thinking on the feet’ as a key determinant of their success (e.g. Company 8 and Company 11). It was also said that improvised decisions are actioned quickly but also tend to entail new creative solutions. For example, the manager from Company 4, to fulfill customers’ needs, suggested an ‘out of the box’ approach to the product delivery: ‘*If our customer had a breakdown and wanted something urgently, we can take it out of here, get on the plane and take it out to him.’* In line with the conceptualisation of the creativity dimension of improvisation (Vera and Crossan, 2005), an outcome of this decision is not necessary creative – the product was delivered to the customer on time. However, *how* it was done represents creative decision-making. Spontaneous and creative decision-making is closely linked to quick implementation and actioning on the decision. Nevertheless, the understanding of ‘quickness’ significantly varies for different companies depending on which industry they are in and the type of the decision. For example, some companies described instant implementation of the decision as being quick (e.g. Company 9), whereas others consider a two months lag between making a decision and its implementation as being ‘quick’ (e.g. Company 6). In that case, the results indicate that improvisation is action-oriented, but it is suggested that not to operationalise decisions being more improvisational the quicker they are implemented, which is currently common in the literature (e.g. Moorman and Miner, 1998b). ‘Quickness’ is very subjective and cannot be easily operationalised in hours/days/ weeks, etc.

To conclude, the concept of planning is often misunderstood; it is either confused with improvisation or equated with having a 'plan', which itself can be improvised. However, planning is considered to be a universal 'norm' and a means of securing success. On the other hand, companies are not familiar with the concept of improvisation and often

do not recognise it as being beneficial to the firm even if they already use it successfully.

3.6.3 Co-existence of Planning and Improvisation

The results of the qualitative research show that in some companies planning and improvisation co-exist during the export decision-making process (see Appendix 3.3). Usually these companies are medium or large players in the market. They mainly follow a planning approach during decision-making but leave room for improvisation as well: '*I wouldn't say we follow any plan religiously*' (Company 3). For instance, improvisation can appear after planning during actual implementation. On the other hand, planning could be an approach for dealing with established activities; whereas improvisation is applied as a response to new opportunities on the market: '*the fact that we had a meeting and the customer who was already buying our wire said: <I have no family to take on my business and I am going to retire, I don't know what to do> and the comment was made: <we will buy you then>*' (Company 5).

Another example can be related to different types of decisions. The planning approach is more successful in relation to long-term, more risky, proactive and growth-oriented decisions (more strategic). Decision-makers believed that in those situations, export planning helps to reduce risks and increase the success rate of their decisions. This was achieved by forecasting, creating and evaluating scenarios prior to strategic choice (Company 6). Conversely, improvisation is found to be more successful for short-term, low-risk, reactive and sustainability-oriented decisions (more tactical), which are equally important to firm export performance and were commonplace among the exporters interviewed. The export manager of Company 3 said: *'long-term development is held by the management director […]. We are proactive, we are paying for the research to be done, we are going to those countries, visiting them and send samples, enormous hard work. Day-to-day… then I think we have to think a lot quicker. It [decision-making process] is a mixture'*. Despite the fact that the majority of researchers studying decision-making focus their attention on strategic decisions (e.g. Mintzberg and Waters, 1985; Hart, 1992; Balabanis and Spyropoulou, 2007), tactical decisions are actually equally important, if not more so in certain contexts. Strategic decisions occur rather rarely (at least in the export function) and are usually made by a top management team (Miller and Ireland, 2005). Tactical decisions are made more often, have medium or

short-term effect and are usually made at the lower (or functional) levels of the firm (Nutt, 2008). As exporting is often an extension of a firm's business (except in born global companies) a large proportion of tactical decisions are made. Despite being tactical, these decisions can have a crucial effect if not on the whole firm's business then certainly on the export function specifically. In this case, considering only strategic export decisions could lead to overlooking many important aspects of export decision-making (c.f. O'Leary-Kelly and Flores, 2002).

In contrast to the companies that use a combination of planning and improvisation, firms that only improvise make all decisions spontaneously while thinking '*on their feet'*, without undertaking '*preparation work'* (Company 3) (e.g. marketing research). Sometimes informal discussions between managers occur prior to the decision being made. However, managers do not follow any formal procedures; their decisions are mainly shaped by previous experience and 'instinct'. These firms tend to be smaller, operate in niche markets or be project-based and not focused on economies of scale. In terms of their business approach, they tend to associate themselves with Rolls-Royce: '*we've kind of taken the value-add of the Rolls-Royce approach, we don't make many, but what we make is good'* (Company 9). According to Leybourne (2006), many organisations are moving towards management by project in order to achieve their objectives. Project managers in those companies very often admit to improvising and being flexible in their decisions. However, this phenomenon is as yet underexplored.

Firms that plan more systematically tend to think that all decisions, regardless of their type, have to follow a formal process (Company 10) and fit the aim of the company exactly. Furthermore, companies relying more on the formal planning approach consider that to be the norm and tend to think that '*most of the companies work like that*' (Company 6). These firms were found to be large or global players in the market, often marketing multiple and diverse product lines and operating in different industries. Often, among these firms, the UK-based exporter was part of an international holding group or multinational corporation. In this case, there is usually no room for improvisation as all important decisions need to be approved by Head Quarters (reflecting a higher degree of centralisation), with the parent company introducing a lot of restrictions on doing business.

In this section, the co-existence of export planning and export improvisation within export functions was discussed. It appears predominantly in the following scenarios.

First, improvisation can occur after planning (in the implementation stage). Export planning may act to outline specific goals and give grounding and direction to the firm, but deviations from the plan in the form of improvised decisions offer flexibility. Second, planning can be an approach for dealing with established activities, whereas improvisation is applied as a response to new opportunities on the market. Third, improvisation can be applied when tactical decisions have to be made, whereas planning can be an approach used for making more strategic decisions. To sum up, the co-existence of export planning and export improvisation is common in most of the companies interviewed. However, it cannot be denied that some companies apply only an improvisational approach to decision-making, whilst others rely only on planning.

Next, the outcomes of export planning and export improvisation are presented.

3.6.4 Outcomes of Planning and Improvisation

One of the main objectives of this study is to uncover the nature of the export decision-making-performance relationship. However, different firms use different performance metrics to evaluate their success (Hult et al., 2008). As a result, when managers were asked about the consequences of their decision-making processes, they replied based upon having different outcomes in mind.

3.6.4.1 Financial Performance

There is evidence that planning helps the export function to achieve financial benefits. '*I had hope that within 12 months we would have boosted the sales turnover significantly based on planning*' (Company 5). '*We plan to get [financial] growth*' (Company 6). Company 10 has a five-year strategic plan, which is revised slightly every year, and they believe that that drives a financial performance ('*top line sales and operating income*' on a monthly basis). Managers explain that financial success is assured due to the following benefits of planning.

First, planning allows different members of the team (or managers and CEO) to reach a consensus. As decisions go through different steps and various people are involved in the process, compromises must be made when there is any disagreement in order for final decisions to be made. For example, the manager of Company 5 mentioned: *´I think you need a plan because you need to get a consensus in the company`* and the

manager of Company 10 said: `*It [planning] helps you to set clear priorities on what you want people to be engaged in´*; they believe that these factors help to increase the financial performance of the firm.

Second, planning allows the firm to forecast. '*It's [decision-making] a step-by-step process… I can't see how else you can do it. I mean, what we were trying to do is forecast, forecast the business, trying to forecast what we can do in a group*' (Company 6). During planning, different options should be evaluated.

Third, planning allows greater control of decision-making, which minimises the risk of making a wrong decision (Company 10). Also, planning ensures that employees on different levels are linked together. This approach allows firms to distribute responsibilities and be able to know and easily check who is responsible for what. It also minimises the risk of a single person (especially on lower levels) making the wrong decision, because decisions are always controlled and checked several times. '*So basically we have a goal where we want to get to, what we gonna do next year to deliver it, then what are the key activities that we need to influence and move on to deliver these, and then what metrics we are gonna use to decide whether these ones are tracked and then who is in the team has a responsibility to deliver each one… What I am doing when I am building that for my side, I will take my leader, I take what he is going to deliver and then I cascade it down to my plan. So then everybody should link up to the top one… They don't want people to be able to take big risks, and big decisions, they want an informed decision process*' (Company 10).

Thus, managers believe that these features are inherited in the nature of planning and as a result allow a company to achieve better financial performance.

Some respondents perceived export improvisation as enhancing financial performance as well. For example, Company 8 started the whole export activity spontaneously in order to increase turnover, whereas for Company 7 improvisation is the way they are '*going forward*' to increase the sales growth.

3.6.4.2 Customer Performance

However, respondents talked more about export improvisation enhancing customer performance (customer satisfaction, retention, repeat orders etc.). Improvisation allows

them to make customised deals with clients and to react according to customers' requests, which as a result makes customers more satisfied. For example: '*Because you need to be able to close the deal, so you have to think on your feet*' (Company 11) or '*I can think on my feet, I can do better reactively when I am in a situation where I can think: <We need to do this>, rather than: <No, no, we must do this, because page 5 says we need to do this next step>… So that's little jump from being: 'Yes, No, yes, No, yes', we broke it*' (Company 9). Spontaneity and creativity of decision-making in a managers' view represents 'flexible' decision-making, which is well perceived by customers. '*You have to have that [decision-making] flexibility to meet what customer's needs are really, if you don't do that, then you loose the business, because you need to be able to close the deal, so you have to think on your feet*' (Company 11). Improvisation also encourages customer retention and improves a firm's reputation for being customer-oriented. '*Thinking on the feet brings us to success because we get repeat orders from some of the clients, so not all of them but some of them and we get recommended by other clients in other areas*' (Company 11).

In contrast, respondents perceived export planning to negatively influence customer performance. Respondents often mentioned that planning slows down the decision-making process (Company 5, Company 6, Company 10 and Company 11), which in turn prevents them from meeting customer needs on time and decreases customer satisfaction (Company 4). In day-to-day business operations, customers expect their requests to be handled quickly and effectively, which a step-by-step planning approach does not facilitate (Company 9). Moreover, a lack of timely response could discourage customers from working with a company in the future and thus negatively affect customer retention (Company 4).

3.6.4.3 Quick Adaptation to Environmental Changes

The qualitative research provides extensive evidence that the relationship between export decision-making and export performance is not necessary direct. When asked to discuss the consequences of spontaneous and creative decision-making, the importance of quick adaptation to the environment and market changes was mentioned by many respondents (Companies 2-11).

In past research, environmental turbulence is often operationalised as a three-dimensional construct, including competitive intensity, customer turbulence and

technological turbulence. Customer turbulence captures the heterogeneity and variability of the preferences and needs of the customers and the ability of the organisation to respond accordingly (Han, Kim and Srivastava, 1998). Competitive intensity relates to the number of competitors in the market the firm is operating in (Jaworski and Kohli, 1993). Finally, technological turbulence denotes both the instability of technology and innovation acceleration that causes a firm to change the way it copes (Akgün et al. 2007).

In line with the above, most of the respondents while talking about quick adaptation to the environment referred to various changes in the environment, including competitive, customer and technological issues.

Improvisation compared to planning results in quicker decision-making and implementation of those decisions. Flexible decision-making allows firms to respond quickly to the changing environment; the speed with which the organisation reacts to external conditions influences the organisation's ability to be responsive to customers' needs (Cadogan, Souchon and Procter, 2008). For example, the manager from Company 4 said that '*thinking on the feet*' allows for quicker adaptation to changes in customers preferences.

Improvisational decision-making makes it difficult for competitors to anticipate what a firm is going to do next. '*There is no procedure to follow, which means it can be different each time*' (Company 2). Under conditions of high competition, customers have a bigger variety of different options, which can result in an improvisational response being more successful (Jaworski and Kohli, 1993; Balabanis and Spyropoulou, 2007). For example, firms can stay ahead of the competition by offering unexpected products and services to customers to attract their attention (Brown and Eisenhardt, 1998).

Improvisation allows exporters to come up with new, diverse products or solutions to problems, which allows them to better adapt to changing technology. Organisations working with rapidly changing technology can be successful in the market due to being innovative (Jaworski and Kohli, 1993). Openness to innovation relates to the degree to which the organisation encourages innovation in its marketing activities (Calantone et al., 2006). A fast reaction is crucial to the success of the firm, and openness to innovative ideas can save time for the company (Crossan et al., 2005). For example, the manager from Company 7 said that their products are always innovative.

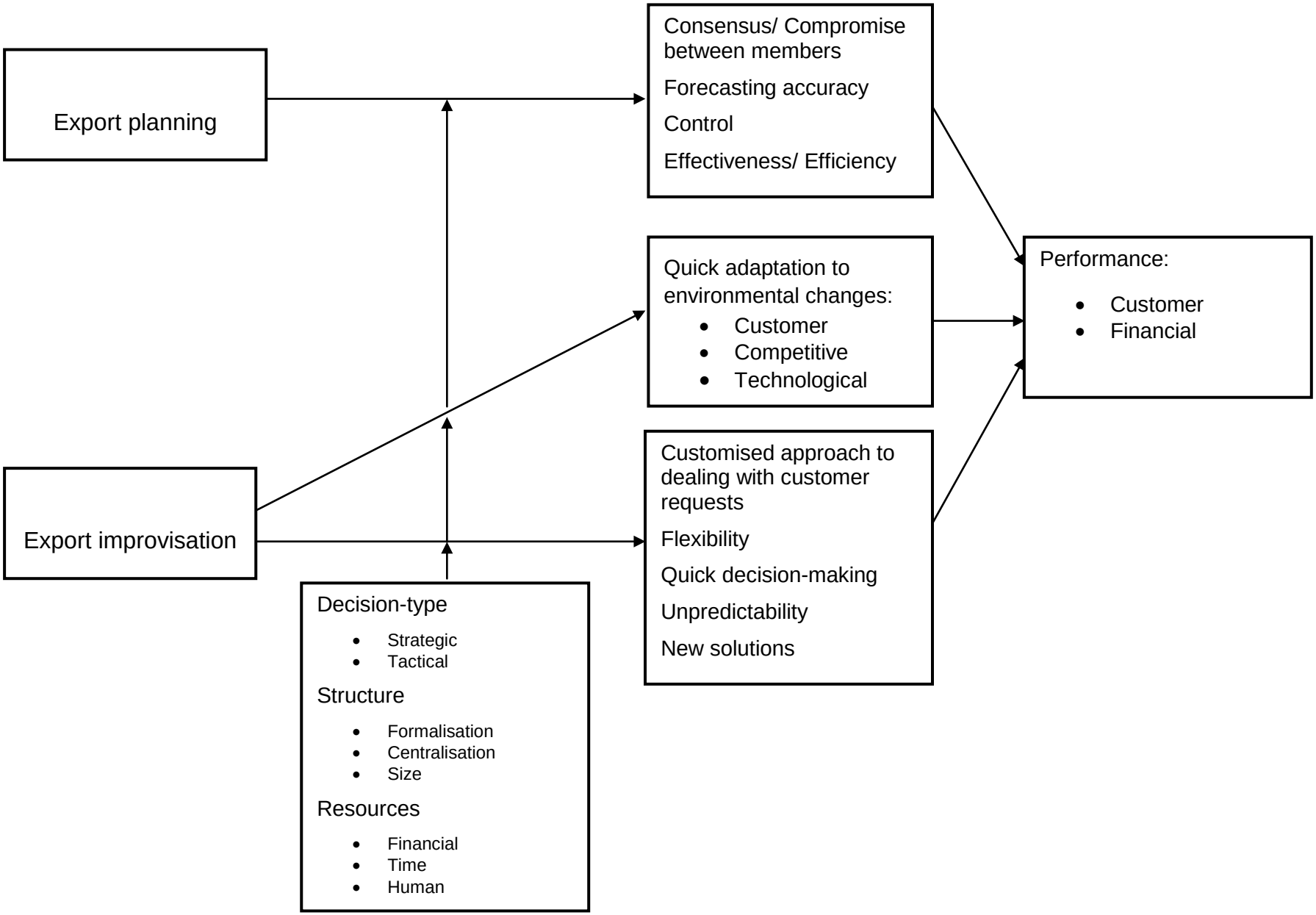
This company, being an advertising calendar producer, updates its products every year. At the same time, their approach to innovations is rather spontaneous: '*We do innovations when it pops into our heads*'. The manager explained that the company operates in this manner in order to adapt quickly to the changing environment and '*to keep ahead*' of the changes in the industry.

As a result, the findings show that quick adaptation to the environment emerges as an important mediator between improvisational decision-making and export performance (customer and financial). Improvisational decision-making helps firms adjust more rapidly to any changes in the environment, which in turn leads to customer satisfaction and financial rewards.

On the other hand, planning does not allow quick adaptation to changes in the market as it involves slower decision-making when compared to improvisation. The manager from Company 6 explained that the process of export planning takes a long time due to decisions having to be approved. For example, the time taken for this company to develop a plan is approximately 6 months. For the same company (Company 6), some decisions could take three to four years to implement. Company 11 has a five year strategic plan, which they change slightly on a yearly basis. The rigidity of the planning process makes timely adaptation to market changes difficult if not impossible. Planning does not allow companies to respond in the moment; while information is collected and different options are evaluated, the market situation could have shifted again (Company 10).

To sum up, a preliminary conceptual framework is proposed based on the results (see Figure 3.1). First, planning was found to be positively related to financial performance (sales, profit). However, a negative relationship between planning and customer performance (customer satisfaction, retention etc.) is proposed. Second, improvisation is found to lead to both financial and customer performance. Nevertheless, it is proposed that these relationships can be mediated by quick adaptation to environmental changes. Improvisation accelerates the speed of decision-making when compared to planning and allows a company to adjust to market changes rapidly.

Figure 3.1: Cross-Case Display



3.6.5 Pool of Items

The final objective of the preliminary qualitative study was to develop a pool of items for measuring export improvisation due to the fact that this construct is under-researched and its operationalisation is still in its infancy. Below, a potential and tentative set of items is proposed based on how the respondents described their improvisational decision-making.

Dimensions of improvisation:

Spontaneity :

- We often make spontaneous decisions (Company 4)
- We often make decisions out of the blue (Company 7)
- We often make decisions ‘on the hoof’ (Company 10)
- We don’t have a procedure to follow for decision-making (Company 2)
- We don’t use formal analysis of information (Company 10)
- We often make decision quickly (Company 6)
- We often figure out actions as we go along (Company 8)

Creativity:

- We often try new approaches (Company 9)
- We are often trying to find unusual solutions to the problems (Company 4)
- We are good at ‘thinking outside the box’ (Company 11)

Action-orientation:

- In our export function, the time between making the decision and its implementation is often short (Company 2)
- We always ensure we implement export decisions (Company 8)
- We often implement decisions straight away/ instantaneously (Company 9)

3.7 Conclusion

In this chapter, the procedure and results of the preliminary qualitative research were presented. The relevance of export planning and export improvisation was examined. It was found that the exporters interviewed often misunderstood planning or confused it with improvisation. Despite the fact that exporters often improvise their activities, they still see planning as the 'norm'.

Next, the co-existence of export planning and export improvisation within export functions was highlighted. It appears predominantly in the following scenarios. First, improvisation can occur after planning. Second, planning could be an approach for dealing with established activities, whereas improvisation is applied in response to new opportunities on the market. Finally, improvisation can be applied when short-term tactical decisions have to be made, whereas planning could be an approach used for making more long-term strategic decisions.

Important outcomes of planning and improvisation were then uncovered. The key outcome of planning mentioned by the respondents was increased financial performance (sales, profit) guaranteed by the following aspects of planning: the ability of the team members to reach consensus, control of the decision-making process and forecast. However, as planning takes time, it results in slower decision-making. Amongst the important outcomes of improvisation, respondents mentioned meeting customer needs better and improvement in financial performance. However, it emerged from the results that quick adaptation to environmental changes is mediating the relationship between improvisation and export performance. Improvisation allows firms to respond quickly to changing environmental conditions, which in turn leads to more satisfied customers and increased financial indicators (sales and profit).

Finally, a pool of items for measuring export improvisation was generated based on the statements made by the respondents. This can then be used to complement the literature when designing the survey instrument for hypothesis testing.

In the next chapter the development of the conceptual model is discussed.

Chapter 4: Conceptual Development

4.1 Introduction

In this chapter, the conceptualisation of the relationship between export decision-making approaches (planning and improvisation) and export performance is presented. The proposed conceptual framework is based on the literature (see Chapter 2) and the exploratory study performed on export managers (see Chapter 3), which together enable the development of an export specific model. This is underpinned by decision theory (normative and descriptive approaches to studying decision-making) and strategy formation research (deliberate and emergent strategies). All hypotheses to be tested are specified below. The hypotheses are concerned with the relationship between decision-making approaches (planning and improvisation) and export performance. In addition, and following the results from the qualitative phase of the study, the mediating role of export responsiveness (quick adaptation to environmental changes, see section 4.5 for more details) is also considered.

The chapter consists of six sections. The first relates to the selection of the unit of analysis and provides justification for using the functional level of analysis. The use of the level of analysis depends for the most part on the type of research question a researcher is interested in (Oliveira, Cadogan and Souchon, 2012). Thus, it is explained that the functional level provides a better basis for theory testing in the current research.

In the second section, the relationship between export planning and export performance is explained. While this topic has received much attention in the past, previous research has returned equivocal results on the nature of the export planning-export performance relationship. It follows that such equivocality warrants examination that can contribute to the literature on export planning. On the one hand, the concept of planning is rooted in a normative approach to studying decision-making; it has been around for more than 50 years (e.g. Ansoff, 1965), and

the majority of scholars have reached a consensus on its conceptualisation and operationalisation.

On the other hand, export performance has been operationalised in a number of different ways, and past studies have therefore not been truly comparable in this respect. In addition, export performance has now been accepted as a truly multi-dimensional construct, with both financial and customer-focused metrics, though both dimensions are not always used within the same studies. The multi-dimensional nature of export performance and the inconsistent use of metrics could help to explain the inconclusive findings regarding the export planning-export performance relationship.

In the third section, the relationship between export improvisation and export performance is clarified. Despite the fact that some scholars suggest that improvisation can lead to positive outcomes for the firm (e.g. Brown and Eisenhardt, 1998; Vera and Crossan, 2004; Magni, Provera and Proserpio, 2010), research on improvisation in marketing is still in its infancy. Moreover, to the best of the author's knowledge, no studies have examined the relationship between export improvisation and export performance.

The fourth section focuses on the mediating role of responsiveness. The results of the exploratory study (see Chapter 3) revealed that the relationship between export decision-making and export performance is not necessarily direct but could be mediated by the ability to adjust quickly to changes in the environment. In academic research, quick adaptation to environmental changes is conceptualised in terms of responsiveness (Homburg, Grozdanovic and Klarmann, 2007).

In the fifth section, the moderating role of improvisation in the export planning-performance and export planning-responsiveness relationships is explained. Based on arguments from decision theory and strategy formation research, it is proposed that the export function could benefit from a combination of both high levels of export planning and export improvisation. This is one of the first studies to explicitly address the combination of planning and improvisation in export decision-making and thus it differs from previous work in which the two were considered to be polar opposites (e.g. Halpern, Close and Johnson, 1994; Moorman and Miner, 1998b).

The final section focuses on the relationship between the dimensions of export performance itself. In the current study export performance is considered to be two-dimensional, including customer performance (market performance) and financial performance (Leonidou, Palihawadana and Theodosiou, 2011). It is argued that customer performance could positively affect the financial performance of the firm.

4.2 Unit of Analysis

Export performance is a multi-dimensional construct and 'it needs to be considered in the light of the unit of analysis' (Souchon and Diamantopoulos, 1996 p.65). Thus, any study examining antecedents to export performance requires a clear unit of analysis. In the export performance literature, the main units of analysis include: firm level, functional level, export venture level and product or product line level (Oliveira, Cadogan and Souchon, 2012). However, there is no consensus on which unit of analysis is the most suitable while studying export performance as this depends on the objectives of a particular study (Brouthers et al., 2009).

In the export marketing literature, some studies use the firm as a unit of analysis (e.g. Samiee and Walters, 1990; Morgan, Kaleka and Katsikeas, 2004). When the firm level is used, export performance is evaluated in the context of all the firm's activities (the information is presented at an aggregated level) (Sousa, 2004) and confers certain benefits. First, using the firm as a unit of analysis can encourage managers to provide information as they may be more willing to reveal information at the broader level. Second, there is more secondary data available about firm-level performance (Katsikeas, Leonidou and Morgan, 2000) so as to corroborate primary data or provide additional information on performance.

However, notwithstanding the fact that firm-level data is by its very nature not export-specific, there are problems with a firm-level perspective in export research. Firms (especially large ones) can export more than one product or even one product line and each of these can influence export performance differently (Sousa, Martinez-Lopez and Coelho, 2008). Thus, some researchers consider the export venture as a more appropriate unit of analysis (e.g. Cavusgil and Zou, 1994; Morgan, Kaleka and

Katsikeas, 2004; Murray et al., 2007). Export venture is defined as ‘a single product or product line exported to a single foreign market’ (Sousa 2004 p. 4). Despite the fact that an increasing number of studies consider the export venture as a unit of analysis, it is not always appropriate to do so. In some firms export ventures are indistinguishable, because ‘export activities are continuous, joined up and interdependent’ (Sousa, Martinez-Lopez and Coelho, 2008 p. 350).

Finally, an increasing number of researchers use the export function as their unit of analysis (e.g. Calantone et al., 2006). According to Oliveira, Cadogan and Souchon (2012 p. 117), ‘when the purpose of the study is the analysis of how the overall performance achieved by the export function varies across firms, export performance needs to be assessed at the level of the export function’. These authors argue that different research questions require data for theory testing at different levels. In the broadest sense, there are two major research questions regarding export performance. A researcher can be interested in examining variations in levels of export performance across businesses. In that case, the assessment has an external orientation as the relative performance of the firm compared to other firms is of prime interest. This justifies the export function as an appropriate unit of analysis. When a researcher is interested in identifying the determinants of variance in export performance within the same firm, an individual export venture is a more appropriate unit of analysis. This type of research has an internal orientation and facilitates an understanding of why some export ventures within the same firm outperform other export ventures.

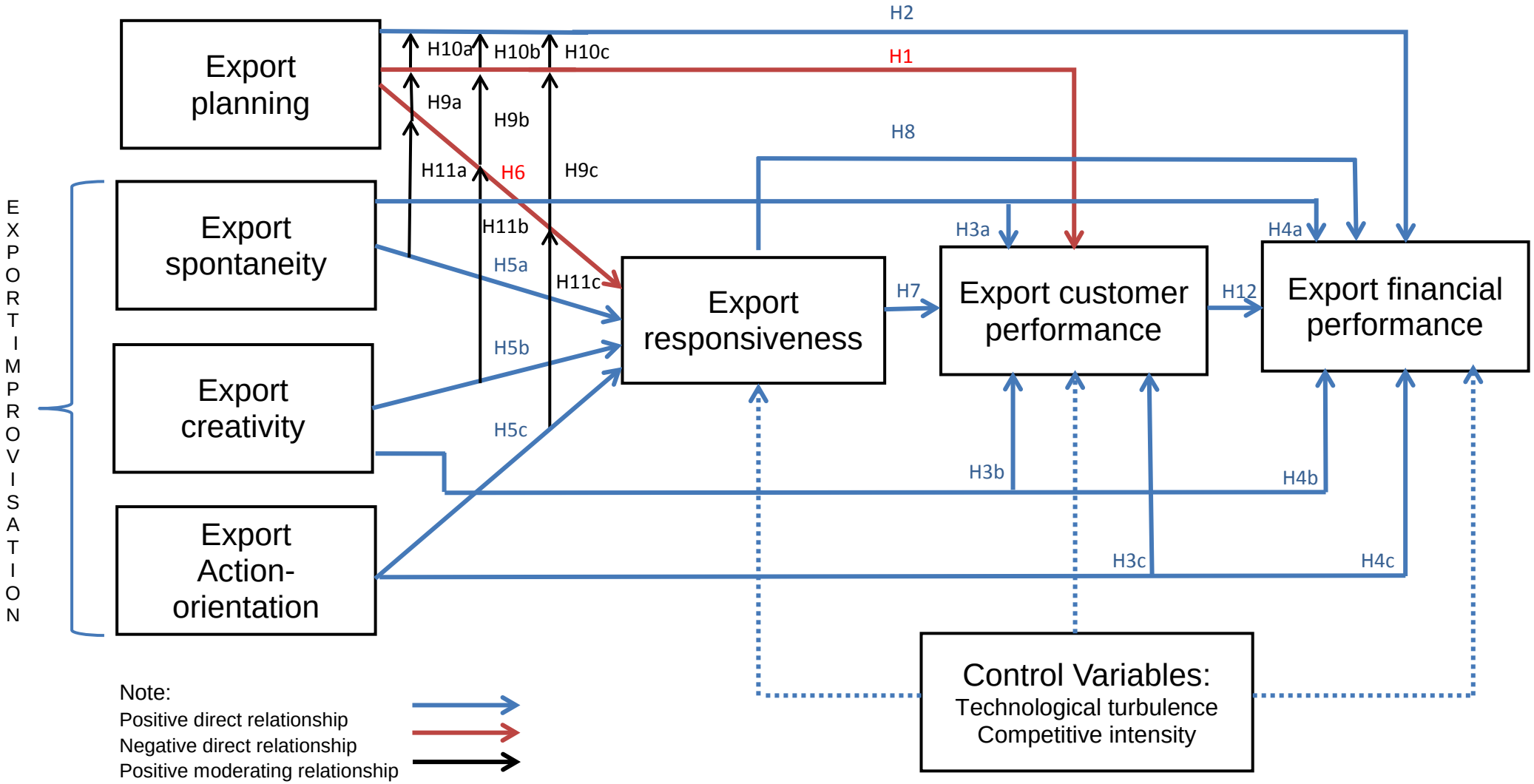
The current study has an external orientation as it seeks to determine factors that improve export performance across companies. In this case, the choice of a single export venture or a product line would raise a question about the representativeness of the results for the export function as a whole.

It is also taken into consideration that the majority of UK exporters are small or medium-sized companies (Leonidou, Katsikeas and Samiee, 2002) that often do not have a dedicated export department; the same people are often responsible for dealing with both export and non-export (or domestic) decisions (e.g. Vyas and Souchon, 2003). The unit of analysis chosen for this study is therefore functional, and not limited to export departments; that is to say, the export function as a whole,

whether structurally represented by a separate department, or amalgamated within a sales and marketing division, is the unit of analysis for this study in order to ensure the representativeness of the sample and improve the prospects for generalisability of the results.

The relationships between the examined constructs are presented below in the conceptual model, which is followed by explanations.

Figure 4.1: Conceptual Framework



4.3 Export Planning and Performance

The construct of planning is rooted in the normative approach to studying decision theory, which prescribes how managers *should* behave and make decisions (Ansoff, 1965; Hitt and Tyler, 1991). It is based on the concept of rationality and assumes that managers are able to make optimal choices (Greenley, Hooley and Saunders, 2004). Thus, planning is conceptualised as the step-by-step process of developing definite and precise objectives, collecting and analysing information and evaluating different options in order to formulate a solution to a problem or to make a decision (Bailey, Johnson and Daniels, 2000). There is a significant body of work linking formal export planning to performance. However, investigations into the nature of the relationship between export planning and export performance have returned equivocal results.

There is a strong research tradition based on the assumption that planning enhances export performance, and this is supported by empirical findings (e.g. Cavusgil and Zou, 1994; Zou and Stan, 1998; Shoham, 2002). On the other hand, there is also inconsistency in the empirical results as some authors document a negative relationship between planning and export performance (e.g. Katsikeas, Piercy and Ioannidis, 1996) or find no relationship at all (e.g. Chae and Hill, 2000).

There may be some explanations for this though. First, in past studies on the export planning-export performance relationship, the authors often considered export planning as the sole decision-making approach (e.g. Samiee and Walters, 1990; Shoham, 2002; Morgan et al., 2003), overlooking other potential approaches to making decisions. This presents a one-sided view of the decision-making process and potentially leads to biased or inconsistent results.

Second, those conflicting findings can also be explained by the variety of conceptual definitions of export performance itself. Despite the fact that export performance is studied widely, there is no consensus in the academic literature on its conceptual definition and operationalisation (Cavusgil and Zou, 1994; Shoham, 2002; Baldauf, Cravens and Wagner, 2000; Hult et al., 2008). Export performance was conceptualised in past research using financial and customer (market)

measurements (Leonidou, Palihawadana and Theodosiou, 2011), adaptiveness, effectiveness, and efficiency dimensions (Katsikeas, Leonidou and Morgan, 2000), and export sales and profit (Cadogan et al., 2005) among others (see Chapter 2, section 2.4 for more details). It is suggested that the relationship between export planning and export performance could change in its direction (positive, negative, neutral) depending on the dimensions chosen to conceptualise export performance.

The choice of the export performance dimension for the current research is explained below.

The results of the current exploratory study (see Chapter 3) uncovered that export managers themselves evaluate export performance mostly based on financial figures (mainly sales and profit) and customer performance (customer satisfaction, customer retention, reputation among customers). Despite this, the customer dimension of export performance when compared to the financial dimension has received scarce attention in marketing.

As early as 1990, Koh mentioned that ‘the ability to identify and meet a particular customer’s needs is especially important in the sale of industrial products’ (p. 52). However, there was a lack of attention to customer performance in relation to manufacturing firms in general. Consequently, there is a dearth of research devoted to the investigation of the relationship between planning and customer performance within the marketing field. Authors have mostly focused their attention on the relationship between planning and financial performance. Less than 10 years ago, according to Sousa (2004), customer satisfaction measures were used in only two studies. This is in spite of Morgan, Kaleka and Katsikeas (2004) stating that companies monitor the performance related to their export ventures ‘with respect to detailed customer attitudes and behaviours (e.g. customer satisfaction and retention)’ (p. 99). Nevertheless, only recently have marketing scholars started to consider export customer performance as a separate construct (Katsikeas, Samiee and Theodosiou, 2006; Hultman, Robson and Katsikeas, 2009, Hultman, Katsikeas and Robson, 2011).

As a result, in keeping with previous conceptualisations of export performance, customer performance and financial performance are considered to be its main

dimensions (e.g. Leonidou, Palihawadana and Theodosiou, 2011). Customer performance relates to the firm's ability to satisfy and retain customers (Hultman, Katsikeas and Robson, 2011). Financial performance in the current study refers to a firm's sales and profits indicators (e.g. Sichtmann, von Selasinsky and Diamantopoulos, 2011). As mentioned above, the choice of these export performance dimensions is determined by the exploratory study (see Chapter 3 for more details). Respondents referred to customer performance and financial indicators (mainly sales and profit) as the outcomes of the decision-making process. For example, the manager from Company 2 explained that: '*if the customers are happy with what they've got, that's also a measure of success*' (customer performance). Moreover, respondents did not make significant distinctions between sales and profit indicators (e.g. Company 3, 6, 7, 9, 11), which encouraged the author of the current work to view financial performance as sales and profit-related.

4.3.1 Planning-Customer Performance Relationship

To the author's best knowledge, there is no study examining the relationship between export planning and export customer performance. The limited research in the management and marketing literature proposes a positive relationship between planning and customer performance (e.g. Narayanan, Balasubramanian and Swaminathan, 2011). Authors explain that collection of the information about customers could help to address their needs in the future and achieve long-term benefits for the firm while focusing on customer-satisfaction (c.f. Appiah-Adu and Singh 1998). Homburg, Droll and Totzen (2008) proposed the positive moderating relationship of planning on prioritisation strategy-customer prioritisation (special treatment of customers according to their importance). Planning, being associated with a high degree of commitment to a specific course of action (Pulendran, Speed and Widing, 2003), will help to set clear priorities among customers and effectively allocate resources to these priorities (Zeithaml, Rust and Lemon 2001). However, the direct effect of planning on customer performance is underexplored in the marketing field (especially in export marketing).

The results of the exploratory study (see Chapter 3) show that the respondents often viewed the relationship between export planning and export customer performance

as more negative. Managers claimed that planning slows down the decision-making process (e.g. Company 4, Company 5), as obtaining detailed information is time-consuming (Fredrickson, 1984; Atuahene-Gima and Murray 2004). The delay in decision-making regarding a customer's request may result in decreased customer satisfaction (c.f. Jayachandran, Hewett and Kaufman, 2004). In day to day business operations, customers sometimes expect quick solutions to their problems (Company 9), and identifying them often requires an 'outside the box' approach rather than sequentially following established procedures. Similarly, not being able to react rapidly enough could discourage customers from working with the exporter in the future (Company 4), which affects customer retention. Moreover, dissatisfied customers could spread negativity by word of mouth, which could have an adverse effect on the company's reputation (Company 9).

Thus, the following can be surmised:

H1: Export planning is negatively related to export customer performance.

4.3.2 Planning-Financial Performance Relationship

The influence of export planning on export financial performance is more promising. In previous studies, export planning was found to be a predictor of financial export performance, including export sales and export profit measures (Zou and Stan, 1998; Wiltbank et al., 2006). Adoption of a marketing planning approach makes decision-making more comprehensive, rational and objective (Pulendran, Speed and Widing, 2003). Planning helps to communicate the firm's initial intentions to its employees and unites them in pursuing the same financial goals (Company 6). The formality of the planning process encourages setting clear objectives and defining positions of responsibility. This helps to make the goal achievement process more transparent and focused (Shoham, 2002). According to the exploratory study (see Chapter 3), planning allows different members of the team (or managers and the CEO) to reach consensus. The manager from Company 5 stated: *'I think you need a plan because you need to get a consensus in the company'* and the manager of Company 10 said: *'It [planning] helps you to set clear priorities on what you want people to be engaged in'*. As the decisions go through different steps, various people are involved in the process, and in order that decisions are made, managers have to

compromise if they disagree with each other. At the same time, consensus between managers tends to improve financial performance (Blythe and Zimmerman, 2004). Thus, export planning emphasises the firm's commitment to a certain decision or a course of action, which in turn also includes allocation of appropriate resources (Shoham, 1999; Pulendran, Speed and Widing, 2003; Slotegraaf and Dickson, 2004). The nature of the planning process ensures that resources will be used as effectively as possible because the best of several options was chosen (Walters, 1993), which leads to increased financial reward (Timmor and Zif, 2005).

Based on the above, it is proposed that:

H2: Export planning is positively related to export financial performance.

4.4 Export Improvisation and Performance

In contrast to the normative approach to studying decision-making, the descriptive approach focuses on how decisions are made in reality (Tamura, 2008). Scholars argue that managers often satisfy rather than optimise their options and make more spontaneous and creative decisions, which in turn are associated with improvisation (e.g. Brown and Eisenhardt, 1998; Hmieleski, Corbett and Baron, 2013). Following Vera and Crossan's (2004) definition, improvisation is 'the spontaneous and creative process of attempting to achieve an objective in a new way' (p.733). In other words, improvisation involves making quick and innovative decisions (Moorman and Miner, 1998a). In spite of the fact that improvisation research is still in its infancy, scholars recognise that improvisation may result in superior performance in a domestic context (Crossan et al., 2005; Kyriakopoulos, 2011). However, its importance in exporting and to export performance is yet to be established.

4.4.1 Improvisation-Customer Performance Relationship

As explained in Chapter 2 (see section 2.3.2 for more details), the concept of organisational improvisation is based on Jazz music and theatrical improvisation (e.g. Barrett, 1998; Dennis and Macaulay, 2003). These metaphors, especially

theatrical improvisation, can serve as a suitable starting point in explaining the relationship between export improvisation and export customer performance.

In theatrical improvisation, actors continuously work with the audience, process the information from the audience and react accordingly; they see the audience's feedback and amend their performance. As a result, viewers' immediate reactions replace the coordinating function of a detailed plot (Barrett and Peplowski, 1998). When the theatrical improvisation metaphor is mapped onto an organisational context, similar logic applies. 'In business, customers are like the audience. Improvisational processes can affect customer satisfaction when work teams deal with customers' requirements and handle unexpected problems or unreasonable requests' (Vera and Crossan, 2004 p. 739). The speed with which the decisions are made is a result of the spontaneous nature of improvisation (Moorman and Miner, 1998b). Spontaneity allows actions to be undertaken quickly or even immediately which can be crucial when handling customer requests (Barrett 1998). The results of the qualitative study support this proposition. '*You have to have that [decision-making] flexibility to meet what customer's needs are really, if you don't do that, then you lose the business, because you need to be able to close the deal, so you have to think on your feet*' (Company 11).

On the other hand, the creativity dimension of improvisation ('out of the box' approach) enables an export function to come up with solutions to unusual customer problems (c.f. Brown and Eisenhardt, 1998). For instance, the manager from Company 4 suggested an 'out of the box' approach to a product delivery in order to fulfill customers' needs: '*If our customer had a breakdown, and wanted something urgently, we can take it out of here, get on the plane and take it out to him.'* That is an example of a creative decision regarding a product delivery compared to a standard shipment solution.

Finally, action-orientation is related to being persistent and not being distracted from making a decision (Diefendorf et al., 2000; Jaramillo and Spector, 2004; Hmieleski and Corbett, 2006). For example, the manager from Company 3 explained that their export function is very focused on the task of market expansion ('*looking for a new market*'); they believe that in this task customer-focus is the most important in

achieving customer satisfaction. Moreover, action-orientation enables the export function to focus on handling customer requests (Company 2).

Thus, it can be stated that:

H3a: Spontaneity is positively related to export customer performance.
H3b: Creativity is positively related to export customer performance.
H3c: Action-orientation is positively related to export customer performance.

4.4.2 Improvisation-Financial Performance Relationship

There is currently limited evidence of the financial outcomes of improvisation. For example, Moorman and Miner (1998b) introduce a famous Honda case when the company changed their strategy in the USA market by selling smaller motorcycles compared to the original plan of selling the larger ones. That improvisational shift in strategy led to great financial success. Moreover, Moorman and Miner (1998a) argue that improvisation tend to improve new product effectiveness. The spontaneous nature of improvisation allows firms to introduce new products in a timely manner, while its creativity (experimentation) enables their success. Brown and Eisenhardt (1998) state that improvisational businesses often create products and services that are unpredictable and their strategies are usually more diverse because they can change their tactics quickly. This allows the firm to outperform competitors and to achieve better financial outcomes.

Yet, the majority of authors (e.g. Moorman and Miner, 1998b; Vera and Crossan, 2005; Kyriakopoulos 2011) believe that the relationship between improvisation and performance is contingent upon external (e.g. environmental turbulence) and internal (e.g. real-time information flow and organisational memory) conditions. In prior research, improvisation was examined as an aggregate (unidimensional construct). However the current study is interested in whether there is a direct relationship between the dimensions of improvisation (spontaneity, creativity and action-orientation) and export financial performance. Disaggregating the components of improvisation may well reveal underlying performance relationships that may (a) otherwise be missed or (b) given rise to confounding results if improvisation was treated unidimensionally.

The results of the current exploratory study confirm that the dimensions of export improvisation are able to positively influence financial performance.

Some respondents (e.g. Company 5) viewed spontaneous decision-making as one of the key drivers of their sales growth as it helps them to capitalise on market opportunities. They unexpectedly bought one of their export competitors when the opportunity arose, which helped to increase their export sales. Confirmation of the positive relationship between fast decision-making (spontaneity) and financial performance can be found in the literature (Bourgeois and Eisenhardt, 1988; Baum and Wally, 2003) with some authors arguing that very often being first in the market can give a firm competitive advantage and positively influences its performance (Fiegenbaum and Karnani, 1991; Crossan et al., 2005).

The manager from Company 8 explained that creativity allows for cost reduction when compared to planning. Planning requires a certain amount of information whereas creativity (e.g. brainstorming) can substitute for a lack of information and save the export function from spending additional financial resources (c.f. Cunha, 2007). Indeed, in tight cost control situations, creativity may well reveal opportunities for financial growth that may otherwise be missed.

Action-orientation enables the export function to focus on financial objectives and achieve them better. For instance, Company 10 view export success strictly from a financial perspective (as bottom line sales and operating income). They believe that in order to achieve that, they need to be focused while making decisions and follow the decisions through.

Based on the above, it is proposed that:

H4a: Spontaneity is positively related to export financial performance.
H4b: Creativity is positively related to export financial performance.
H4c: Action-orientation is positively related to export financial performance.

4.5 Mediating Role of Responsiveness

Nowadays, increased international competition and continuously evolving customer needs put additional pressure on companies to be more responsive to environmental changes (c.f. Geletkanycz and Black, 2001; Martens, Matthyssens and Vandenbempt, 2012). White, Varadarajan and Dacin (2003) emphasise that in order to survive, companies must respond to external threats and opportunities. In reality, macro environmental influences, including emerging opportunities, competitor threats and evolving customer needs and preferences are beyond the control of managers. As a result, they need to adapt *quickly* to these conditions in order to stay competitive (Lyus, Rogers and Simms, 2011).

The results of the preliminary qualitative study (see Chapter 3) showed that the relationship between export decision-making (planning and improvisation) and export performance is not necessary direct but is mediated by the ability to quickly adapt to environmental changes. According to Homburg, Grozdanovic and Klarmann (2007), ‘quick adaptation to environmental changes’ is conceptualised as responsiveness. As mentioned in Chapter 2 (see p. 46), the construct of ‘responsiveness’ is closely related to the construct of ‘adaptation’. However, whereas adaptation refers to the maintaining the fit between an organisation and external environment, responsiveness refers to the adjustment to external changes at high speed.

Responsiveness is often considered to be a key component of the market orientation construct (Souchon et al., 2004) in line with generation and dissemination of information (Han, Kim and Srivastava, 1998). However, in the market orientation literature, responsiveness is usually considered from a customer-perspective as responsiveness to customer needs and preferences (Cadogan, Kuivalainen and Sundqvist, 2009). Extending this, Homburg, Grozdanovic and Klarmann (2007) argue that responsiveness has two important ‘sides’: responsiveness to customer needs and preferences and responsiveness to competitive actions. Cadogan, Souchon and Procter (2008) go one step further and suggest considering responsiveness as a response to general environmental changes (e.g. emerging opportunities and threats). The author of the current research accepts the latter (broader) perspective as it is in line with the findings of the exploratory study. The respondents mostly refer to quick adaptation to customer needs (e.g. Company 4),

competitor actions (e.g. Company 2), technological changes in the industry (e.g. Company 7) or merely general market opportunities and threats (Company 5).

It is important to mention that the managers themselves did not use the word ‘responsiveness’ but rather used ‘adaptation’ or the verbs ‘adapt’ and ‘respond’. However, further analysis of the qualitative research revealed that what they meant is actually conceptualised as responsiveness in the academic research and not as adaptation. There is a long tradition in marketing research of focusing on adaptation (e.g. Shoham, 1999). Adaptation relates to the adjustment of the elements of the marketing mix to the needs of local consumers in a foreign or more specifically export market (e.g. Cavusgil, Zou and Naidu, 1993; Leonidou, Katsikeas and Samiee, 2002; Katsikeas, Samiee and Theodosiou, 2006; Schilke, Reimann and Thomas, 2009; Hultman, Katsikeas and Robson, 2011). Although managers talked about ‘adaptation’ during their interviews, they were not really referring to this concept. They mostly referred to *quick* adaptation and response to changes in the environment. As mentioned above, these are more in line with the conceptual definition of ‘responsiveness’. However, the discrepancy between managerial and academic language cannot be ignored. As a result, measures of responsiveness were altered to the managerial language, and the word ‘respond’ was changed to ‘adapt’ in all the items (see Chapter 5).

Open systems theory (Katz and Kahn, 1978; Homburg, Grozdanovic and Klarmann, 2007) provides the theoretical background for the introduction of the construct of responsiveness into the conceptual model. According to this theory, the long-term success and ultimate existence of a company depends on its ability to *quickly* adapt to environmental changes. Thus, speed is a key element when responsiveness is operationalised. The same applies to export market responsiveness. However, this focuses on the activities directly related to firms’ export markets (e.g. export customers, export competitors, broader export environment) and does not include responses within domestic markets (Cadogan et al., 2012).

4.5.1 Improvisation-Responsiveness Relationship

Sharfman and Dean (1997) argue that the decision-making process is key to the company being able to adapt and respond to changes in the environment. Unless

the decision-making process is flexible, it is unlikely that the firm will be able to do this successfully. Flexibility of the decision-making process can be defined as the exploration of new ideas, which is, in turn, associated with improvisation (Vera and Crossan, 2005). That is supported by the findings of the current exploratory study, where managers often refer to flexible decision-making being spontaneous ('thinking on the feet') and creative ('out of the box approach'). Firms with greater flexibility in decision-making have a better ability to recognise and respond to changes in the environment (c.f. Dibrell, Down and Bell, 2007; Cadogan, Souchon and Procter, 2008) and respond 'just-in time' (Weick, 2001).

According to the exploratory research, improvisational decision-making allows for a quicker response. '*If it (decision-making process) was strict then it obviously will be formalised, which means that takes us a lot longer to react quickly... So I think it works better having something that is informal, very fluid, where you can just get on the table, just have a quick discussion, make a decision and then move on…So I think being flexible and informal, which means we can adapt much quicker*' (Company 2).

Cadogan et al. (2012) introduce the concept of export decision-making flexibility. They argue that in order to be more responsive, managers should be able to make more rapid (spontaneous) decisions. This allows a company 'to take early advantage of opportunities that arise' (p. 1425). Low levels of export decision-making flexibility may restrict the ability of export staff to adapt and delay their response to the opportunities.

Improvisational decision-making is not only spontaneous, it is also discovery driven (creative), aiming to explore unexpected opportunities or deal with unforeseen threats (Cunha, Kamoche and Cunha, 2003). To respond to external opportunities and threats, managers are expected to make decisions that are unusual, innovative and different from the norm (Sharfman and Dean, 1997). Nutt (1993) suggests that 'by opening up the decision process to new possibilities, stakeholders are more apt to recognise the value of new ideas. This opening up allows people to move away from stereotyped responses and traditional ways of activity' (p. 246). It is claimed that staff that are more open to new ideas are more likely to be able to respond in time (Kohli and Jaworski, 1990).

The ability to focus and not be distracted from making decisions (action-orientation) is essential when a quick response to environmental changes is called for. If the export function is distracted, it can miss market opportunities that require rapid responses (Company 9, Company 10).

To sum up, in order to be more responsive, export managers are expected to be more focused, spontaneous, creative and willing to step aside from existing patterns (e.g. Leonidou, Katsikeas and Peircy, 1998; Sousa, Ruzo and Losada, 2010).

Thus, the following can be surmised:

H5a: Spontaneity is positively related to the responsiveness of the export function.
H5b: Creativity is positively related to the responsiveness of the export function.
H5c: Action-orientation is positively related to the responsiveness of the export function.

4.5.2 Planning-Responsiveness Relationship

Planning seems to be incongruent with responsiveness as the need for a quick response to environmental changes is in conflict with the traditionally established way of doing things (Sousa, Ruzo and Losada, 2010). As it is time-consuming, planning slows down responses to environmental changes (e.g. Fredrickson, 1984). In this case, even if the exporter recognises the need to make amendments to a planning process, it may not be able to do it effectively as there is not enough time (c.f. Wiltbank et al., 2006). A slow response to market changes is likely to result in lost opportunities because the ‘right’ action is implemented at the ‘wrong’ time (Chelariu, Johnston and Young, 2002). Moreover, the planning process creates a degree of inflexibility in adapting and responding to changes in the environment, which decreases responsiveness (c.f. Souchon et al., 2004). The rigidity of the planning process also can lead to the decision-making process becoming routinised. This often restricts variations (Dibrell, Down and Bell, 2007), which are necessary to generate the appropriate environmental response and adjust to novel situations (Kyriakopoulos and Moorman, 2004). Thus, planning is considered to be an ineffective approach to accelerating pace (Eisenhardt and Tabrizi, 1995).

Based on the above, it is proposed that:

H6: Export planning is negatively related to the responsiveness of the export function.

4.5.3 Responsiveness-Performance Relationship

Past marketing research has demonstrated that a timely response to environmental changes leads to positive outcomes for the company (Smith et al, 1989; Smith, Bolton and Wagner, 1999; Jayachandran, Hewett and Kaufman, 2004).

4.5.3.1 Responsiveness-Customer Performance Relationship

It is proposed that export responsiveness is positively related to export customer performance. Customer satisfaction and retention is largely dependent on the effort a company devoting to its customers (Slater and Narver 1995). Companies that are able to respond quickly to environmental changes tend to have a good understanding of their customers' preferences and as a result are able to deal better with customer requests (Jayachandran, Hewett and Kaufman, 2004). Firms with a better understanding of export customers are better able to anticipate their future requirements and needs (Cadogan et al., 2012), which in turn increases customer satisfaction (Cadogan et al., 2002) and retention (Martin and Grbac, 2003). In other words, more responsive companies are more likely to achieve a more loyal and sustainable customer base (Sousa, Ruzo and Losada, 2010).

Thus, it follows that:

H7: Export responsiveness is positively related to export customer performance.

4.5.3.2 Responsiveness-Financial Performance Relationship

A similar logic applies to the responsiveness-financial performance relationship. The macro-environment, which includes new market opportunities, competitor threats and changing customer needs, can be argued to be beyond the control of managers, who as a result need to be able to adapt quickly to ensure long-term financial success (Lyus, Rogers and Simms, 2011). Dibrell, Down and Bell (2007) state that

firms that are able to respond promptly to opportunities and threats are more successful than those that are not able to do so. For example, the ability to respond quickly to environmental changes can help an export function to outperform competitors and achieve competitive advantage as more responsive companies can capitalise on fast-moving market opportunities (Jayachandran, Hewett and Kaufman, 2004; Sousa, Ruzo and Losada, 2010).

Timely responses to environmental challenges and opportunities are often associated with positive performance outcomes. For example, being responsive to local markets increases a foreign firm's financial performance (Luo, 2001; Lee 2010). Cadogan et al. (2012) claim that if a company has a high level of export responsiveness, it can better achieve its short-term and long-term objectives (sales, market share and profit). Even a suboptimal but timely response can be more profitable in the long-term rather than a slow correct response (Smith et al., 1989). Indeed, longer delays in responding to environmental changes in the export market may cause a firm to lose local presence, which results in further financial losses (c.f. Lee, 2010).

Based on the above, the following can be stated:

H8: Export responsiveness is positively related to export financial performance.

4.6 Moderating Role of Improvisation

There is increasing academic interest in the combination of decision-making approaches. As discussed in Chapter 2 (see section 2.2.2), planning is associated with deliberate decision-making (Mintzberg and Lampel, 1999), whereas improvisation has a more emergent nature (Barrett, 1998; Kyriakopoulos, 2011). A deliberate approach to decision-making represents a rigid decision-making process (e.g. Mintzberg, 1994), which is difficult to follow in reality, whereas emergent decision-making when applied without any prior preparation could lead to chaos (Stacey, 1991; Brown and Eisenhardt, 1998). However, some scholars argue that in reality decision-making in most companies is a combination of deliberate and

emergent approaches (Mintzberg and Hough, 1985; Dibrell, Down and Bull, 2007); companies that are able to combine deliberate and emergent decision-making effectively tend to make better choices when opportunity arises and enjoy higher performance levels (e.g. Sharfman and Dean, 1997; Slater, Olson and Hult, 2006). For example, Hart and Banbury (1994) believe that there is no 'one single way' of making decisions. The ability to make decisions in different ways makes a firm more sustainable in a variety of business situations and throughout environmental changes. Moreover, Slater, Olson and Hult (2006) argue that when firms are able to make decision in different ways, it is more difficult for competitors to imitate the firm's activities. Similarly, Eisenhardt (1989) found that decision-making in the most successful companies was both fast and comprehensive.

The same logic can be applied to planning and improvisation. Planning is described as a rigid and mechanistic approach to decision-making compared to improvisation, which is more informal and flexible due to its emergent nature (Brown and Eisenhardt, 1998; Kyriakopoulos, 2011). If managers religiously follow the planning process, they can find themselves disconnected from the day-to-day business in their firms. In order to successfully perform day-to-day tasks that involve decision making, managers are often required to be flexible (Dibrell, Down and Bell, 2007). While planning is criticised for its rigidity, emergent decision-making is sometimes viewed as being chaotic (c.f. Stacey, 1991). Jazz improvisation research explains that for improvisation to be successful, musicians should rely on a standard vocabulary, melodies and chords as they 'provide structure which limits the likelihood of uncoordinated effort or chaos in jazz bands' (Kyriakopoulos, 2011 p. 1058). In the same way, planning could serve as a template or framework upon which improvisation takes place (Kamoche and Cunha, 2001). The exploratory findings confirmed that companies can benefit from a combination of export planning and export improvisation (see section 3.6.3 for more details).

As a result, it is proposed that the relationship between export planning and dimensions of export performance as well as the relationship between export planning and export responsiveness is moderated by the dimensions of export improvisation. A moderator is defined as a variable which systematically modifies the form and/or strength of the relationship between a predictor and criterion variable

(Sharma et al., 1981; Sousa, Martinez-Lopez and Coelho, 2008). The moderating relationships are discussed below.

4.6.1 Moderating Effect of Improvisation for the Planning–Customer Performance Relationship

As explained previously (see section 4.3.1), the relationship between export planning and export customer performance is initially likely to be negative as planning slows down the decision-making process and prevents the firm meeting the customers' needs on time. Dibrell, Down and Bull (2007) argue that firms with greater flexibility and less specific planning will be better at recognising and meeting the needs of their customers. Thus, export improvisation can potentially change the relationship between export planning and export performance as the drawbacks of planning can be canceled out by the presence of improvisation (spontaneity, creativity and action-orientation). Planning being responsible for the collection and analysis of information can help an export function to keep informed about current and, more importantly, unanticipated customer needs (Bloodgood, 2007), whereas spontaneity will ensure that the export function undertakes actions without substantial delays in order to meet those needs (Nemkova, Souchon and Hughes, 2012). Creativity in the planning process will help firms to deal with unusual customer requests and avoid routinisation (Dennis and Macaulay, 2003), while action-orientation will lead to the needs and preferences of the customers being considered in the planning process (Company 3). Thus, it can be stated that:

H9a: The relationship between export planning and export customer performance is moderated by spontaneity; when spontaneity is low, the relationship is negative, and when spontaneity is high, it is positive.

H9b: The relationship between export planning and export customer performance is moderated by creativity; when creativity is low, the relationship is negative, and when creativity is high, it is positive.

H9c: The relationship between export planning and export customer performance is moderated by action-orientation; when action-orientation is low, the relationship is negative, and when action-orientation is high, it is positive.

4.6.2 Moderating Effect of Improvisation for the Planning–Financial Performance Relationship

As discussed in section 4.3.2, it is proposed that the relationship between export planning and export financial performance is positive. According to the results of the current exploratory study, the financial benefits for the company can increase when both planning and improvisation are used together. For instance, a manager from Company 5 explained that they use planning to deal with established activities but rely on more spontaneous, creative and action-oriented decision-making to react to market opportunities. They traditionally used planning for new market entry decisions (to Germany, France and Italy). However, when an unexpected opportunity arose to export to Brazil (a proposition at a trade exhibition), they agreed to it straight away, and as a first step they translated all their promotional materials into Brazilian Portuguese. This decision-making approach led to company growth and export sales growth in a new market. Thus, it is proposed that the dimensions of improvisation can modify the strength of the relationship between export planning and export financial performance.

H10a: The relationship between export planning and export financial performance is moderated by spontaneity; when spontaneity is low, the relationship is positive, and when spontaneity is high, the relationship is stronger.

H10b: The relationship between export planning and export financial performance is moderated by creativity; when creativity is low, the relationship is positive, and when creativity is high, the relationship is stronger.

H10c: The relationship between export planning and export financial performance is moderated by action-orientation; when action-orientation is low, the relationship is positive, and when action-orientation is high, the relationship is stronger.

4.6.3 Moderating Effect of Improvisation for the Planning-Responsiveness Relationship

Initially, it is proposed that the relationship between planning and responsiveness is negative (see section 4.5.2). However, when long-range planning is complemented by a high degree of decision-making flexibility in day-to-day operations, then managers are able to respond better to environmental changes (Dennis and Macaulay, 2003; Dibrell, Down and Bell, 2007). Planning provides additional information about the environment (Dvir, Raz and Shenhar, 2003), while spontaneous and creative decision-making associated with improvisation results in quick reactions to environmental changes (Sharfman and Dean, 1997). This allows the organisation to simultaneously create clear future directions, to detect when changes occur in the market and be better aligned and to respond quicker to the external environment and unanticipated situations (Eisenhardt, Furr and Bingham, 2010). For example, the manager from Company 3 explained that they use planning for long-term objectives (e.g. development of new markets), whereas day-to-day decision-making tends to be more ‘flexible’ (spontaneous, creative, action-oriented). They believe that this combination of decision-making approaches enables them to respond quicker if any changes occur in the environment. Thus, it is proposed that dimensions of improvisation also moderate the relationship between export planning and responsiveness.

H11a: The relationship between export planning and export responsiveness is moderated by spontaneity; when spontaneity is low, the relationship is negative, and when spontaneity is high, it is positive.

H11b: The relationship between export planning and export responsiveness is moderated by creativity; when creativity is low, the relationship is negative, and when creativity is high, it is positive.

H11c: The relationship between export planning and export responsiveness is moderated by action-orientation; when action-orientation is low, the relationship is negative, and when action-orientation is high, it is positive.

4.7 Customer Performance–Financial Performance Relationship

The potential influence of certain dimensions of export performance on its other dimensions has lately attracted research interest and been discussed in the international business literature (Katsikeas, 2000; Stoin, Rialp and Rialp, 2011). Scholars emphasise the need for future research to consider the possibility that some export performance dimensions could be conceptualised as antecedents of the others (Diamantopoulos and Kakkos, 2007; Sousa, Martinez-Lopez and Coelho, 2008). However, this avenue of research has received scarce attention. In line with this theoretical perspective, the relationship between customer and financial performance is examined here.

The positive relationship between customer performance and financial performance is well documented in the domestic marketing literature (e.g. Ramaswami, Srivastava and Bhargava, 2009; Zhou, Brown and Dev 2009). The findings indicate that the satisfaction and retention of customers is crucial in terms of gaining and retaining a sustainable competitive advantage and positively influences the profitability of the firm (e.g. Jayachandran, Hewett and Kaufman, 2004). Companies that are able to satisfy customers' needs better than their competitors will experience higher sales growth as they are better able to attract and keep customers (Slater and Narver, 2000; Martin and Grbac, 2003). However, there is limited empirical evidence in the exporting context to support this link. An exception is the work of Leonidou, Palihawadana and Theodosiou (2011), who argue that customers that are more satisfied will be more willing to make repeat purchases based on their previous positive experience with a company. At the same time, satisfied existing customers could improve a company's reputation by attracting new customers through word-of-mouth recommendation. As a result, a combination of these positive outcomes of customer satisfaction and retention helps to improve the company's sales. The results of the exploratory study support this assumption. For example, a respondent from Company 2 explained that most of their new customers come to them through recommendations. This not only increases their sales but also significantly reduces the costs associated with new customer acquisition. Thus, profitability is also positively affected by customer performance. It can happen through cost reduction, as in the case of Company 2, but having a strong cohort of satisfied customers

enables a company to charge a higher price, which they can justify by the premium service provided (Day and Wensley, 1988). For instance, Company 9 claims that they are charging a price 70-100% more than a closest competitor but that their customers are willing to pay a premium price. '*There are always people chasing you, trying to do better, claiming to do better, and invariably what we find that a lot of people have done, what they say is better, then in reality is good as we were doing 20 years ago*' (Company 9). That results in higher profit margins.

Thus, the following can be surmised:

H12: Export customer performance is positively related to export financial performance.

4.8 Control Variables

Nowadays, the international environment is frequently subject to significant changes (Sousa, Ruzo and Losada, 2010), which might affect a firm's export performance (c.f. Cavusgil et al., 2006) and responsiveness (c.f. Jayachandran, Hewett and Kaufman, 2004). Environmental turbulence is normally viewed through its three characteristics: technological turbulence, competitive turbulence and market turbulence (Kohli and Jaworski, 1990). Technological turbulence denotes the rate of speed of the technological changes in the market (Akgün et al., 2007), whilst competitive intensity is concerned with a number of competitors and their level of aggressiveness (Cadogan et al., 2002) and market turbulence relates to the rate at which the needs and preferences of customers change (Olson, Slater and Hult, 2005).

In a turbulent environment, a firm's export performance is likely to be generally lower as the changes in technology, customer preferences and competitive position make it more difficult to maintain export growth (c.f. Leonidou, Katsikeas and Samiee, 2002). Moreover, when environmental turbulence increases, the export function might find it harder to respond quickly to environmental changes as a turbulent environment demonstrates a higher pace and a larger number of changes compared

to a stable environment (c.f. Lazer and Shaw, 2000). Therefore, the potential relationships between export performance and environmental turbulence and export responsiveness and environmental turbulence are controlled (see Chapter 6).

All the discussed hypotheses are depicted in the conceptual model presented below.

4.9 Conclusion

In this chapter, a conceptual framework for the current study was presented. The hypotheses were developed based on the literature and the findings of the exploratory research. It was proposed that the relationship between export planning and export improvisation and the dimensions of export performance is the subject of the mediating role of export responsiveness. Moreover, it was argued that companies benefit from a combination of export planning and export improvisation. Specifically, the dimensions of improvisation are likely to moderate the relationship between export planning and export performance as well as the relationship between export planning and export responsiveness. Finally, it was proposed that the dimensions of export performance are related and that export customer performance positively influences the export financial performance of the firm.

In the next chapter, the methodology used to implement the study is described.

Chapter 5: Research Methodology

5.1 Introduction

Having developed a conceptual framework (see Chapter 4) based on the literature review (see Chapter 2) and exploratory research (see Chapter 3), it is now necessary to describe the research methodology employed in the current study.

The chapter begins with a section on research design where differences between exploratory and conclusive research are explained. Then, data collection is described including type of data (primary versus secondary data) and the methods of data collection (qualitative versus quantitative), with a prime focus on quantitative methods. Next, sampling procedures are discussed. The choice of probability sample for the current study is explained. This is followed by the section on questionnaire design. In the next two sections response rate enhancement techniques and pre-testing are respectively outlined. This leads into the description of the main survey implementation. The final section is concerned with a discussion of analytical procedures chosen for the data analysis. A two-stage analytical procedure was employed, including the estimation of a measurement model and the estimation of a structural model, following Anderson and Gerbing (1988).

5.2 Research Design

A research design is a framework for conducting a research project. It guides the data collection and the analysis, predetermines the type of information to be collected, the sources of the information, and the data collection method (Malhotra and Birks, 2003).

5.2.1 Exploratory versus Conclusive Research Design

There are two main types of research design: exploratory and conclusive. The choice between them depends on the research objectives (Parasuraman, Grewaland and Krishnan, 2007). The objective of exploratory research is to develop deep insights into the phenomena of interest (Stebbins, 2001). 'Exploratory research is appropriate for the early stages of the decision-making process. This research is usually designed to obtain a preliminary investigation of the situation with a minimum expenditure of cost and time. This research design is characterised by flexibility in order to be sensitive to the unexpected and to discover insights not previously recognized... Exploratory research is appropriate in situations of problem recognition and definition' (Kinnear and Taylor 1991, p. 133). Thus, exploratory research can be especially useful in the early stages of the research when limited information is known about the phenomenon and further clarification is needed.

In the current study the exploratory research design was used for the preliminary study of export decision-making among managers in the UK (see Chapter 3). This allowed the development of deeper insights into the constructs of export planning and export improvisation and their potential outcomes. Despite the fact that the obtained information helped to formulate specific hypotheses (see Chapter 4), it was not sufficient for making any generalisable conclusions. For those purposes, researchers have to employ conclusive research design.

The aim of conclusive research is to describe the specific phenomenon, to test hypotheses and to examine relationships between constructs (Parasuraman, Grewaland and Krishnan, 2007). Conclusive research designs are characterised by formal research procedures, where research objectives and information needed are clearly defined in advance (Kinnear and Taylor, 1991). For conclusive research to be employed, a researcher has to have pre-existing understanding of the studied phenomena and be able to clearly define the research problem. However, there are different approaches available for conducting conclusive research.

5.2.2 Conclusive Research Design Approaches

5.2.2.1 Experimental Approach

Experimental approach is defined as a 'scientific investigation in which an investigator manipulates and controls one or more independent variables and observes the dependent variable or variables for variation concomitant to the manipulation of independent variables' (Churchill 2001, p. 138). Due to the fact that experiments allow the achievement of strong internal and internal validity (Campbell and Stanley, 1963), they are often highly regarded by academics (Lee and Lings, 2008). Internal validity relates to delineating alternative explanation for hypothesised causal relationships, whereas external validity relates to generalisability of the results to other situations (DeVellis, 2000).

Another important advantage of experimental approaches is the ability to *infer* cause-and-effect relationships between variables. However, for causal research to be implemented, a researcher should be able to control for factors which might affect the relationship between the study's variables and bias the results. This aim is difficult (if ever possible) to achieve, as there is rarely a guarantee that all factors were controlled (Churchill, 2001). Thus, an experimental approach can be appropriate when a small number of variables is examined (e.g. two). At the same time, it is not particularly suitable for complicated models, as it multiples the number of control factors which need to be taken into account (Lee and Lings, 2008). Based on that argument the experimental approach was disregarded for the current research.

5.2.2.2 Cross-Sectional Approach

A cross-sectional approach involves data collection from the chosen elements at a single point in time (Bryman and Bell, 2007), which provides a 'snap shot' of the situation (Malhotra and Birks, 2003). This approach is often associated with sample surveys. As there is no time order, it makes it difficult to build an argument for causal relationships between studied phenomena. However, in some cases the researcher can *infer* causal relationships between variables. One of the main conditions for this to be acceptable is the development of strong theory where one variable causes the

other and not vice versa (Lee and Lings, 2008). Moreover, a cross-sectional design is well suited to studies of complex models, which are common in social science research (Bryman, 2004).

5.2.2.3 Longitudinal Approach

A number of authors recommend using longitudinal research instead of cross-sectional (e.g., Podsakoff and Organ, 1986; Slotegraaf and Inman, 2004; Filipescu et al., 2013). Longitudinal design involves data collection from the same sample (or samples) at multiple points in time. In other words, longitudinal research can be visualised as 'film strips', where multiple pictures are taken over time and some kind of continuality can be observed (Malhotra and Birks, 2003).

Despite the fact that longitudinal designs allow for stronger causal inferences to be made, compared with cross-sectional designs, they have limitations. First, 'confounds due to intervening events and a reduction in sample due to respondents attrition' are likely (Rindfleisch et al. 2008, p.262). Second, there is a lack of guidance on how to conduct longitudinal study (Bryman, 2004). Third, the continued participation in a longitudinal study may bias respondents' responses about their behaviour (Menard, 2002). In fact, longitudinal research is employed relatively rarely due to time and money constraints (Lee and Lings, 2008). For the current study longitudinal research could not be a real option due to limited time and budget available for the project.

To sum up, the current study represents a mixture of exploratory research and conclusive research. As described in Chapter 3, an initial exploratory (preliminary) study was conducted in order to develop insights into the export decision-making process. Following this, a cross-sectional approach was used in order to test the hypotheses.

5.3 Data Collection

5.3.1 Primary and Secondary Data

Data collected can be primary or secondary (Kinnear and Taylor, 1991). Primary data is gathered by a researcher and tailored to the specific problem examined (Hair et al., 2011). The use of primary data is usually beneficial as the exact information needed is collected. However, the collection of primary data can be costly and time-consuming.

Secondary data is information previously collected for other purposes or projects and not for the current study. There are two main types of secondary data, classified by sources: internal data and external. Internal data are obtained directly from the organisation participating in the study; external data are obtained from outside sources (e.g. database companies) (Gordon, 1995).

The use of secondary data allows for significant reductions in costs and time. However, secondary data rarely fits perfectly the purposes of the study at hand as it was collected for another study or for entirely different purposes and research. The accuracy of secondary data also cannot be guaranteed; data could be collected using inappropriate methods or be outdated. In order to increase the accuracy of data, it is advised to access secondary data from a reputable primary source (e.g. from the organisation where the data originated from) (Aaker, Kumar and Day, 2007). However, it is also important to distinguish between self-reported and non-self-reported secondary data (e.g. government statistics, objective financial figures) (Smith, 2008). The latter is often used in top academic journals to triangulate performance measures (to supplement primary data self-reported data) (e.g. Pangarkar and Klein, 2004; O'Sullivan and Abela, 2007; Yarbrough, Morgan and Vorhies, 2011). The use of the secondary financial data would be beneficial for the research. However, the current study is specific to exporting, and export-specific finical figures are not typically available (only corporate-level financial figures are).

Despite the costly and time consuming nature of primary data collection, the current research requires the collection of the information from primary sources to achieve the objectives of the study.

5.3.2 Qualitative versus Quantitative

There are two main types of research designs in terms of data collection: qualitative and quantitative. The type of research chosen depends on the purpose of the study. An exploratory purpose usually favours qualitative research, whereas conclusive purposes tend to warrant quantitative methods (Malhotra and Birks, 2003).

Quantitative research entails a deductive approach (Newman and Benz, 1998). Theoretical issues drive the formulation of a research question, which in turn drives the collection and analysis of data. Findings are then supposed to fill the theoretical gaps identified beforehand (Kinnear and Taylor, 1991).There is an emphasis on testing theory and the ability of the researcher to be objective (Neuman, 2005). It embodies a view of reality as an external and objective entity.

Quantitative research aims to examine the relationship between the variables and compare the cases. When quantitative methods are used, the examined phenomenon and information sought are specified, mostly closed-ended questions are used, data is analysed statistically and the conclusions drawn based on that statistical analysis (Teddlie and Tashakkori, 2008).

On the other hand, in qualitative research, it is assumed that theory and categorisation emerge out of the research rather than precede it (Silverman, 2005). ‘Qualitative research is a situated activity that locates the observer in the world. It consists of a set of interpretative, material practices that make the world visible. These practices transform the world… Qualitative researchers study things in their natural settings, attempting to make sense of, or to interpret, phenomena in terms of the meanings people bring to them’ (Denzin and Lincoln, 2000, p. 3). Qualitative research is based on the assumption that the understanding of the social world is possible through an examination of the interpretations of that world by the respondents (Bryman, 2004).

However, qualitative research does not allow one to examine or measure quantity, extent, intensity or frequency of the particular phenomenon. In the broadest sense, it helps to answer the question about *how* social experience is created (Denzin and Lincoln, 2000). When qualitative methods are employed, usually text and image

analysis is involved and the conclusions are drawn based on interpretations, emerging themes and patterns (Creswell, 2009).

There is an understanding that quantitative and qualitative research are connected with distinct epistemological and ontological assumptions, but these connections are not viewed as fixed. Sometimes a mixed method approach is used (e.g. Brannen, 2005). In that case, qualitative and quantitative research are viewed as complementary (Teddlie and Tashakkori, 2008).

There are two main types of mixed method approaches: sequential and concurrent.

Sequential mixed methods occur when the researcher expands on the findings of one method with another method (Greene, Caracelli and Graham, 1989). When qualitative research facilitates quantitative it could help to develop hypotheses, to aid measure development or to assist the interpretation of the relationship between variables. On the other hand, one of the most common ways in which quantitative research can facilitate qualitative is through selection of people to be interviewed (Denzin and Lincoln, 2000).

Concurrent mixed methods occur when a researcher merges the use of qualitative and quantitative methods, for example, when both qualitative and quantitative data is collected from the same respondents. In that case the data can be more easily compared (Creswell, 2009). That allows a researcher to judge whether the information provided by the respondent is consistent regardless the method used for the data collection (Creswell and Plano Clark, 2011)

A sequential mixed method approach was chosen for the current study to meet multiple objectives. First, the exploratory qualitative research was conducted in order to get further understanding of export decision-making process (see Chapter 3). Then a number of hypotheses were developed based on the literature review and exploratory study (see Chapter 4). For the main stage of the research, quantitative methodology was used to collect the data.

5.3.3 Quantitative Data Collection

A survey method is a common quantitative data collection technique used in social science (May, 1999) and particularly in business and management research (Griffins, Goldsby and Cooper, 2003). Surveys are often associated with questionnaires. The distinct characteristic of surveys is that they are 'characterised by structured and systematic set of data… All it means is that we collect information about the same variables or characteristics from at least two (normally more) cases and end up with a data matrix' (de Vaus, 1996 p. 3). It means that all respondents are asked the same questions and are able to answer within the given range of provided answer-options. This allows for a statistical analysis of the relationships between constructs and comparisons between respondents (Churchill and Iacobucci, 2002).

There are different means available for conducting surveys: face-to-face, telephone, mail and online (e.g. Willimack et al., 1995; Cobanoglu, Warde and Moreo, 2001; Wright 2005). For the current research, the method of face-to-face data collection was rejected mainly due to interview bias (Bailar, Bailey and Stevens, 1977). For example, respondents can be more conscious to reveal sensitive (financial) information in the presence of the interviewer. Moreover face-to-face data collection is associated with high costs and time commitment. As the population of interest for the current study included export managers around the UK (see for more details section 5.3.4), the benefits of face-to-face data collection (for example, higher rate of questionnaire completion) would not outweigh the costs associated with travelling around the country. Additionally, the busy schedule of export managers (who are often out of the office or even out of the country) would have prolonged the period of data collection.

Telephone interviews were rejected mainly due to the length of the questionnaire and its general complexity. A twelve-page questionnaire was constructed (see section 5.5), taking about 30 minutes to complete. It would have been difficult for managers to devote 30 minutes for a telephone interview. At the same time, some people prefer to see written-down questions before providing answers, as it allows for thinking and finding required information if needed (e.g. specific sales figures) (c.f. Hox and De Leeuw, 1994).

A mail survey technique was rejected mainly due to the nature of the export managers' job. As mentioned above, they are often out of the office, working from home, meeting clients or travelling to another country. These circumstances increase the probability that they would not receive a mailed questionnaire, receive it with significant delay or that eventually the questionnaire would be filled in by someone else rather than the key informant (for example, any manager who is the office at that moment), or not filled in at all. All these factors negatively influence the response rate and increase the probability of data collection biases (Dillman, 2007).

The final option is an online survey, which represents a promising way forward in survey administration (Albaum et al., 2010). 'Online surveys are becoming more frequent compared to alternative survey methodologies and this is likely to continue as the demographic penetration of the internet increases' (Hooley, Marriott and Wellens 2012 p. 42). According to Dillman (2007 p. 358) 'the rapidity of innovation in computer equipment and access, suggests considerable long-term optimism with regard to conducting email and web surveys'. In the section below the advantages and disadvantages of online surveys are outlined in more details.

5.3.3.4 Online Data Collection Methods

There are six main advantages to online surveys. Firstly, it allows for a reduction in the costs of survey implementation (paper costs, mailout, data entry costs etc.) (Griffins, Goldsby and Cooper, 2003). Second, it helps to overcome the international barriers for conducting the research (Crawford, McCabe and Pope, 2005) as the research can be accessed regardless respondents' location (Fricker and Schonlau, 2002; Hooley, Marriott and Wellens, 2012). That is particularly relevant for the current research as export managers often visit clients in other countries. Third, sample size can be maximised without a direct increase of costs. Fourth, responses can be received quicker, and automatically inputted into the relevant analysis software (e.g., SPSS). Finally, the rate of non-response for open-ended questions is lower for online surveys compared with mail surveys (e.g Benfield and Szlemko, 2006; Van Selm and Jankowski, 2006; Heerwegh and Loosveldt, 2008). Despite the fact that most of the questions developed for the current study were closed-ended (respondents were provided with answer-options), some required manual input of

open-ended answers (e.g. number of employees, number of companies exporting to) (see Appendix 5.1).

Although, online surveys suffer from a number of limitations that researchers have to be aware of:

Online surveys are not appropriate for all studied groups. The stability of this method is completely dependent on the level of computerisation of a target population (Schaefer and Dillman, 1998). 'The use of Internet surveys for conducting high quality probability surveys will be limited to survey populations with high rates of computer use. Surveys of business, universities, large organisations, groups of professionals [,...] are examples' (Dillman, 2007 p.356). For export managers (which represented the population of interest for the current study), there are only minor coverage problems associated with online surveys. That said, while most company managers know how to use computers, not all are familiar with electronic questionnaires (Hooley, Marriott and Wellens, 2012). To overcome this issue, clear explanations and instructions on how to fill in the survey instrument are required.

In addition, people can be more conscious about confidentiality issues using electronic rather than paper questionnaires (Ranchhod and Zhou, 2001). In response, a guarantee of confidentiality should be provided. For example, emails can be sent from the University email address rather than from the personal account of the researcher.

Finally, it is likely that the online questionnaire seen by the respondent will not be exactly the same as the one initially created by the researcher due to differences in computers (e.g. operating system, web browser used, software). Some of the differences between what a researcher and a respondent see, could include (according to Dillman, 2007):

- different colours,
- changes in the distances between horizontal scale categories,
- misaligned text,
- page/questions require scrolling to be seen in their entirety,
- a change in the visual appearance of questions.

Despite some disadvantages associated with online surveys, its benefits significantly outweight its limitations. As a result, online data collection method was chosen for the current research.

5.3.5 Online Engine Choice

Prior to final choice, a number of online survey engines were considered, including 'Zoomerang', 'SurveyGizmo', 'Selectsurvey.net', 'Qualtrics 'and 'Survey Monkey'. 'SurveyMonkey' was found to have several important advantages. First, it is easy for the researcher to navigate and for the respondent to use (c.f. Wright, 2005). Second, the website is suitable for different versions of software systems (http://idealware.org/articles/fgt_online_surveys.php). Third, the engine provides 15 types of questions to choose from, which was satisfactory for the current project. Fourth, 'SurveyMonkey' is widely used by practitioners (Survey Software reviews, http://www.survey-reviews.net/index.php/2009/03/surveymonkeycom-review/), which increases the probability that managers are familiar with the online questionnaire outline. Moreover, it increases the chance that managers will follow the link which they are familiar with rather than delete it in a fear of being spammed. Finally, no additional software is required to design a questionnaire (www.surveymonkey.com).

As a result, the 'SurveyMonkey' online engine was chosen for the implementation of the survey.

5.4 Sampling

According to Churchill and Iacobucci (2002) there are six major steps for drawing a sample:

1. Definition of the target population
2. Identification of the sample frame
3. Selection of the sample procedure
4. Determination of the sample size
5. Selection of the sample elements
6. Data collection from the designed elements

5.4.1 Target Population

Firstly, it is necessary to describe which elements the target population consists of, for example, individuals, households, business companies etc. The results of the current research are going to be generalised to UK export manufacturing firms who represent the target population for the study. Based on a report by the British Chambers of Commerce titled 'Exporting Britain' and published in June 2009, the following information is known about the target population:

- The British Chambers of Commerce have 100,000 registered businesses that together employ more than 5 million employees. '31% of Chamber members have exported goods or services from the UK in the last 12 months; 14% of those not currently exporting have previously done so and 11% are considering doing so in the future' ('Exporting Britain', 2009 p.4). Over half of exporting comes from the manufacturing sector – 51%.
- '87% of Chamber members, who are currently exporters, are exporting to Europe. Asia is served by 56% of businesses; 39% export to the Middle and Near East, 23% to China, 21% to India, and 20% to South East Asia; 49% are exporting to the Americas; 40% to the USA, 22% to Canada, and 16% to South America' ('Exporting Britain', 2009 p. 4).
- Among companies exporting goods or services from the UK, 81% indicated that they have less than 50 employees; 12% have between 50 and 249 and 6% have 250 employees and more (see Table 5.1 below):

Table 5.1: Number of Employees

Exported goods or services from UK in the last 12 months (according to 'Exporting Britain' 2009)	**%**
0 – 4 employees	34
5 – 49 employees	47
50 – 249 employees	12
250 + employees	6

5.4.2 Sample Frame

The second step in a sample selection is to identify the sample frame. A sample frame is a list of the elements from which the actual sample is drawn (Malhotra and Birks, 2003). Unfortunately, 'there is rarely a perfect correspondence between the

sampling frame and the target population of interest' (Churchill and Iacobucci, 2002 p. 451). There are different lists which can be used as a sample frame, including telephone books, lists of registered voters, databases etc. If lists are not readily available, they can be created by the researchers themselves (c.f. Cowan, 1991).

Despite the fact that for the exploratory research Kompass database was used, the decision was made to use a different database for the quantitative study, as the information in Kompass database was severely outdated (information on export activity of the company, telephone number, name of the manager, email address).

For the current study the 'Database of British Exporters' was used. The database was first complied in 1989 by the company 'UK Exporters Ltd' and since then it is updated on a daily basis (according to the information on the company website: http://www.exportuk.co.uk/index.php). Initially the database consisted of 8000 companies. However, the same database was used by another study undertaken at Loughborough University. As a result, only half of the database (4000 companies) was available as a sample frame for the study. The split was made on a random sampling basis to eliminate bias.

5.4.3 Sample Procedure

The third step is related to the selection of the sample procedure. There are two broad sampling procedures identified: drawing on probability samples or non-probability samples (Kinnear and Taylor, 1991).

Non-probability samples are drawn based on the personal judgement of the researcher, the probability of selecting any particular element is not known and as a result the findings cannot be generalised to the target population (c.f. Yeager et al., 2011).

There are four main types of non-probability sample techniques: convenience sampling, judgemental sampling, quota sampling and snowball sampling (Churchill and Iacobucci, 2002). Convenience sample is based on the elements convenient for the researcher to obtain the information from. Judgemental sample is a special type of convenience sample where the sample is drawn based on the judgement of the

researcher. Quota sample is a two-stage non-probability sample technique. ‘Sample is chosen in such a way that the proportion of sample elements possessing certain characteristics is approximately the same as the proportion of the elements with the characteristics in the population’ (Churchill, 2001 p. 455). Thus, initially, the control quotas of the population elements are developed (e.g. age groups). Secondly, the sample is drawn based on convenience or judgement. In snowball sampling, firstly, a small group of respondents is chosen to obtain the information from. After they have participated in the study, they are asked to recommend other potential participants of their knowledge who belong to the target population (Malhotra and Birks, 2003).

‘Probability samples are distinguished by the fact that each population element has a known, nonzero chance of being included in the sample’ (Churchill and Iacobucci 2002, p.453). The probabilities of the selection do not have to be equal, but have to be known. That allows the probability sample to be representative of the population. Representative sample is the one which accurately reflects the target population. The representativeness of the sample enables the findings of the research to be generalised to the target population (Aaker and Day, 1990).

There are four basic probability sampling techniques: simple random sampling, systematic sampling, stratified sampling and cluster sampling (Cohran, 1977). Simple random sampling is based on random and independent criterion of the sample elements selection. Each element has a known and equal probability to be selected. In systematic sampling, initially, a random starting point is chosen and then each *ith* element is chosen from the sample frame. ‘The sampling interval *i*, is determined by dividing the population size *N* by the sample size *n* and rounding to the nearest whole number’ (Malhotra and Birks, 2003 p.368). Similarly to simple random sampling, in systematic sampling each element has a known and equal probability to be selected. In stratified sampling, first, strata or sub-groups of the population are identified from the target population, and then the elements are randomly selected from each stratum. In cluster sampling the target population is ‘divided into mutually exclusive and collectively exhaustive sub-populations’ (Malhotra and Birks, 2003 p.370). Then a random sample is drawn from the clusters available. Either all elements from the clusters selected are included in the final

sample or the elements are chosen from the clusters based on one of the probability sample techniques.

Probability sampling was used for the current study, allowing for greater representativeness of the sample, and therefore better grounds for the generalisation of the results to the population of UK manufacturing firms involved in exporting. More specifically, systematic probability sampling was employed, '24' was randomly chosen as a starting point and then every second element was selected from the database to form the sample.

5.4.4 Sample Size

The results of the pre-test indicated the anticipated response rate for the main survey is about 10-12% (see section 5.7 for more details). In order to test for reliability and validity of the measures, it is recommended to obtain information from between 100 to 200 respondents (Spector, 1992). Taking into account the initial response rate of 10-12%, in order to obtain 100-200 responses a sample of 1000-2000 elements should be drawn (see section 5.8.2 for more details).

5.4.5 Selection of Sample Elements

The data was collected from a single respondent. The use of a single informant was considered to be appropriate for the current study. First, the use of a single informant is appropriate if a respondent is knowledgeable about the subject (Wilson and Lilien, 1992). Secondly, the results of the exploratory study highlighted that often only one person in the export function is a key decision-maker for the export matters. Furthermore, sometimes the whole export function could consist of one person (especially in SMEs). According to Sousa, Martinez-Lopez and Coelho (2008 p.349) '[G]enerating information from multiple informants on export marketing issues may lead to the generation of data from individuals who are not very knowledgeable about the firm's export operations, and thereby decrease the accuracy of the information provided'. As a result, use of multiple respondents can create biases, if the respondents are not knowledgeable about the export decisions. The exact job title was not specified as different types of managers can be in charge of export duties. The most important criterion was the job role of the respondent: he or she had to be the company export decision-maker (export sales and marketing).

5.5 Survey Design

5.5.1 Questionnaire Design

There is no one single ‘recipe’ on how to design the best questionnaire. Each time it takes a lot of time and effort, revisions and reconsiderations (Sudman and Bradburn, 1982). The information sought needs to be made explicit and is guided by the conceptual development of the research (Churchill and Iacobucci, 2002). Researchers have to decide on wording for each question and the forms of response (Oppenheim, 2005).

Considerable attention has to be paid to developing clear and unambiguous questions. To achieve this, according to de Vaus (1996) a researcher has to follow the following main recommendations:

- Jargon or technical terms should not be used
- The short questions are preferable
- Each single question should not contain more than one question (not to be a double-barrelled)
- Leading questions have to be avoided
- Respondents have to have an understanding that there are no right or wrong answers

Questions can be presented in a form of open-ended or close-ended questions. Open-ended questions are used in surveys less often than closed-ended ones as response rate for them is usually lower especially for mail surveys (Hox and De Leeuw, 1994). Closed-ended answers are especially appropriate when responses must be compared across multiple respondents (Churchill, 1999). In addition, the use of a closed-ended response format reduces the time taken to complete the questionnaire (Baker, 2003).

If a closed-ended format of questions is chosen, the different types of answer scales are available.

There are four types of scales in terms of the characteristics of the number system: nominal, ordinal, interval and ratio (Kinnear and Taylor, 1991).

A nominal scale is where numbers are used to classify or identify the cases. In other words, the numbers assigned to the cases are the labels which completely lose their ‘numeric’ nature. That allows to count the cases, but not to determine whether one is bigger than the other (Churchill, 2001).

An ordinal scale assigns the ‘order’ to the objects or events. That allows to identify whether the objects or events are different in terms of order or magnitude. For example, if a variable is measured with the scale ‘1=always’, ‘2=sometimes’ and ‘3=never’, that variable has some kind of order. However, a researcher is not able to say that the difference between options 1 and 2 is the same as between 2 and 3. There is no meaning of the gaps between the numbers (Lee and Lings, 2008).

In an interval scale numbers are used to rank the objects or events. Unlike an ordinary scale there is ‘equality of difference’ between the alternatives. The example of interval scale is the Celsius scale where the difference between 5 and 10 degrees is the same as between 10 and 15. That has a major implication for the statistical analysis, as the variables measured through interval scale can be analysed using a majority of statistical tools (Kerlinger and Lee, 2000). It is common in marketing to treat attitudinal and opinion scales as interval (Kinnear and Taylor, 1991).

A ratio scale has all the features of interval scale with an addition of the ‘absolute zero’ idea (May, 2004). For example, measurement of the distance is a ratio scale.

The most commonly used scales include Likert scale, semantic differential scale, checklist and ranking scale (de Vaus, 1996). Likert scale places respondents’ answers on an attitude continuum. The number of statements is provided and the respondents are asked how strongly they agree or disagree with each statement (Churchill, 2001). Likert scale is usually treated as a type of interval scale (Kinnear and Taylor, 1991). Semantic differential scale consists of choosing between pairs of opposite adjectives. The scale is used not only to provide matters of opinion, but to map the images that people have about a particular topic (Mehrabian and Russell, 1974). Checklist represents a list of items (categories) which a respondent have to choose one or more options from (May, 2004). Ranking scale provides a list of alternative answers where respondents are asked to rank their importance (de Vaus, 1996).

Most of the items in the questionnaire were measured using a 7-point Likert scale. The respondents were asked to assess their agreement/disagreement with the statement, the answer options ranged from 1='Strongly disagree' to 7='Strongly agree'. The 7-point scale is often considered to be the most optimal in terms of number of options; some authors argue that over 5 points is better, as it enables answers to be captured more accurately (e.g. Brady et al., 2005), and others suggest that 9-point scales can frustrate respondents (e.g. Kim, 1998). As a result the usage of 7-point scale is increasingly common in marketing research (e.g. Olson, Slater and Hult, 2005; Cadogan, Kuivalainen and Sundqvist, 2009; Hultman, Katsikeas and Robson, 2011).

Where information about company characteristics was sought (see section 5.5.2.6), open-ended questions were used. Nominal scale was also used for one question ('Yes-No' question on the existence of the export department).

After each single question is finalised, the sequence of the questions is decided. The logical structure of the questionnaire is important (Sudman and Bradburn, 1982). To assist a logical flow the questionnaire should start with more general easy questions and proceed with more specific difficult questions (de Vaus, 1996). Furthermore, sensitive questions (e.g. about financial data) have to be asked towards the end of the questionnaire. Otherwise, respondents can be disencouaraged to provide further information and premature terminate of the questionnaire filling (c.f. Bradburn, Sudman and Wansink, 2004).

For the current study a twelve-page online questionnaire, initially containing 38 questions was designed. It consisted of the questions about main constructs, examined in the study (export planning, three-dimensional construct of export improvisation, export responsiveness and two-dimensional construct of export performance), control variables (environmental turbulence) and questions about the company (e.g. years of exporting, number of employees) (see below for more details)[*]

[*] The full version of the questionnaire included a number of constructs outside the scope of this PhD (e.g. innovation, competitive advantage). They belong to a separate study at Loughborough University funded by the British Academy. For the pupose of this thesis the constructs that are specific to the current study will be detailed. For a full version of the questionnaire see Appendix 5.2.

5.5.2 Constructs Measurements

Measures chosen for the constructs in the model were drawn from existing scales (sometimes with necessary adaptation) and the in-depth interviews conducted in the preliminary phase of the study. First, export specific measurements were considered. If satisfactory measurements were not found, then non-export measurements were adapted for the export context. The measurements were chosen based on relevance and historical psychometric properties. Some of the constructs were complemented with items developed based on exploratory research, as detailed below.

5.5.2.1 Export Planning

The question on planning included 10 items. 8 items used were adapted for the export context from Bailey, Johnson and Daniels (2000). Despite the fact that Bailey, Johnson and Daniels' s scale represent a well-established scale, it is not export specific. Thus, additionally two statements based on the exploratory study were added to that question.

Table 5.2: Operationalisation of Export Planning

Variables and Items	Source
Our export decisions are often made explicit in the form of precise plans	Bailey, Johnson and Daniels, 2000
When we formulate an export decision it is often planned in detail	
We tend to have precise procedures for achieving export objectives	
We have well-defined planning procedures to search for solutions to exporting problems	
We usually assess many alternatives when deciding on an export decision	
We often evaluate potential export-market options against explicit export-market objectives	
We generally develop definite and precise exporting objectives	
We make our export decisions based on a systematic analysis of our business environment	
We have a systematic formal procedure to follow for export decision-making	Exploratory study
We use formal analysis of export information	

5.5.2.2 Export Improvisation

Export improvisation was operationalised as three constructs, including spontaneity, creativity and action-orientation, as per Vera and Crossan (2005). That enabled to operationalise export improvisation according to its conceptual definition. As discussed in Chapter 2 (see section 2.4.2 for more details) improvisation is defined as 'the spontaneous and creative process of attempting to achieve an objective in a new way' (Vera and Crossan, 2004, p.733). The measures of spontaneity were developed from Moorman and Miner (1998), Vera and Crossan, (2005) and the exploratory study. The items for creativity were developed from Hmieleski and Corbett (2006). Action-orientation items were based on the measures proposed by Diefendorff et al. (2000), Jaramillo and Spector (2004), Hmieleski and Corbett (2006), additionally one item was added based on qualitative research. The exploratory study helped the development of the pool of additional items (see Chapter 3). As mentioned above (see Chapter 2), there is a lack of empirical research on the topic of improvisation where reliable and valid scales still have to be developed. For that purpose the extensive pool of items is required further to purify the scales (see section 5.9 for more details). All items from the existing scales were adapted for the export context.

Table 5.3: Operationalisation of Export Improvisation

Variables and Items	Source
Spontaneity	
We are able to deal with unanticipated export events on the spot	Vera and Crossan, 2005
We have an ability to respond 'in the moment' to unexpected export problems	
We often make ad-libbed export actions	Moorman and Miner, 1998b
In our export function, decision are often made and implemented at the same time	
In our export function we are good at thinking on our feet	Exploratory study
We often make export decisions spontaneously	
We often make export decisions out of the blue	
We often figure out export action as we go along	
We often implement export decisions straight away/ instantaneously	
We often make export decisions 'on the hoof'	
Creativity	
We often produce new ideas in doing exporting	Hmieleski and Corbett, 2006
We are very inventive in our export function	
In our export function we serve as good role models for creativity	
We often try new approaches to export problems	
We often demonstrate originality in our export work	
In our export function, we are good at 'thinking outside the box'	
We find new solutions for existing export problems	
Action-orientation	
Nothing is more important for us than actioning on our export decisions	Hmieleski and Corbett 2006
We are persistent in seeing through our export decisions	
We do not tend to be distracted when actioning an export decision	
We never engage in irrelevant actions for achieving export goals	Diefendorff et al., 2000
We are always focused on actioning our export decisions	
We never get bogged down in details while making export decisions	Jaramillo and Spector, 2004
We always ensure we implement improvised export decisions	Exploratory study

5.5.2.3 Export Responsiveness

Responsiveness is defined as quick adaptation to environmental changes (see Chapter 4). Based on the results of the qualitative study the wording of the items was adapted to managerial language. Respondents were more comfortable with the words ‘adapt’/ ‘adaptation’ rather than ‘respond’/ ‘responsiveness’. A 6-item export responsiveness construct was developed based on Souchon et al. (2004).

Table 5.4: Operationalisation of Export Responsiveness

Variables and Items	Source
We are able to rapidly adapt to change in our export market (s) when we need to	Souchon et al., 2004
We are able to adapt to market changes in our export market(s) quickly	
We are very quick to adapt to shifts in our export market(s) (e.g., competition, technology, regulations)	
We are very good at adapting to change in our export market(s)	
When we come up with a great solution to an export problem, we can implement it very quickly	
We can quickly react to export market opportunities	

5.5.2.4 Export performance

Export performance in the current study is conceptualised two-dimensionally, including export customer performance and export financial performance dimensions. Thus, the question on export performance included subjective measurements concerned with satisfaction on export customer and financial performance over the past three years in terms of: export sales volume, export sales growth/decline, export market share, export market entry, profit growth/decline, profit margins, customer satisfaction, customer retention (Hultman, Robson and Katsikeas, 2009; Leonidou, Palihawadana and Theodosiou, 2011).

Subjective measures of export performance represent perceptual or attitudinal performance (Cadogan, Kuivalainen and Sundgvist, 2009; Navarro et al. 2010). According to Day and Nedungadi (1994) decision-making process is mainly guided by the perception of a firm’s performance rather than by its absolute indicators. The interpretation of objective data can be difficult as objective data does not necessarily reflect the initial goals of the company (Katsikeas, Piercy and Ioannidis, 1996; Leonidou, Katsikeas and Samiee, 2002). For example, some companies in the

exploratory research explained that their sales and profit did not grow mouch compare to the last year, however they are very satisfied with their export performance as they managed to achieve their targets and keep their customers satisfied (Company 3, 4, 7 and 9). Moreover, the majority of exporters are small and medium sized companies that often do not have separate records for exporting activities (Lages, Lales and Lages, 2005).

Table 5.5: Operationalisation of Export Performance

Variables and Items	Source
Export sales volume	Leonidou, Palihawadana and Theodosiou, 2011
Export market share	
Customer satisfaction	
Customer retention	
Export sales growth/decline	Hulman, Robson and Katsikeas, 2009
Export market entry	
Profit growth/decline	
Profit margins	

5.5.2.5 Environmental Turbulence

Environmental turbulence is operationalised three-dimensionally, as technological turbulence, market turbulence and competitive intensity (Kohli and Jaworski, 1990) Export specific measure were adopted from Kaleka and Berthon (2006).

Table 5.6: Operationalisation of Environmental Turbulence

Variables and Items	Source
Technological turbulence	
The technology in our export market(s) is changing rapidly Technological changes provide big opportunities for our export operations	Kaleka and Berthon, 2006
A large number of new export product ideas have been made possible through technological breakthroughs in our industry	
Competitive intensity	
Competition in the majority of our export-market is cut-throat	Kaleka and Berthon, 2006
There are many promotion wars in our export markets	
Anything that one export competitor can offer, others can match readily	
Price competition is hallmark in our export-markets	
One hears of a new export competitive move almost every day	
There are too many similar products in the export-market; it is very difficult to differentiate our products	
This export-market is too competitive; price wars often occur	
Market (Customer) turbulence	
Our export customers' product preferences change quite a bit over time	Kaleka and Berthon, 2006
Most of our export customers tend to look for new product all the time	
We are witnessing demand for our products from export customers who never bought them before	
When we have new export customers, they tend to have product related requirements that are different from those of our existing export customers	

5.5.2.6 Company Characteristics

To ensure that the questionnaire was filled in by export manufacturing companies rather than export service companies, the question about the proportion of the export turnover derived from physical goods or services was introduced.

In spite of the fact that companies exporting 100% services were beyond the population of interest for the current study, the option to finish the questionnaire, if respondents provided such an answer was not introduced. There was a danger that relevant respondents would use that as an excuse not to fill in the questionnaire.

Table 5.7: Manufacturing versus Service Companies

What proportion of your export turnover is derived from (TOTAL 100%) Physical goods (%) Services (%)	Cadogan et al., 2002

Questions were also asked about company size (number of employees and total sales turnover), number of years of exporting, availability of the export department, number of employees, number of export stuff employees in exports, number of countries exporting to and export dependence (percentage of total sales turnover and profit derived from exports). Detailed information about the company characteristics can help to discuss findings which are non-significant or in contradiction to expectations.

Table 5.8: Company Characteristics

Variables and Items	Source
How long has your firm been exporting?	Bodur, 1994
Do you have a specific export department?	Diamantopoulos, Schlegelmilch and Allpress, 1990
How many full-time staff are employed by your company? (Only consider those on your UK payroll)	Cavusgil and Zou, 1994
Of these, how many are directly involved in exporting matters (including yourself)?	
How many countries does your firm export to?	Seringhaus and Rosson, 1991
Approximately what percentage of total sales turnover is derived from exports?_%	Calof, 1994; Katsikeas, Leonidou and Morgan, 2000, Wolf and Pett, 2000
Approximately what percentage of total profits is derived from exports?__ %	
In the last year, what was your annual sales turnover (approximately, in Pound Sterling)?	

5.5.3 Measurement Error

Measurement error relates to the extent to which the observed values are not representative of the 'true' values (Hair et al., 2006). If measurement errors occur, the validity of the research conclusions is questioned (Bagozzi, Yi and Phillips, 1991). There are multiple sources of measurement error including construct errors, survey instrument errors, data analysis error and method errors (Shiu et al., 2009).

Construct development error relates to the complexity and ambiguity of the variables (Podsakoff et al., 2003). To decrease the possibility of construct development error occurring, the items for the questions were sourced mainly from well-established scales. Specific attention was paid to the items sourced from the exploratory study. Effort was made to avoid ambiguity and to use managerial language (for example, as

was done in the case of the ‘responsiveness’ construct). The items were further revised after the questionnaire was pre-tested (see section 5.7).

Survey instrument error is related to misinterpretation of the items in the questionnaire (Collins, 2003). During protocols and debriefings the problems of misinterpretations rarely occurred, but misleading items were either dropped from the questionnaire or revised.

Data analysis error usually occurs when an inappropriate analytical procedure is selected (Hair et al., 2006). A two-stage analytical procedure is employed in the current study, including the estimation of a measurement model and the estimation of a structural model. The use of a two-stage analytical procedure helps to develop reliable and valid measures prior to hypotheses testing (Anderson and Gerbing, 1988) (see section 5.9 for more details).

Common method variance is one of the main sources of measurement error. ‘Common method variance refers to the shared variance among measured variables that arises when they are assessed using a common method’ (Simsen, Roth and Oliveira, 2010 p. 456).

Common variance between measures can occur because the data is collected from the same respondent (Spector and Brannick, 2009) or because the item characteristics (e.g. scale format) (Podsakoff et al., 2003).

In order to minimise the effect of common method variance, occurring due to the usage of the same respondent, it is suggested to obtain multiple measures from different respondents and at different points in time (Podsakoff and Organ, 1986 1986). For the current study that approach was not implemented due to the fact that in the export function usually only one person is a responsible decision-maker (Sousa, Martinez-Lopez and Coelho, 2008). Thus, obtaining export information from multiple respondents will add bias rather than reduce it.

It is argued that the use of different scales and formats of response in the questionnaire helps to minimise common method variance (Podsakoff et al., 2003). Thus, in the current research both closed-ended and open-ended questions were used. Moreover, the closed-end Likert-type questions were presented in a different format, including matrices and drop-down menus.

One of the ways to check whether common method variance occurs in the data is to use Harman's one-factor test while performing factor analysis of the constructs (CFA) (e.g. Olson, Slater and Hult, 2005; Shilke, Reimann and Thomas, 2010; Kyriakopoulos, 2011). Harman's one-factor test is based on the rationale that if CMV represents a serious problem to the analysis, a single latent factor would account for all manifest variance (Podsakoff and Organ, 1986). If the fit indices are detoreated when a single factor solution is introduced, it will suggest that CMV does not represent a serious problem to the data.

5.6 Response Rate Enhancement

A good response rate is important for representativeness of the sample (Churchill, 2001). If the response rate is low it increases the chance of non-response bias to occur (see section 5.8.3 for more details) and generalisability of the results can be questioned. Different methods can be used to improve response rates.

First, it is important to choose carefully the target population (c.f. Baruch, 1999), and that access (to the respondent and data) is potentially possible. For example, it would not be surprising to have a very low response rate from companies which are dealing with restricted information. Before the current research was conducted access to data was verified. It was found that several databases are available to provide information about exporting companies (e.g. contact details, name of the managers).

Second, the researchers need to make sure that the respondents understand the value of the research and their own contribution to it (Churchill and Iacobucci, 2002). The respondents should be provided with information about the content and purpose of the study (Singer, 1978). The potential respondents were firstly contacted by phone, and the purpose of the study was explained to them and their email address was confirmed. Then, respondents were sent an introductory email, where the information about the project was explained in more detail.

Third, the respondents have to be guaranteed confidentiality of their responses (Singer, VonThorn and Miller, 1995). The exploratory study confirmed that business

managers (export managers) usually would not want their company to be identified in the results due to the fear of competition. All respondents participating in the study were guaranteed confidentiality and that their company will not be identified in the results.

Fourth, the use of both monetary and non-monetary incentives can increase response rates (Church, 1993). Among non-monetary incentives one of the most commonly used is a report based on the summary of the research results (Jobber and O'Reilly, 1998). For the current study a non-monetary incentive was used. Potential participants were promised to be sent a report based on qualitative results as soon as a questionnaire was completed.

Fifth, pre-testing helps to identify any problems with the questionnaire (Collins, 2003), based on the respondents' comment, non-responses to sensitive questions etc. A revised questionnaire can be more appealing when the main sample study is implemented (Churchill and Iacobucci, 2002). In order to achieve the best results a three-stage pre-testing techniques was employed, including debriefings/protocols and two pilot studies (see section 5.7).

Six, the preliminary notification such as advanced letter/email, phone call or a post card is found to influence positively a response rate (Jobber and O'Reilly, 1998). When a respondent receives an actual questionnaire he or she can more easily relate it to the received earlier pre-notification. It increases the chances that the respondent will devote some attention to the questionnaire and it would not be deleted immediately (Dillman, 2007). As it was mentioned above, all potential participants were firstly contacted by phone.

Seventh, the length of the questionnaire influences the response rate. Questionnaires with less than or equal to 4 pages long have a higher chance of being completed (Yammarino, Skinner and Childers, 1991). However, the length of the questionnaire is often hard to curtail. Researchers have to find a compromise between the rigour of their research, the number of constructs measured and the ideal response rate. The decision was made not to reduce the questionnaire length, and the final version of the questionnaire contained twelve pages in total.

Finally, it often happens that the questionnaire is sent at a time not convenient for the respondents. For example, they can be busy or be out of the office. The follow up procedure increases the chance that the respondent will receive a questionnaire at the convenient time and positively influences a response rate (Kanuk and Berenson, 1975). In order to increase a response rate, the current study followed the five-stage survey implementation procedure introduced by Dillman (2007) (see section 5.7.3).

5.7 Pre-testing

Before starting the main survey the questionnaire was pre-tested. It is known that pre-testing can help to identify whether there are potential problems with the questionnaire, including wording, format and more serious problems such as the use of inappropriate measurements (Churchill and Iacobucci, 2002). Pre-testing usually includes several stages: protocols/debriefings and pilot study(s) (Aaker and Day, 1990). In other words, firstly the questionnaire should be pre-tested via interviews, whereas later the same data collection method as for the main study should be employed on a small sample. As a result, initially protocols and debriefings were conducted and were then followed by two pilot studies.

5.7.1 Protocols and Debriefing

The protocol analysis represents an interview where a respondent is asked to think out loud while completing a questionnaire (Diamantopoulos, Reynolds and Schlegelmilch, 1994). This procedure allows a researcher to receive a relatively large volume of information about the questionnaire design, including wording, sequence and its physical appearance, and most importantly, whether the questions are understood by the respondent in the right way.

Debriefing has a similar purpose as a protocol pre-testing, however, this procedure is implemented once the questionnaire has been completed (Hair et al., 2011). Respondents are explained the purpose of the study and asked to explain their answers and raise any difficulties that may have been experienced during filling in the questionnaire (Reynolds, Diamantopoulos and Schlegelmilch, 1993).

Both protocols and debriefings were used to pre-test the questionnaire. In total two protocols and four debriefings were conducted with marketing academics and two debriefings with export managers. The protocols lasted for about an hour whereas debriefings were conducted over the internet where both academics and managers were asked to send their comments after completing the questionnaire.

5.7.2 First Revision

As a result of protocols and debriefings a number of changes were made to the questionnaire.

5.7.2.1 Structure and Content

The main concern raised was the length of the questionnaire. Specifically, the managers mentioned that a twelve-page questionnaire is too long for them to complete. However, the actual length of the questionnaire could not be reduced due to the number of constructs included within the questionnaire.

One of the academics mentioned that the questionnaire starts ‘too abruptly’. He suggested to introduce a short welcome page to the questionnaire. Despite the fact that respondents would receive a pre-notification email where the information about the survey would be explained, there was a chance that respondents would not read this email carefully (Dillman, 2007). Consequently, a welcome page was designed. On the welcome page, respondents were thanked for their agreement to participate in the study. There were also basic instructions provided on how to fill in the questionnaire.

At the debriefing stage one of the managers mentioned that it is not clear to him what is meant by the ‘export function’. A definition of ‘export function’ was added to the welcome page. In addition, another manager raised a concern that ‘many statements are very similar’. Many constructs in the questionnaire are reflective, which means that their items are interchangeable (Cadogan and Lee, 2013) and as a result appear to be very similar (Jarvis, MacKenzie and Podsakoff, 2003). A specific explanation was introduced to the welcome page concerning that issue: ‘You may

notice that some questions are very similar; this is deliberate, and helps with statistical analysis'.

For control purposes a unique code was introduced for each respondent. The unique code was provided in the introduction email. This allowed for reassurance that each respondent filled in the questionnaire only once. However, one of the academics raised a concern that introducing a unique code would negatively influence the response rate. As a result, for the first pilot study half of the potential respondents received a revised questionnaire with a unique code, whereas the other half was sent a questionnaire without a code (see section 5.7.3).

It was suggested by three academics to simplify the form of how the questions are asked. It was decided to delete the phrase '*Using the scale below, please indicate the extent to which you disagree or agree with the following statements'* and to start the questions directly with: '*Please indicate your agreement/ disagreement'* or '*To what extent do you agree or disagree with the following statements*?'

The question about improvisation was divided into three questions (separate questions about spontaneity, creativity and action-orientation). One of the managers and two of the academics mentioned that first version of the question on improvisation is too long (included 24 statements) and could discourage the respondents to continue filling in the questionnaire.

5.7.2.2 Layout

The layout of the questionnaire was slightly changed. It was suggested by one of the academics to change the title of the questionnaire from 'Making effective export decisions' to 'Making successful export decisions' in order to make the questionnaire more appealing.

Managers mentioned that they would prefer to be able to judge the progress of questionnaire completion. To help respondents gauge their progress, the heading of the pages were substituted by the numbers of pages (e.g. page 6 out 12).

One of the academics suggested to vary the look of questions. The long sequence of similar-looking questions could easily bore the respondents (Dillman, 2007) or

induce common method bias (Podsakoff et al., 2003). As a result, some of the questions with drop-down menus were substituted by matrices of choices in order to make the questionnaire more engaging and visually appealing (questions 2, 19 and 21).

5.7.2.3 Response Format

The question about the percentage of exported physical goods and services was found overly complicated by one of the managers. The decision was made to simplify the response format, instead of asking for the exact percentage, 5-point scale was introduced (‘100% physical goods’, ‘mainly physical goods’, ‘half and half’, ‘mainly services’, ‘100% services’).

After the questionnaire was revised the ‘Database of British Exporters’ was accessed and the first pilot study was undertaken.

5.7.3 First Pilot Study

The ‘Database of British Exporters’ was used for both pilot studies and the main study. As mentioned previously, 4000 companies were available for sampling for the current project.

Knowing common ineligibility problems associated with databases (e.g. wrong contact details, non-exporting firms included) the decision was made to contact the potential respondents over the phone to confirm the necessary information and to raise interest in the study. Specifically, this prenotification exercise also served the purpose of collecting or confirming information on contact details of the person participating (e.g. email address) and whether the company currently is an exporting manufacturer.

Starting from the number 24 every second company from the database was contacted. In total 260 companies were contacted for the pilot study, however 103 companies were found not to be eligible to participate in the study (to be included in the sample).

There were several reasons for ineligibility:

- The telephone number of the company was invalid (e.g. the number was disconnected) (23 companies),
- The status of many telephone numbers could not be determined (e.g. an answering machine picked up during each of 5 call attempts) (22 companies),
- The company was not an exporter (13 companies),
- The export function was not involved in proactive marketing, export activities organised by clients, exporting involves only shipment and not sales or marketing (5 companies),
- The company is the subsidiary of an international corporation and all export marketing decisions are made abroad (3 companies),
- The company was not a manufacturer (17 companies),
- The person was not reachable (there was no answer after five attempts of phone call on different days) (20 companies).

As a result, the first pilot study included targeting 157 companies.

The implementation of the first pilot study followed Dillman's (2007) five-stage procedure.

1. As mentioned above, the potential respondents were pre-notified about the survey. The main purpose of the study was explained and a personal email address was confirmed. Some companies already at that stage refused to participate in the study and provide an email address (57 companies). They refer to such reasons as busy work schedule (23 companies), lack of interest to participate (13 companies), and unwillingness to participate without further clarification (21 companies). Later, they were included in a group of non-respondents for the response rate calculation.

2. The questionnaire was emailed to the participants in the next one-two days after pre-notification. The email contained a link to the questionnaire and a cover letter, where the purpose of the study was explained in more details, the confidentiality was guaranteed and the information about an incentive explained (see Appendix 5.3). Half of the pre-notified potential participants received a questionnaire with a unique code to access the survey, whereas the other half were emailed a questionnaire without a code. The aim of this

procedure was to analyse whether the introduction of the code decreases the response rate.

3. A week after the questionnaire was emailed, a reminder email was sent (see Appendix 5.4). The link to the questionnaire was again attached, making it easier for respondents to follow a new link rather than trying to find a previous email.

4. Two weeks after the initial questionnaire was emailed a second reminder with a link to the questionnaire was sent (see Appendix 5.5).

5. Three weeks after the initial email the respondents were contacted by phone in order to remind them one last time about the questionnaire.

In total 16 completed questionnaires were received, which provided a response rate of 10% (16/157).

The results of the pilot study showed that the response rate was not negatively affected by the unique code. On the contrary, more questionnaires were received with a unique code (11 completed questionnaires) then without (5 completed questionnaires). The decision was made to use a unique code for each emailed questionnaire during the implementation of the main study. The unique code can be easily related to the company participating in the study and ensure that the respondent completed a questionnaire only once.

5.7.4 Second Revision

As a result of the first pilot study a number of further changes were introduced to the questionnaire.

5.7.4.1 Structure

The welcome page was slightly changed. The time estimation for questionnaire completion was extended. One of the managers after completing the questionnaire sent an email with a following comment: ‘I feel the estimate of ‘no more than 15 minutes to complete’ is extremely optimistic, it would be closer to 25 mins in all if done in one go’. Additionally, it was advised to complete the questionnaire in one

session as it cannot be saved. Also, a research assistant was employed to aid with data collection for the second pilot study. As a result her name was added to the welcome page.

5.7.4.2 Constructs

The variance of all items in the questionnaire was checked using the SPSS data analysis package (mean, standard deviation and minimum-maximum). It was not meant to be used to draw inferences, but to get a first gauge of the data.

Based on that information the wording of a number of items was changed.

For the planning construct, items 1, 2, 3 and 6 were slightly reworded, due to the lack of variance. More specifically, none of the respondents had ‘strongly disagreed’ or ‘strongly agreed’ with the statements. The wording was changed in the following way:

Item 1: ‘Our export decisions are *often* made explicit in the form of precise plans’.
New item 1: ‘Our export decisions are *always* made explicit in the form of precise plans’.
Item 2: ‘When we formulate an export decision it is *often* planned in detail’.
New Item 2: ‘When we formulate an export decision it is *usually* planned in detail’.
Item 3: ‘We *tend to* have precise procedures for achieving export objectives’.
New Item 3: ‘We *usually* have precise procedures for achieving export objectives’.
Item 6: ‘We *often* evaluate potential export-market options against explicit export-market objectives’.
New Item 6: ‘We *always* evaluate potential export-market options against explicit export-market objectives’.

Regarding the spontaneity construct, items 2, 3, 5, 6 and 10 did not have enough variance. The answers of items 2 and 3 varied from ‘slightly disagree’ to ‘strongly agree’ which means that not one of the respondents ‘strongly disagreed’ or ‘disagreed’ with the statements. Additionally, no one ‘strongly disagreed’ or ‘strongly agreed’ with statements 5, 6 and 10. The wording of the items was slightly changed:

Item 2: ‘In our export function we are good at thinking on our feet’.

New item 2: ‘In our export function we are good at thinking on our feet *all the time’.*
Item 3: ‘We have an ability to respond ‘in the moment’ to unexpected export problems’.
New item 3: ‘We have a *great* ability to respond ‘in the moment’ to unexpected export problems’.
Item 5: ‘We *often* make export decisions spontaneously’.
New item 5: ‘We *usually* make export decisions spontaneously’.
Item 6: ‘*We often* make export decisions out of the blue’.
New item 6: ‘*When necessary*, we make export decisions out of the blue’.
Item 10: ‘*We often* make export decisions ‘on the hoof’’.
New item 10: ‘*When it is called for*, we will make export decisions “on the hoof” ’.

In relation to creativity, items 2, 4, 5 and 7 did not have enough variance. The answers of items 4 and 7 varied from ‘slightly disagree’ to ‘agree’, which means that not one of the respondents ‘strongly disagreed’, ‘disagreed’ or ‘slightly agreed’ with the statements. For items 2 and 5, answers varied from ‘disagree’ to ‘agree’. The wording was again slightly changed:

Item 2: ‘We are very inventive in our export function’
New Item 2: ‘*Our export staff are very inventive*’.
Item 4: ‘We *often* try new approaches to export problems’.
New item 4: ‘We *always* try new approaches to export problems’.
Item 5: ‘We often demonstrate originality in our export work’
New item 5: ‘*Our export work is very original*’.
Item 7: ‘We find new solutions for existing export problems’.
Item 7: ‘*We are very good at finding new solutions to export problems’*.

Regarding action-orientation, items 2, 3, 4 and 8 did not have enough variance. The answers for item 2 varied from ‘neutral’ to ‘strongly agree’, which means that no one ‘disagreed’ with a statement in any way. Items 3 and 4 varied from ‘slightly disagree’ to ‘agree’. Item 8 varied from ‘disagree’ to ‘agree’. The wording was changed in a following way:

Item 2: 'We are persistent in seeing through our export decisions'.
New item 2: 'We are *very* persistent in seeing through our export decisions'.
Item 3: 'We *do not tend to* be distracted when actioning an export decision'
New item 3: 'We *can be* distracted when actioning an export decision' (reverse coded).
Item 4: 'In our export function we are *often* action-orientated'.
New item 4: 'In our export function we are *always* action-orientated'.
Item 8: 'We never get bogged down in details while making export decisions'.
New item 8: '*Getting bogged down in details is not an option when export decisions have to be made*'.

Regarding the construct of export responsiveness, items 1 and 6 did not demonstrate enough variance as they varied from 'disagree' to 'agree'. The following changes to the wording were introduced.

Item 1: '*We are able to rapidly adapt to change in our export market (s) when we need to*'.
New Item 1: '*Our whole export function is very adaptable to change'*.
Item 6: '*We can quickly react to export market opportunities*'.
New item 6: '*When export market opportunities arise, we can react extremely quickly*'.

The question on subjective measures of export performance was extended (additional items were introduced) and divided into two questions. The time frame was also changed from three years to one year as the company's performance can significantly vary over the three-year period due to the recent events of the global financial crisis (2008-2009). The revised measures are presented below.

Table 5.9: Operationalisation of Export Customer Performance

Variables and Items	Source
Export customer satisfaction	Leonidou, Palihawadana and Theodosiou, 2011
Retention of export customers	
Acquiring new export customers	
Company reputation among export customers	
New referrals from existing export customers	Hulman, Robson and Katsikeas, 2009

Table 5.10: Operationalisation of Export Financial Performance

Variables and Items	Source
Export sales volume (in unit terms)	Leonidou, Palihawadana and Theodosiou, 2011
Overall export profitability	
Return on investment made on exports	
Export market share	
Export profit margin	Hulman, Robson and Katsikeas, 2009
Export profit growth	
Reaching financial goals	Shilke, Reimann and Thomas, 2009
Absolute export sales revenue	
Growth in export sales revenue	

A single-item knowledgeability question was added to the questionnaire: '*To what extent do you possess the knowledge to have answered the above questions adequately*?' ('Not knowledgeable at all-Little knowledge-Average knowledge-Good knowledge-Very good knowledge'). In case of export decision-making 'the information being sought is often so unique to the export function, that there are unlikely to be many people with access to the relevant data… For instance, in SMEs [which represent a majority of the target population, see section 5.4.1] there may only be one person dealing with export operations' (Sousa, Martinez-Lopez and Coelho, 2008 p.349). As mentioned above (see section 5.4.5) the data for the current study was collected from a single respondent. However, before any statistical analysis is undertaken, it was necessary to verify respondents' knowledgeability.

5.7.4.3 Response Format

According to the preliminary results, all items of measurements relating to export performance did not have enough variance. None of the respondents were 'very dissatisfied' or 'dissatisfied' with export performance. The decision was made to introduce a 7-point unbalanced scale (see Cadogan et al., 2001, Jayawardhena et al., 2007), with 1= 'dissatisfied', 2= 'slightly dissatisfied', 3= 'neutral', 4= 'slightly satisfied', 5= 'satisfied', 6= 'very satisfied', 7= 'extremely satisfied', 0= 'don't know'.

5.7.5 Second Pilot Study

The second pilot study was conducted to assess whether the changes made were relevant and helped to improve the questionnaire.

In total 210 companies were contacted, however 68 companies were found ineligible to participate in the study. The main reasons for the company ineligibility were the same as during the first pilot study:

- The telephone number of the company was invalid (e.g. the number was disconnected) (22 companies),
- The status of many telephone numbers could not be determined (e.g. an answering machine picked up during each of 5 call attempts) (10 companies),
- The company was not an exporter (6 companies),
- The export function was not involved in proactive marketing, export activities organised by clients, exporting involves only shipment and not sales or marketing (7 companies),
- The company is the subsidiary of an international corporation and all export marketing decisions are made abroad (1 companies),
- The company was not a manufacturer (8 companies),
- The person was not reachable (there was no answer after five attempts of phone call on different days) (14 companies).

As a result, the second pilot study included 142 companies from the cleaned database. In total 18 completely filled in questionnaires were received, which provided a response rate of 12.5% (18/142). Following Dillman's (2007) approach, the implementation procedure for the second pilot study was the same as for the first pilot.

5.7.6 Third Revision

After the second pilot was undertaken, slight changes were introduced to the questionnaire.

5.7.6.1 Constructs

The single-item question of capturing knowledgeability of respondents was substituted with 3-item question (Morgan et al., 2003).

New item 1: '*My job role qualifies me to answer questions about export sales and marketing in my company'.*
New item 2: '*I am competent to answer the above questions'.*
New item 3: *'I am confident that my answers reflect the company's situation'.*

5.7.6.2 Response Format

The response format for knowledgeability of the respondents was also changed. The 5-point scale (from 'no knowledge at all' to 'very good knowledge') was substituted with a 7-point Likert-type scale (from 'strongly disagree' to 'strongly agree').

To sum up, the rigorous pre-testing, including debriefings, protocols and two pilot studies, encouraged multiple changes to be undertaken to the questionnaire to make it a more reliable tool for a data collection. Once a questionnaire was finalised, the main data collection was started.

5.8 Main Survey

5.8.1 Final Questionnaire

After the third revision was undertaken, the questionnaire was finalised. It consisted of twelve pages and an additional welcome page.

5.8.2 Response Rate

The final sample consisted of 1530 companies out of the 2000 initially available (as mentioned above, every second company was chosen from 4000 companies in a database) (2000 minus 470 (260+210=470 used in the pre-testing phase)). The same as during both pilot studies, all 1530 companies were initially contacted by

phone. However, 320 companies were found ineligible during a pre-notification stage. The reasons for company ineligibility were the same as during pilot studies.

- The telephone number of the company was invalid (e.g. the number was disconnected) (94 companies),
- The status of many telephone numbers could not be determined (e.g. an answering machine picked up during each of 5 call attempts) (34 companies),
- The company was not an exporter (63 companies),
- The export function was not involved in proactive marketing, export activities organised by clients, exporting involves only shipment and not sales or marketing (18 companies),
- The company is the subsidiary of an international corporation and all export marketing decisions are made abroad (5 companies),
- The company was not a manufacturer (70 companies),
- The person was not reachable (there was no answer after five attempts of phone call on different days) (36 companies).

Upon administering the survey, a total of 200 usable questionnaires and 90 non-usable ones (questionnaires were not fully completed) were received.

The response rate for the main study is 16.5%:

1530-320=1210

200/1210*100%=16.5%

That is considered to be an acceptable response rate, taking into account the length of the questionnaire and the high level of respondents' position in the company (Dillman 2007), and was a clear improvement on each pilot test which can be accounted by the amendments done to the questionnaire during pre-testing. The average top manager response rate is known to be around 15-20% (Menon, Adidam and Edison, 1999). The response rate of the current study is also in line with the results of other studies conducted in an export context (e.g. Cadogan et al., 2002; Shoham, 2002; Pulendran, Speed and Widing, 2003).

5.8.3 Non-Response Analysis

One of the advantages of quantitative research is the ability to generalise the results. However, some researchers question the issue of sample generalisation due to non-response error (Morgan and Hunt, 1994). In this context, time trend method is the most commonly used way to assess non-response bias. There is an assumption that late respondents (respondents who responded less readily at the later stages of the study) can be considered to be similar to non-respondents (Armstrong and Overton, 1977). The table below provides the information on early versus late respondents:

Table 5.11 Early versus Late Respondents

Survey implementation stage	Initial email	First reminder	Second reminder	Call
Completed questionnaires	91	57	34	18

In order to test whether there are significant differences between late and early respondents *t-tests* were used. 'The t-test assesses the statistical significance of the differences between two independent sample means for a single dependent variable' (Hair et al. 2006, p. 388). 50 first respondents ('early respondents') were compared to 50 last respondents ('late respondents'). The analysis was performed using variables on companies' characteristics: including number of years of exporting, number of employees, existence of export department, number of countries exported, percentage of sales turnover derived from export, and percentage of profit derived from exports. Early and late respondents were also compared on the main constructs, including planning, spontaneity, creativity, action-orientation, responsiveness, customer performance and financial performance (after scales were purified, see Chapter 6 for more details). The results showed that statistically there are no differences between late and early respondents (results of t-test are non-significant) (see Appendix 5.6). That suggested that non-response bias is not likely to be a problem for the current study.

5.9 Analytical Procedures

The two-step analytical procedure (Anderson and Gerbing, 1988) is employed in the current study, including a measurement model assessment and a structural model assessment. The two-stage approach is considered necessary as if the applied measures are bad (unreliable or not valid), then valid structural theory tests cannot be obtained (Hair et al., 2006). Thus, first, reliable and valid scales have to be developed. For that purpose both exploratory factor analysis and confirmatory factor analysis are used (see sections 5.9.1 and 5.9.3). Second, the conceptual model has to be tested. In the sections below the stages of analytical procedure are discussed in more detail.

5.9.1 Exploratory Factor Analysis

Initially, a measurement model can be evaluated using exploratory factor analysis (EFA); as it is beneficial to define the underlying structure among the items before further analysis is undertaken (Hair et al., 2006). It enables to check whether proposed dimensionality of the constructs examined is consistent with the data.

Exploratory factor analysis is a suitable technique for studying the dimensionality of a scale (Bryant and Yarnold, 1995). By using inter-item correlation, exploratory factor analysis determines the underlying latent variables ('factors') responsible for the patterns of correlations observed in the data (Sharma, 1996). In factor analysis, variables are grouped together based on high correlations with each other. The *total variance* of each variable could be divided into *common variance, specific variance* (variance associated with only a specific variable) and *error variance* (variance unexplained by correlations with other variables) (Leandre and Duane, 2012). Exploratory factor analysis is primarily concerned with describing how much of an item's variance is shared with other items (*common variance*). The higher the correlation of an item with one or more other items, the higher the common variance (communality) of that item (Hair et al., 2006; Bryman and Cramer, 2009).

There are two main techniques available to evaluate the underlying dimensions of constructs, namely principal components analysis and common factor analysis (Dunteman, 1989). Both techniques explain part of the variation in a set of observed

variables. However, the aim of common factor analysis is to identify the least number of factors that account for the common (or shared) variance, whereas the goal of principal component analysis is to identify the number of factors that explain the total variation (common and unique/ 'specific plus error') variance in the observed variables (Gorsuch, 1997).

In practice, the results obtained using principal component analysis are usually quite similar to the results obtained using common factor analysis (Stevens, 2009). Nevertheless, it is important to understand the underlying differences between the techniques in order for the appropriate one to be chosen. The use of common factor analysis is warranted when the primary objective is to identify the latent dimensions and when a researcher wishes to eliminate specific and error variance due to little knowledge about its amount (Widaman, 1993). The use of principal component analysis is warranted when the main objective is data reduction (focus on minimum number of factors) and when a researcher has a prior knowledge that the amount of specific and error variance is relatively small (Diamantopoulos and Schlegelmilch, 2000).

Despite the fact that it is rarely (if ever) possible to have a solid knowledge about the amount of specific and error variance, principal component analysis is more commonly used (it is a default option in SPSS and other statistical packages within the factor analysis procedure) (Gorsuch, 1997). Moreover, there are major concerns associated with common factor analysis, including factor indeterminacy and non-estimation of commonalities. The former problem is concerned with the fact that for any individual respondent, several different factor scores can be calculated, whereas the latter means that sometimes the communalities are not estimated or can be invalid (e.g. greater than 1 or less than 0), which would lead to variable deletion (Hair et al., 2006). Thus, in the current study principal component analysis is used (see Chapter 6 for more details).

5.9.1.1 The Process of Factor Formation

The exploratory factor analysis consists of several iterative steps (Leandre and Duane, 2012). The first step includes the development of principal components, when one component (factor) is derived for each item being analysed. Each of these

initial factors is associated with the relative proportion of variance accounted for by each factor (*eigenvalue*) (Widaman, 1993). If the items do not correlate with one another and do not cluster into factors, the eigenvalues will be equal 1 as they reflect only the variance in the original items. When the inter-correlation of the items increases, they will produce factors that contain more of the variance in the items, which will result in eigenvalues becoming larger than 1 (Hayton, Allen and Scarpello, 2004).

5.9.1.2 Defining Number of Factors

In order to determine the appropriate number of factors, two main criteria are used. The first is known as *Kaiser's criterion* (or latent root criterion) and is based on the selection of those factors which have an eigenvalue greater than 1. The logic behind that assumption is that each factor should explain the variance of at least a single variable. A factor with an eigenvalue less than 1 is contributing little to the explanation of variance in the variables, so it is statistically insignificant (Norris et al., 2012). When a construct is unidimensional (only one factor is formed), it means that all items are perfectly correlated (Spector, 1992).

The second commonly used method was proposed by Cattell (1966), and is called a scree test. A scree test is a graph of the amount of variance explained by factors in the factor analysis. The point at which the plot slopes steeply downward (the 'elbow') indicates the start of non-significant factors (Bryman and Cramer, 2009).

5.9.1.3 Rotation

In order to increase the interpretability of the exploratory factor analysis, factors are usually rotated (Field, 2009). There are orthogonal (e.g. Varimax) and oblique (e.g. Oblimin) rotations. When orthogonal rotation is chosen, it is assumed that factors do not correlate with one another, so axes (factors) are maintained at 90 degree angles (Dunteman, 1989). The SPSS software package offers three types of orthogonal rotation: Quartimax, Varimax and Equamax (Sharma, 1996). When Quartimax rotation is used each variable loads high on one factor and as low as possible on other factors. That usually results in many variables loading on the same factor. Varimax rotation is based on the opposite idea. It maximises the sum of

variances of required loadings within the factor by loading a smaller number of variables highly onto a single factor, which provides a clearer separation of the factors compared to Quartimax. Equamax represents a compromise between Quartimax and Varimax rotation approaches (Kaiser, 1974).

In contrast to orthogonal rotation methods, oblique rotation methods allow factors to correlate instead of maintaining their independence. SPSS software package provides only one oblique rotation method, namely Direct Oblimin (Bernaards and Jennrich, 2005).

In the current study oblique rotation (Oblimin) was used (see Chapter 6)

5.9.1.4 Factor Loadings

Rotations result in a loadings matrix that shows how strongly each item relates to each factor (Peterson, 2000). A factor loading represents the correlation between an item and a factor, whereas the squared loading is the amount of variable's total variance explained by the factor. For example, a 0.20 loading would mean than only about 5% of the variable's variance is explained, whereas 0.80 loading denotes that more than 60% of the variance is accounted for by the factor. Loadings of 0.4 are considered to be the minimal level for interpretation, and loadings 0.7 and above are considered to indicate well-defined structure (Hair et al., 2006).

However, aside from factor loadings, there are other important criteria which a researcher has to consider while performing a factor analysis.

5.9.1.5 Bartlett's Test of Sphericity and Kaiser-Meyer-Olkin Test

Two statistical tests are usually used to evaluate the appropriateness of the results: the Bartlett's test of sphericity and Kaiser-Meyer-Olkin (KMO). The Bartlett's test of sphericity is a statistical test for the presence of correlations among the variables. It shows the statistical significance of the correlation matrix (that it has significant correlations among some of the variables) (Worthington and Whittaker, 2006). KMO can be calculated by dividing squared correlations between variables to the squared partial correlation between variables; it can vary between 0 and 1 (Kaiser, 1970). If the value of KMO is closer to 0, it indicates that the sum of partial correlations is very

large compared to sum of correlations, which means there is diffusion in the pattern of correlations and inappropriateness of factor analysis results. On the contrary, if the value of KMO is closer to 1, it indicates that patterns of correlations are relatively compact and it is likely that the results of factor analysis are appropriate and meaningful (Field 2009). According to the rule of thumb if KMO value is 0.6 or higher the researcher can trust the results of exploratory factor analysis (Hair et al., 2006).

5.9.2 Reliability Assessment

After the results of the EFA(s) are obtained it is necessary to check the reliability of reflective scales as some degree of error is usually inherited in the measurements (e.g. Bagozzi, Yi and Phillips, 1991). Reliability is defined as 'the proportion of variance attributed to the true score of the latent variable' (DeVellis, 2003, p. 27). Reliability (together with validity, which is discussed later in the chapter, see section 5.9.4) is a cornerstone of the generalisability of the results. For scientific generalisation, measures have to be stable (reliable) (Nunnally and Bernstein, 1994).

There are two most commonly used ways of assessing reliability: test-retest and internal consistency reliability (Lee and Lings, 2008).

Test-retest reliability reflects measurement consistency over time. It shows a degree of the scale correlation with itself over time using a sample of the same respondents (Spector, 1992). It shows the stability aspect of reliability, as a researcher is hoping to get similar results from repeated applications of the same measures to the same set of respondents (Diamantopoulos and Schlegelmilch, 2000). As a result, it requires conducting longitudinal research. Due to the cross-sectional nature of the current study (the information was collected at a single point in time), reliability cannot be assessed using test-retest approach.

Internal consistency reliability is concerned with the degree to which individual items of a scale reflect a common construct (Churchill, 1979). If the items have a strong relationship with the latent variable, it means that they should have a strong relationship with each other. The linkage between the items and the latent variable cannot be directly observed, however, it is relatively easy to judge whether the items

in a scale are interrelated or not. If the scale is internally consistent, its items are going to be highly interrelated (DeVellis, 2003).

Internal consistency reliability is most commonly assessed using Cronbach's α coefficient (Cortina, 1993). 'The α is basically the ratio of the sum of the covariance among the components of the liner combination (items), which estimates true variance, to the sum of all elements in the variance-covariance matrix of measures, which equals the observed variance' (Nunnally and Bernstein 1994 p. 212). The generally accepted lower limit of α value is 0.7 (Nunnally, 1978).

It is also useful to look at item-to-total correlation, the inter-item correlation and the value of Cronbach's α if the item is deleted (Pallant, 2010). The item-to-total correlation is the correlation of the item to the summated scale score; according to the rule of thumb it should exceed 0.50. The inter-item correlation is the correlation between the items; for each item the inter-item correlation should exceed 0.30 (Hair et al., 2006). The value of the Cronbach's α if the item is deleted shows whether the removal of a certain item from the scale would increase or decrease the reliability of the construct.

5.9.3 Confirmatory Factor Analysis

According to DeVellis (2000) confirmatory factor analysis (CFA) is a rigorous approach to scale dimensionality assessment. Despite the fact that CFA is similar to EFA in some respect, there are fundamental differences between the two approaches (Hurley et al., 1997). In EFA, statistical method determines the number of factors, whereas using CFA allows a researcher to see how well the proposed structure (number of latent variables and their item-specification) matches the actual data (Gorsuch, 1997). Thus, EFA allows the determination of the underlying factor structure, while in CFA that structure is determined a priori and further tested (Byrne, 2005). CFA is used as a confirmatory test of measurement theory. 'A measurement theory specifies how measured variables logically and systematically represent constructs involved in a theoretical model. In other words, measurement theory specifies a series of relationships that suggest how measured variables represent a latent construct that is not measured directly' (Hair et al., 2006 p.774).

In order to be able to run CFA, a researcher must ensure that the tested model is not under-identified (when the number of parameters to be estimated exceeds the item variance and covariance). It is commonly accepted that confirmatory factor analysis model is *identified* if there are at least three observed items for each factor (Bollen, 1989b; Kelloway, 1998). Once the model is correctly specified, CFA provides empirical testing of the relationships among items and constructs represented by the measurement theory (Hair et al., 2006).

5.9.3.1 Assessing the Fit

In conducting CFA there are three most common fitting criteria used: ordinary least square (OLS), generalised least square (GLS) and maximum likelihood (ML) (Diamantopoulos and Siguaw, 2000). ML is the most widely used type of estimation (followed by GLS) as it is known to produce consistent and reliable results (Anderson and Gerbing, 1988; Bollen, 1989b; Hu and Bentler, 1998).

A variety of fit indices are available to assess the fit of the proposed model to the data. They rely on two traditions in the assessment of model fit: the assessment of absolute fit and the assessment of comparative (incremental) fit (Bollen and Long, 1993).

Absolute fit indices assess the ability of the model to reproduce the actual covariance matrix, whereas comparative fit indices assess two or more competing models to determine which one produces the better fit to the data (Kelloway, 1998).

In assessing absolute fit, the chi-square statistic (χ^2) represents the most straightforward test of assessing the overall model fit (Diamantopoulos and Siguaw, 2000). It shows the discrepancy between the data available and a proposed model. When a chi-square test is conducted, the null hypothesis is tested. The null hypothesis implies that the only reason for the deviation of the estimated variance-covariance matrix from the sample variance-covariance matrix is sampling error (Baumgartner and Homburg, 1996). χ^2 tends to increase as the sample size or the number of observed variables increase (Hu and Bentler, 1999). If χ^2 is non-significant, it indicates that there is no significant discrepancy between the hypothesised model and the actual data (acceptance of null hypothesis) (Bagozzi

and Heatherton, 1994). However, there are other absolute fit indices researchers also rely on (see the table 5.12).

Table 5.12: Absolute Fit Indices

Absolute Fit indices	**Source**
Chi-square	Baumgartner and Homburg (1996)
Chi-square/*df* ratio	Marsh, Balla, and McDonald (1988)
Goodness-of-Fit Index (GFI)	Jöreskog and Sörbom (1984)
Adjusted Goodness-of-Fit Index (AGFI)	Jöreskog and Sörbom (1984)
McDonald's Fit Index (MFI)	McDonald (1989)
Root Mean Square Residual (RMR)	Jöreskog and Sörbom (1981)
Root Mean-Square Error of Approximation (RMSEA)	Steiger (1990)

The most commonly used indices are discussed below.

The normed χ^2 is a ratio of χ^2 to the degrees of freedom (df) (Marsh, Balla, and McDonald,1988) and considers the sensitivity of the chi-square test to the sample size and based on the assumption that the model fits the population perfectly. If that ratio is 3:1 or less the model is considered to have a good fit with the data (Bentler and Chou, 1987).

The goodness-of-fit index (GFI) is based 'on a ratio of the sum of the square discrepancies to the observed variances' (Kelloway, 1998 p. 27). The range of GFI values is from 0 to 1, where values greater than 0.9 are usually considered to indicate a good fit (Kelloway, 1998).

The adjusted goodness-of-fit index (AGFI) is the GFI index adjusted to the degrees of freedom (Jöreskog and Sörbom, 1984). It also ranges from 0 to 1 with values exceeding 0.9 indicating a good fit (Hair et al., 2006).

The root mean squared error of approximation (RMSEA) index is based on the analysis of residuals. 'Residuals refer to individual differences between observed covariance terms and the fitted covariance terms' (Hair et al., 2006 p. 796). The smaller the residuals the better fit to the data. Thus, RMSEA shows how well the

model fits the population covariance matrix (Baumagartner and Homburg, 1996). Steiger (1990) suggest that values below 0.05 indicate a very good fit to the data.

Comparative fit indices in contrast to absolute fit indices compare the data to a model which a priori provides a poor fit to the data (Bagozzi and Baumgartner, 1994). The most common type of the model is 'null' or 'independent' model, which specifies no relationships between the variables (Kelloway, 1998). Most commonly used comparative fit indices include NFI, NNFI and CFI among others (see table 5.13).

Table 5.13: Comparative Fit Indices

Comparative Fit indices	**Source**
Normed Fit Index (NFI)	Bentler and Bonett (1980)
Incremental Fit Index (IFI)	Bollen (1989a)
Nonnormed Fit Index (NNFI)	Tucker and Lewis (1973)
Comparative Fit Index (CFI)	Bentler (1990)
Parsimony Comparative Fit Index (PCFI)	Mulaik et al. (1989)
Relative Noncentrality Index (RNI)	McDonald and Marsh (1990)

The NFI indicates the percentage improvement of the hypothesised model to the baseline model. The NFI ranges from 0 to 1, with values over 0.9 indicating a good fit to the data (Bentler and Bonett, 1980). If the value of NFI is 0.9, it means that the hypothesised model fits the data 90% better than an 'independent' baseline model (Malaik et al., 1999). The non-normed fit index (NNFI) is similar to NFI, but it is adjusted to the number of degrees of freedom. Similarly to NFI (and most of the other indices), NNFI ranges from 0 to 1, with values over 0.9 considered to be good. Bentler (1990) proposed an improved version of the NFI index – comparative index of fit (CFI). Similar to NFI, CFI indicates percentage improvement of the hypothesised model to the baseline model; however, it is relatively insensitive to model complexity. It also ranges from 0 to 1, with values exceeding 0.9 usually considered to be good (Hu and Bentler, 1999).

5.9.3.2 Model Respecification

According to Kelloway (1998) the model rarely fits the data on the first attempt; instead, it usually requires further respecification in order to improve the fit or the

parsimony (i.e. model simplicity). Respecification can be achieved either by deleting nonsignificant paths from the model or by adding new paths to the model (c.f. Chin, Peterson and Brown, 2008). Even if it is accepted that almost every model requires further respecification, a researcher has to be careful to retain theoretical integrity and consistency (Shook et al., 2004). Theory trimming (removal of the paths from the model) is a more common approach of model respecification compared to adding the paths (Pedhazur, 1982).

There are several parameters that a researcher has to look at in order to make the right decision about item-removal.

First, similarly to EFA, in CFA estimated loadings (path estimates) help to identify if there is a potential problem with measurement theory. For the item to perform adequately, loadings both have to be significant and have a high value (at least 0.5, but ideally 0.7) (Brown, 2006). In the LISREL Output file, factor loadings can be found in the LX (lambda-x) matrix (loading of variables on the common factor) (Sharma, 1996).

Second, it is necessary to assess the individual differences between observed covariance terms and the fitted covariance terms, which is represented by residuals and standardised residuals (Hu and Bentler, 1995). The better the data fit the measurement theory the smaller are the standardised residuals. If the standardised residuals are relatively large, it indicates high degree of error and appoints the item for the potential removal from the scale (Bentler, 2007). In the LISREL Output file, residuals and standardised residuals can be found in TD (theta-delta) matrixes.

Third, LISREL provides information about the parameters which were not estimated. Modification indices are ‘calculated for every possible relationship that is not free to be estimated. It shows how much the overall model χ^2 value would be reduced by freeing this single path’ (Hair et al., 2006 p. 797). It means that if the path is freed, the overall fit of the model will improve (Worthington and Whittaker, 2006).

However, a researcher has to take into account all theoretical factors as well, before making a decision about a particular item removal rather than rely solely on any of statistical criterion.

5.9.4 Construct Validity

To be able to generalise from results, the researcher has to ensure that the measures are both reliable and valid (DeVellis, 2000). Once the measures are purified, construct validity can be assessed. Construct validity is defined as 'the extent to which a set of measured items actually reflects the theoretical latent construct those items are designed to measure. Thus, it deals with the accuracy of measurement' (Hair et al., 2006 p. 770). Validity cannot be proven (similar to hypotheses), but if sufficient amount of evidence is present, the scale is accepted to be construct-valid (Spector, 1992).

In order to accept the scale to be valid, different types of validity have to be assessed, including face validity, convergent validity and discriminant validity (Peter, 1981; Bagozzi, Yi and Phillips, 1991).

Face validity (or content validity) relates to the subjective assessment of correspondence between the individual items and the theoretical concept (Nunnally and Bernstein, 1994). Face validity is usually assessed prior to data collection. It is recommended to assess face validity using expert judges and/or pretesting procedures (Hair et al., 2006). Face validity of all examined constructs was assessed through pretesting (see section 5.7). During protocols and debriefings academics confirmed that there is a correspondence between the items and the constructs they are supposed to measure.

Convergent validity refers to the extent to which the construct is closely related to theoretically similar constructs (Campbell and Fiske, 1959). There are several ways of estimating convergent validity, including the size of factor loadings, the average percentage of variance extracted and reliability (Hair et al., 2006). As mentioned above, the threshold of acceptable value of factor loading is 0.5, but ideally it should be equal to 0.7 or higher. The square of a standardised factor loading shows how much variation the latent factor explains in a single variable. Thus, if the factor loading of an item is 0.7, it explains 50% of the variance in the variable.

Another indicator of convergence is the average percentage of variance extracted (AVE) (Fornell and Larcker, 1981). AVE represents the average of squared factor loading, with values over 0.5 being acceptable. If AVE is less than 0.5, it indicates

that the variable has more error, rather than the variance explained by the latent construct (Whitten and Leidner, 2006). The error variance can be calculated using the following formula (where λ is the standardised factor loading, *n* is the number of items):

$$VE = \frac{\sum_{i=1}^{n} \lambda_i}{n}$$

The final indicator of convergent validity is reliability. The scale cannot be valid if it is not reliable (nevertheless, it does not work the other way around) (DeVellis, 2000). As mentioned above Cronbach's alpha coefficient is commonly applied as an estimate of reliability. However, the results of LISREL Output allow to estimate construct reliability which is calculated based on the squared sum of factor loadings (λ_i) and the sum of the error variance (δ_i):

$$CR = \frac{(\sum_{i=1}^{n} \lambda_i)^2}{(\sum_{i=1}^{n} \lambda_i)^2 + (\sum_{i=1}^{n} \delta_i)}$$

According to the rule of thumb, construct reliability should be 0.7 or higher (Hair et al., 2006).

However, for the construct to be regarded as valid, it also has to show a good evidence of discriminant validity. Discriminant validity is the degree to which a latent construct is distinct from other latent constructs in the analysis (Peter, 1981). Discriminant validity can be assessed by comparing the AVEs for any two constructs with square correlations between them. For discriminant validity to be achieved, the largest squared correlation between any two constructs should be lower than the lowest average variance extracted (Fornell and Larcker, 1981). AVEs are compared with squared correlations from the standardised PHI matrix (Kelloway, 1998).

After the procedure of 'measure purification' is performed the relationships between the constructs can be tested using the structural model.

5.9.5 SEM: Testing a Structural Model

The second stage of the analysis involves running the structural model in order to test the hypotheses. As it was shown in the previous section, CFA allows us to test a measurement theory. However, CFA has a limited ability to examine the nature and magnitude of the relationships between constructs, for that purpose a structural model is used. The structural model applies the structural theory by specifying which constructs are related to each other. 'A structural theory is a conceptual representation of the relationships between constructs. It can be expressed in terms of a structural model that represents the theory with a set of structural equations…' (Hair et al., 2006 p. 845).

SEM estimates a series of separate, but interdependent multiple regression equations; this allows for the measurement of the extent to which the system of hypothesised relationships is consistent with the data (Byrne, 2005). The parameters in the model are estimated and the model is tested using path analysis (Hunter and Gerbing, 1982).

There are two types of constructs examined in the structural equation model, namely exogenous and endogenous. Exogenous constructs are defined as 'latent, multi-item equivalent of independent variables. They are constructs determined by factors outside of the model [...]. Endogenous constructs are defined as 'latent, multi-item equivalent to dependent variables. An endogenous construct is presented by a variate of dependent variables' (Hair et al., 2006 p.707). Thus, the parameters representing structural relationships are divided into two types:

Exogenous constructs (ξ) to endogenous constructs (η). The gamma (γ) matrix in the LISREL Output contains all the relationships between exogenous and endogenous constructs.

Endogenous construct to endogenous constructs. The beta (β) matrix in the LISREL Output contains all the relationships between endogenous and endogenous constructs.

5.9.5.1 Model Assessment

The fit of the structural model is assessed in the same way as the CFA model fit. It is suggested to use multiple indices, reporting at least one of absolute indices, one of incremental indices and the model χ^2 (Kelloway, 1998).

However, good fit of the model alone is insufficient to support proposed hypotheses (c.f. Barrett, 2007). In order to accept or reject the hypotheses, the researcher has to examine the individual parameter estimates against the corresponding predictions (Hair et al., 2006). For the hypotheses to be accepted, the parameter estimates have to be statistically significant and in the predicted direction (positive or negative) (Byrne, 1998). Parameter estimates in LISREL are interpreted in a similar ways as regression coefficients (Kline, 1998). However, even if the coefficient has a large magnitude, it has little worth unless it is significant. The significance of parameter estimates can be determined by t-values. T-values allow for the evaluation of the **Type I error** level of significance. It indicates the probability level of rejecting the null hypothesis when it should be accepted. Critical t-values for one-tailed (directional) hypotheses are provided in a table below (Churchill, 1999).

Table 5.14: Critical Values of T-statistic for One-Tailed Tests

Significance level	Critical value of *t* statistic
0.10	1.282
0.05	1.645
0.01	2.326

Attention also has to be paid to the variance explained for the endogenous constructs (Sharma, 1996). The value of 'Squared multiple correlation for reduced form' (R^2) indicates how much of the variance in the endogenous constructs (dependent variables) is explained by exogenous constructs in the model (independent variables) (Diamantopoulos and Siguaw, 2000).

5.9.5.2 Model Modification

It can be the case that the model fit is not as strong as a researcher would like it to be; it indicates that the model requires modifications (Schumacker and Lomax, 2004).

In order to diagnose the model, particular attention has to be paid to path estimates, standardised residuals, modification indices and R^2 value (e.g. Bentler and Chou, 1993)

The analysis of standardised residuals and modification indices indicates whether there is a problem with any relationships between the constructs. If the residuals are relatively large, it indicates that there is a potential problem (Byrne, 1998). In order to improve the fit, a researcher can decide to delete the troublesome indicator. The modification indices show how much the overall model χ^2 value would be reduced if a path that is not currently estimated would be freed. Thus, 'freeing' the problematic path could improve the fit of the model (Hair et al., 2006). However, it is advised that any modifications made should be theoretically justified and fundamentally meaningful.

As mentioned above, R^2 shows how much variance is explained in endogenous variables. A low value of R^2 (below 0.10) can be an indicator of a poor measurement of the latent variable or that the correlations between examined constructs are weak. Thus, the model can be potentially improved by withdrawing that endogenous variable from the analysis (Schumacker and Lomax, 2004). However, in doing so the researcher has to be careful not to become a data-driven.

To conclude, based on the above model, respecification can be made (when the fit can be significantly improved), however any respecifications have to be made not only on an empirical basis, but also have a strong theoretical support.

5.10 Conclusions

In this chapter the methodological approach employed in the current study was outlined. To sum up, to examine the relationship between the constructs, a conclusive, cross-sectional quantitative study was conducted. The method of online data collection was employed mainly due to its convenience and cost reductions. The data was collected using the 'SurveyMonkey' online engine. Prior to main data collection the questionnaire was pre-tested through debriefing, protocols and two pilot studies. The probability sample was drawn which resulted in a response rate of 16.5% for the main study (200 usable questionnaires were obtained). The chapter concluded with an explanation of a two-stage analytical procedure used for the study. It is suggested to rely on both exploratory and confirmatory factor analysis in order to develop reliable and valid scales of constructs. Then structural equation modelling is used to test the hypothesised relationships. In the next chapter the results of the data analysis are discussed.

Chapter 6: Analysis of Results

6.1 Introduction

This chapter outlines the data analysis process and the results of the data analysis. First, the procedure of missing value replacement is explained and different missing data treatment methods are discussed. Second, the sample characteristics are presented. The company characteristics examined include: company size, export specificity, size of the export function, export experience, export complexity and export dependence. Third, the psychometric soundness of the multi-item scales is evaluated. Exploratory factor analysis (EFA) and confirmatory factor analysis (CFA) methods are used in order to purify the scales, as EFA enables an examination of the underlying structure among the items, and CFA shows how well the proposed structure fits the data. Based on the obtained results, the reliability, validity and normality of the scales are also assessed. Finally, the structural model is tested to depict the relationships between the constructs.

6.2 Missing Value Analysis

The analysis was performed using 200 usable cases. The preliminary data analysis was implemented using the SPSS software package. The data were automatically inputted from SurveyMonkey into an SPSS spreadsheet. However, before any analysis is undertaken, a researcher has to deal with the issue of missing data which is quite common in survey research (Lee and Lings, 2008).

Missing data occur when valid values on one or more variable(s) are not available. There are a number of reasons why data could be missing. Among the most regular ones are respondents' lack of knowledge, unwillingness to disclose some information and lack of attention (e.g. Koslowski, 2002; Schafer and Graham, 2002; Brown and Kros, 2003).

The way a researcher deals with missing data is significant, as it has implications for data analysis and interpretation of the results (Gold and Bentler, 2000). Despite the fact that a number of missing data treatment methods are available, initially the researcher has to assess the randomness of the missing data (Hair et al., 2006). There are two levels of randomness of the missing data process, when data is missing at random and when it is missing completely at random.

When data is missing at random (MAR), the missing values of one variable (e.g. export responsiveness) are dependent on another variable (e.g. number of years exporting), but not on the first variable itself. It often means that the data is missing randomly within subgroups, but significantly differ in levels between subgroups (e.g. advanced and new exporters). In that case the missing data process is random within the sample, but the values cannot be generalised to the population (Gold and Bentler, 2000).

When data is missing completely at random (MCAR) the observed values of a variable represent a truly random sample of all values in that variable. In other words, the cases with missing data are statistically indifferent to complete cases (Kamakura and Wedel, 2000).

In order to assess the level of randomness of the missing data, a t-test statistic can be employed. As mentioned previously (see Chapter 5, section 5.9.5.1), a t-test enables the researcher to compare the means of independent samples (regarding a selected variable) to determine whether they are statistically different or not (Hair et al., 2006). For that purpose, complete and incomplete cases were compared on variables of companies' characteristics (open-ended questions), including number of years of exporting, number of employees, existence of export department, number of countries exported, percentage of sales turnover derived from export and percentage of profit derived from exports. The results indicated that there are no statistical differences between the groups (see Appendix 6.1). We can accept that the missing data in the sample is missing completely at random. If the data is missing completely at random, any available treatment methods can be used (Hair et al., 2006).

6.2.1 Treatment Methods

One of the simplest methods of missing data treatment is the inclusion of only complete cases (or 'complete case approach') (Brown and Kros, 2003). However, its main disadvantage is that the sample size could be significantly reduced, which makes this method only applicable to very large sample sizes (Hulland, Chow and Lam, 1996). Nevertheless, the researcher has to realise that if a large number of cases are deleted, the left records may not be representative of the population (Winkler and McCarthy, 2005).

If the researcher does not want to 'sacrifice' the sample size, there are other methods of missing data treatment available. In order to maximise the effective sample size, imputation methods can be used. Hair et al. (2006 p. 39) define imputation as 'the process of estimating missing data of an observation based on valid values of other variables'.

The first method of data imputation is *case substitution*; it is used when the data is missing completely. In that case the missing cases are replaced by non-sampled observations. The researcher can replace the missing data with data from previous research. However, this method is very subjective and undermines the effort of having collected a probability sample. Moreover, the values based on previous research are not necessarily available, which makes this method difficult to apply in practice (Brown and Kros, 2003).

Another imputation method is to substitute missing values on a particular variable by the sample mean for that variable (Gold and Bentler, 2000), or *mean substitution*. This method is commonly used as it is quick and easy to implement (Koslowski, 2002). The main disadvantage of this method is that it creates difficulties maintaining the statistical properties of the data: '…the mean values of the fields in the partially and fully populated databases are, by definition, the same, but the variation of each field in the fully populated database is much smaller than the corresponding variation in the partially populated database. The result is that the records are not as clearly differentiated as they should be and so it is harder to understand how people's individual characteristics determine their actions and behaviour from a database which has been fully populated' (Winkler and McCarthy, 2005 p. 171).

When *hot-deck imputation* is employed, each missing observation is replaced by an observation from a respondent whose answers are statistically similar to the one where data is missing. The 'similar' observations are identified by clustering the complete observations and then assigning a cluster to each incomplete observation. However, it can be difficult to identify the statistically similar cases (Hair et al., 2006).

Regression also can be used as a way to predict missing values. The calculation of missing values is based on the variable's relationship to other variables (Schafer, 2003). First, a predictive equation is developed for each variable where data is missing. Then 'replacements values for each missing value are calculated from that observation's values on the variables in the predictive equation' (Hair et al. 2006 p. 61). It is calculated from all the complete cases. For example:

$$\gamma = a + bx1 + cx2$$

Where *y* is the variable which needs to be imputed, and *x*1 and *x*2 are other variables, and *a, b* and *c* are known constants. However, this method can introduce significant biases if the complete cases represent a small proportion of the database or, for instance, they represent a distinct group rather than a fair representation of the population (Brown and Kros, 2003).

Imputation can also be performed using multiple techniques when a number of methods are combined into a single procedure (*multiple imputation*). One of the most well-known and used methods is the Expectation-Maximisation (EM) algorithm (Dempster, Laird and Rubin, 1977), which uses a two-step iterative procedure. First, missing values are replaced based on available data and the initial estimation of the covariance matrix. Second, parameters (mean, standard deviations or correlations) are estimated as if there were no missing data using statistics calculated at the initial stage. The procedure is repeated until the difference is negligible and then the estimated values replace the missing data (Enders, 2001). This method has been found to produces efficient and consistent estimates of missing values irrespective of sample size and percentage of data missing (Gold and Bentler, 2000) (see Appendix 6.2 for a percentage of missing data). Moreover a version of the EM algorithm is included in the SPSS software packaged. As a result in the current study the missing data was treated using the EM algorithm.

6.3 Company Characteristics

Upon replacing missing data, the initial stage of the analysis moved to analysing the descriptive statistics of the companies' characteristics.

6.3.1 Company Size

In the current study two variables were used in order to measure company size: number of full-time employees (in the UK payroll) and total sales turnover. These two variables are significantly correlated (Pearson correlation coefficient is 0.205, $p < 0.01$).

The number of employees within the sample ranges from 0 to 4,000 with an average number being 124 (see Table 6.1). The minimum border (0 employees) can be explained in two ways. Either the company does not have any full-time employees (employs everyone on a part-time basis), or none of the employees are employed under the UK payroll system (it can be the case for the branches of some international companies). The results show that the majority of the companies participating in the study are small and medium sized firms (less than 250 employees), which is representative of the population (see Chapter 5, section 5.4.1).

The analysis of the normal distribution (see Appendix 6.3) shows that there are some outliers in the sample (2 companies have 3000 and 4000 employees accordingly). However, these companies were retained in the sample as they represent valid elements of the target population (Hair et al., 2006).

Table 6.1: Number of Employees

Mean	124.207
Standard Deviation	372.945
Median	36.500
Minimum	0
Maximum	4000

Table 6.2: Number of Employees (outliers are removed)

Mean	90.108
Standard Deviation	145.253
Median	35.000
Minimum	0
Maximum	1200

The average total sales turnover within the sample is £17,623,068. The variable ranges from £5,000 to £160,000,000, with a mode of £20,000,000. Half of the companies within the sample have a total sales turnover of over £6,000,000 (see Table 6.3). This variable also has 3 outliers (companies with a sales turnover £160,000,000 and about £130,000,000). However, they were also retained in the sample in order to ensure the representativeness of the large companies.

The descriptive characteristics of company size are presented in the tables below.

Table 6.3: Total Sales Turnover

Mean	17,623,068.25
Standard Deviation	27,792,513.98
Median	6,050,000.00
Mode	20,000,000
Minimum	5,000
Maximum	160,000,000

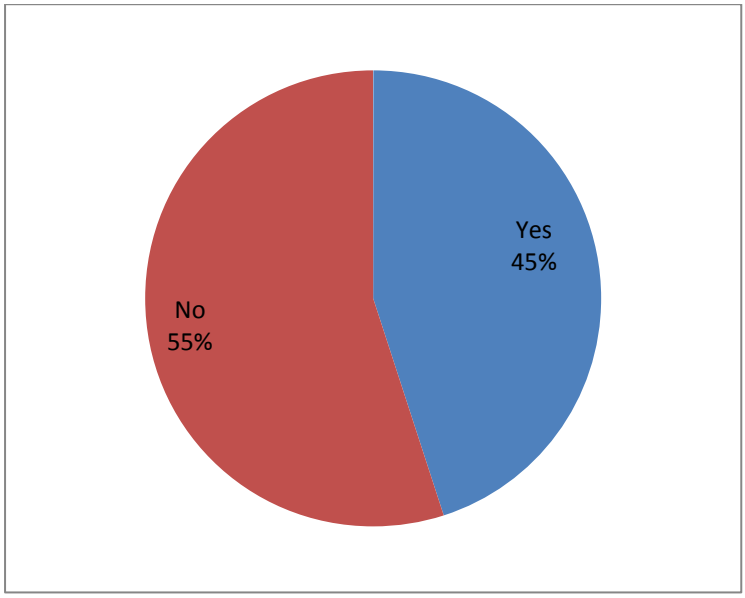
Table 6.4: Total Sales Turnover (outliers are removed)

Mean	13,706,401.59
Standard Deviation	18,269,200.87
Median	5,135,000.00
Mode	20,000,000
Minimum	5,000
Maximum	95,000,000

6.3.2 Export Specificity

The variable of export specificity relates to the existence (or non-existence) of an export department in the firm (Samiee and Walters, 1990). It is a dichotomous variable. As explained in Chapter 4 (see section 4.2), the export function (rather than the export department) was chosen as a unit of analysis for the current study. One of the main arguments was based on the assumption that the majority of the companies in the UK do not have an export department. The obtained results supported that argument. As shown in Figure 6.1, 55% (110 companies) in the sample do not have an export department. That is in line with previous academic findings (e.g. Vyas and Souchon, 2003).

Figure 6.1: Existence of an Export Department



6.3.3 Size of the Export Function

In order to measure the size of the export function, respondents were asked to identify the number of staff directly involved in export matters (including the respondent). As shown in the table below, this variable ranges from 1 to 100 people, with the average being around 8 people. The majority of the companies have below 40 export members and half of the companies have less than 4 members in the export team. 4 is also the most common number (mode) of export members. The results show that the majority of the export functions are relatively small.

Table 6.5: Number of Export Stuff

Mean	7.782
Standard Deviation	11.324
Median	4.00
Mode	4.00
Minimum	1
Maximum	100

The variable has one outlier (100 export members) (see Appendix 6.3). If that case is removed from the sample the maximum size of the export function decreases to 50 members, but a mode and a median remain the same. Nevertheless, as mentioned above, that company was also retained in the sample as it represents a valid element of the target population (Hair et al., 2006).

Table 6.6: Number of Export Stuff (an outlier is removed)

Mean	7.409
Standard Deviation	9.264
Median	4.00
Mode	4.00
Minimum	1
Maximum	50

6.3.4 Export experience

Export experience is measured by the number of years the company has been exporting and represents the company's familiarity with export activities (Diamantopoulos and Horncastle, 1997). As shown in Table 6.7, this variable ranges from 1 year to 192 years of exporting. However, export experience over 100 years is more of an exception than the norm. The average score for that variable is around 30 years, and half of the companies have less than 25 years of export experience.

Table 6.7: Number of Years of Exporting

Mean	31.61
Standard Deviation	23.079
Median	25.00
Mode	30
Minimum	1
Maximum	192

6.3.5 Export Complexity

Export complexity was measured by the number of countries the company exports to (Seringhaus and Rosson, 1991). The results show that the majority of respondent companies export to more than 20 countries, with some exporting to almost every country in the world (190). According to the United Nations, the current number of countries in the world is 193 (http://www.un.org/en/members/). Interestingly, there is no company in the sample which exports to a single country as the minimum number of countries exported to is 2. The descriptive characteristics of export complexity are presented in Table 6.8.

Table 6.8: Number of Countries Exporting to

Mean	35.871
Standard Deviation	36.484
Median	25
Mode	20
Minimum	2
Maximum	190

6.3.6 Export Dependence

The export dependence of the company is measured with two variables: the percentage of export sales to total sales and the percentage of export profits to total profits. These two variables are very strongly correlated (Pearson correlation coefficient is 0.922, $p < 0.01$).

To distinguish between companies which heavily rely on exporting from those which are not, a 50% threshold is usually used (Katsikeas, 1994). According to the results

half of the companies within the sample are highly dependent on exporting (with median value being 50 per cent for both sales and profit). The descriptive characteristics of export dependence for both sales and profit are presented in Tables 6.9 and 6.10 below. However, the mode value is not provided as both distributions have multiple modes. It is assumed that companies can be divided into two major groups: those who heavily rely on export in their business operations (over 50%) and those who do not (below 50%).

Table 6.9: Percentage of Annual Sales Turnover Derived from Exports (%)

Mean	47.201
Standard Deviation	30.323
Median	50.000
Mode	multiple
Minimum	1
Maximum	100

Table 6.10: Percentage of Annual Profit Derived from Exports (%)

Mean	46.728
Standard Deviation	31.069
Median	50.000
Mode	multiple
Minimum	1
Maximum	100

To sum up, the results of the companies' characteristics show that the sampled companies represent a wide variety of exporters what allows to maximise the findings. Despite the presence of some outliers, the decision was made to retain them in the sample as they represent valid elements of the target population.

6.4 Knowledgeability Assesment

As discussed in Chapter 5 (see section 5.7.6.1), the three-item construct of knowledgeability was introduced in order to verify the ability of the respondents to answer the questions in the survey correctly. First, a unidimensionality of the scale was confirmed using an exploratory factor analysis (EFA). The KMO measure and Barlett's test of sphericity ascertained that the data is factorable and yielded a score of 0.720. A single factor was formed which explained 87.4% of the total cumulative variance. All factor loadings were above 0.9 value. The communalities values indicated that there is a high percentage of shared (common) variance for all the variables (above 80%).

After that the internal consistency reliability of the items was assessed. The value of Cronbach's α is 0.921. As the items demonstrated high internal consistency a score of 'knowledgeability' was calculated by summing and averaging the three items belonging to this construct. All items were anchored along 7-point scales. The respondents demonstrate a high knowledgeability about the subject matters. The mean for the variable is 6.150, median 6 and mode 6 (see Appendix 6.4).

Table 6.11: Knowledeability of Export Managers

Mean	6.150
Standard Deviation	0.830
Median	6
Mode	6
Minimum	2
Maximum	7

6.5 Exploratory Factor Analys

The next stage of the analysis involves verification of the dimensionality of the constructs examined. In the current study, it is assumed that *planning* has a uni-dimensional structure, *improvisation* is three-dimensional (spontaneity, creativity, action-orientation), *responsiveness* is uni-dimensional, *export performance* is two-dimensional (customer performance and financial performance) and *environmental turbulence* is three-dimensional (technological turbulence, market turbulence and competitive intensity). However, the proposed structure of the constructs should not be taken for granted and has to be verified. Exploratory factor analysis is a technique commonly used to define the underlying structure among the variables (Kinnear and Taylor, 1991).

Five principal components analyses were performed as the main objective of EFA was identification of a minimum number of factors (data reduction) (see Chapter 5, section 5.9.1).

All factor analyses were performed using Direct Oblimin rotation (oblique rotation), as it was assumed that the potential dimensions (factors) are able to correlate with one another (but do not necessarily have to) (Bernaards and Jennrich, 2005).

6.5.1 EFA Improvisation

The first factor analysis performed included the improvisation items (V12.1-V14.8) (see Appendix 5.1 for Coded Qustionnaire). The KMO measure and Barlett's test of sphericity ascertained that the data is factorable, and yielded a score of 0.855; the total cumulative variance explained was 67.3%.

Initially six factors (dimensions) emerged. However, the results indicated that some items have to be removed in order to produce reliable scales (as the items cross-loaded). Items were removed one by one; there was a following order of item deletion: V14.8, V13.2, V14.5, V14.6, 14.1.

The removal of those items led to a four-factor solution (KMO=0.862; total cumulative variance explained = 63.9%). The items representing creativity (V13.1, V13.3-V13.7) and action-orientation (V14.2-V14.4, V14.7) grouped as expected

(according to their dimensions), however spontaneity items were split into two factors. After analysing the meaning of the variables, it became clear that variables V12.1-V12.3 (which formed a fourth factor) represent being '*good*' at spontaneity, rather than making spontaneous decisions in general. Thus, in order to achieve better the face (content) validity (see Chapter 5, section 5.9.4), variables V12.1-V12.3 were removed from further analysis.

This resulted in a three-factor solution (KMO=0.870; total cumulative variance explained was 61.7%). Most of the factor loadings were quite high -- above 0.7 except V13.1 where the factor loading was above 0.5 (which is still considered as a reasonably good factor loading, according to Hair et al., 2006).

Communalities of the current factor analysis indicate that most of the variables obtain relatively high percentage of shared (common) variance (around 60%), with the exception of V13.1 (34%). Nevertheless, this variable was retained at that stage of the analysis due to a high factor loading (see Appendix 6.5).

6.5.2 EFA Planning

The second EFA included the planning items (V11.1-V11.10) (see Appendix 5.1). The KMO measure and Barlett's test of sphericity ascertained that the data is factorable, and yielded a score of 0.910.

As was expected, the planning construct appeared to be unidimensional as only one factor was formed explaining 61.2% of the total cumulative variance. Almost all factor loadings were above 0.7, except for the variable V11.10 which loaded at 0.643, but this is still considered to be relatively high.

The communalities values indicated that there is a high percentage of shared (common) variance for most of the variables (about 60%) (see Appendix 6.6).

6.5.3 EFA Responsiveness

The third EFA included the measures of responsiveness (V27.1-V27.6) (see Appendix 5.1). Items were grouped together as one factor. That resulted in the value of KMO 0.904 with 73.1% of total variance explained. The communalities values

indicated that there is a high percentage of shared (common) variance for all the items (around 65% and above) (see Appendix 6.7).

6.5.4 EFA Export Performance

The fourth EFA included subjective measures of export performance (V37.1-V38.7) (see Appendix 5.1). The results proposed a three-dimensional structure of export performance instead of the initially hypothesised two-dimensional structure. However, one item (V37.2) cross-loaded and was deleted. Once variable V37.2 was deleted the structure of export performance became clearer (KMO = 0.885; 75.3% of the total cumulative variance explained). The results still indicated a three-dimensional structure to the construct; however, one of the factors consisted of only two items (V37.5, V37.6). The decision was made to remove those items from further analysis as the constructs containing only two items are considered to be underspecified (Kelloway, 1998).

The removal of those items led to a two-dimensional solution. As predicted, the first factor contained variables regarding financial export performance (V37.1, V38.1-V38.7) and the second factor contained items concerned with customer export performance (V37.3, V37.4, V37.7). As a result, the KMO value slightly increased to 0.891 but the resulting total percentage of explained variance slightly decreased to 73% (but is still considered to be high). Communalities indicate that most of the variables obtain relatively high percentage of shared (common) variance (around 70%), with the exception of V38.4 which was slightly lower (55%) (see Appendix 6.8).

6.5.5 EFA Environmental Turbulence

The last EFA included the measures of environmental turbulence (V31.1-V31.17). The results proposed a four-factor solution instead of the initially conceptualised three-dimensional structure. However, the formed factors did not have a clear structure as many variables were cross-loaded (V31.3, V31.4, V31.5, V31.11, V31.13, V31.15). They were removed from further analysis one by one. Variables V31.12 and V31.17 were also removed from the analysis due to very low commonalities (0.3 and below 0.01 accordingly). After this was done, the results

indicated a three-factor solution. The first factor contained variables related to technological turbulence (V31.1, V31.2 and V31.8), whilst the second factor contained variables related to competitive intensity (V31.6 and V31.16) and the third factor retained one variable related to competitive intensity (V31.9) and one variable related to market turbulence (V31.10). The decision was made to remove variables V31.9 and V31.10 from further analysis in order to achieve better face validity.

The current factor analysis resulted in a large number of the removed variables. However, the structural model cannot be tested unless reliable and valid scales are obtained. Measures of market turbulence failed to produce robust scales; it means that from now onwards only constructs of technological turbulence and competitive intensity are going to be considered as control variables for the model.

That results of a two-factor solution obtained KMO=0.687 and total cumulative variance explained was 75.5%. The communalities values indicated that there is a high percentage of shared (common) variance retained for all the variables (above 60%) (see Appendix 6.9).

After the underlying structure of the constructs is examined, it is necessary to assess the reliability of the scales.

6.6 Reliability Analysis

The results of the internal consistency reliability assessment via SPSS are presented below.

6.6.1 Reliability Analysis of Improvisation

According to the results of the EFA improvisation has three dimensions, including, spontaneity, creativity and action-orientation.

6.6.1.1 Spontaneity

The value of Cronbach's α for spontaneity is 0.892, which indicates a good reliability of the construct. Additionally, in line with the rule of thumb, all item-to-total correlations exceed 0.50, and all inter-item correlations are above the 0.30 threshold. The results show that if any of the items are deleted it will lead to a decrease in the alpha value rather than an increase (see Appendix 6.10).

6.6.1.2 Creativity

The value of Cronbach's α for creativity is 0.864. However, in contrast to spontaneity, the reliability analysis showed that V13.1 did not perform to the standard requirements. More specifically, the item-to-total correlation of variable V13.1 was below the 0.50 threshold, and its inter-item correlations with V13.6 were below the 0.30 threshold (0.239). Moreover, as mentioned above (see section 6.5.1), variable V13.1 shared quite a low percentage of common variance (34%). Thus, the decision was made to remove V13.1 from further analysis. This resulted in an increase in the alpha coefficient to 0.878 (item-to-total correlations are exceeding 0.50; inter-item correlations are above 0.30) (see Appendix 6.10).

6.6.1.3 Action-Orientation

The value of Cronbach's α for action-orientation is 0.830 (item-to-total correlations are exceeding 0.50; inter-item correlations are above 0.30). The deletion of any of the items does not provide the improvement of alpha value (see Appendix 6.10).

6.6.2 Reliability Analysis of Planning

The reliability analysis showed that the planning construct has a high internal consistency (α =0.929; item-to-total correlations exceeding 0.50; inter-item correlations above 0.30). The removal of any of the items does not lead to an improvement of alpha value (see Appendix 6.11).

6.6.3 Reliability Analysis of Export Responsiveness

The alpha coefficient for responsiveness is 0.926 (item-to-total correlations and inter-item correlations are above the thresholds). The deletion of any of the items does not improve the alpha value (see Appendix 6.12).

6.6.4 Reliability Analysis of Export Performance

According to the results, export performance is a two-dimensional construct consisting of customer performance and financial performance. The reliability analysis showed that both customer performance and financial performance have high internal consistency (see Appendix 6.13).

6.6.4.1 Export Customer Performance

The value of Cronbach's α for export customer performance is 0.828 (all item-to-total correlations are exceeding 0.50, and all inter-item correlations are above the 0.30 threshold). The results show that if any of the items are deleted it will lead to a decrease in the alpha value rather than an increase.

6.6.4.2 Export Financial Performance

The value of Cronbach's α for export financial performance is 0.941 (all item-to-total correlations are exceeding 0.50, and all inter-item correlations are above the 0.30 threshold). The results again show that deletion of any items would negatively affect the value of alpha.

6.6.5 Reliability Analysis of Environmental Turbulence

The results of EFA indicated that environmental turbulence retained two constructs for further analysis: technological turbulence and competitive intensity. The reliability analysis showed that both these constructs have a reasonably high internal consistency (see Appendix 6.14).

6.6.5.1 Technological Turbulence

The value of Cronbach's α for technological turbulence is 0.844 (all item-to-total correlations are exceeding 0.50, and all inter-item correlations are above the 0.30 threshold).

6.6.5.2 Competitive Intensity

The value of Cronbach's α for competitive intensity is (0.647). Item-to-total correlations are at the threshold 0.50.

To conclude, based on the results of the EFA all scales examined have shown to be reliable (see Table 6.12). However, in order to develop robust scales, the constructs have to be further assessed using confirmatory factor analysis.

Table 6.12: Cronbach's α Coefficient

Construct	A
Export Improvisation: Spontaneity	0.892
Export Improvisation: Creativity	0.878
Export Improvisation: Action-orientation	0.830
Export planning	0.929
Export responsiveness	0.926
Export performance: customer	0.828
Export performance: financial	0.941
Technological turbulence	0.844
Competitive intensity	0.647

6.7 Confirmatory Factor Analysis

6.7.1 Main Constructs

LISREL 8.80 software was used in order to run CFA to validate the measures of all relevant constructs. CFA was performed using Maximum Likelihood (ML) fitting (Hu and Bentler, 1998). According to Hair et al. (2006), in order to obtain reliable results, the minimum ratio of sample elements to parameters (to be estimated) should be 5:1. After the EFA procedure was employed, the 9 final constructs retained 51 items in total. Considering that the sample size of the study was 200, the decision was made to initially run two separate CFAs. This enabled the maximisation of statistical power and the reduction of violations of acceptable estimated parameters/cases ratios (Bentler and Chou, 1987). The first CFA (1) included items measuring export improvisation (spontaneity, creativity and action-orientation) and export planning (the constructs related to the decision-making process) The second CFA (2) included items measuring export responsiveness, export customer performance, export financial performance, technological turbulence and competitive intensity (the outcome and control variables).

The initial results of CFA (1) did not provide a very good fit to the data (χ^2 = 721.237 (d.f. = 318, P=0.0), RMSEA=0.0834 (0.0764-0.0910), CFI=0.952, NNFI=0.947, GFI=0.780), which meant that the measurement items needed to be further purified (Kelloway, 1998).

As discussed in Chapter 5 (see section 5.9.3), the researcher has to pay attention to multiple factors before making a decision about variable removal. The most commonly used parameters that flag a potential problem item include low factor loadings, high values of standardised residuals and high values of modification indices (Brown, 2006; Hair et al., 2006; Worthington and Whittaker, 2006).

8 variables were removed from the analysis for CFA (1) in order to achieve a good fit to the data, especially with GFI which is proved to be more challenging than other indices. The order of item deletion is represented below:

V11.2, V11.3 (planning), V12.9 (spontaneity), V11.9 (planning), V12.5 (spontaneity), V14.4 (action-orientation), V11.1 (planning), V11.10 (planning).

Step 1: V11.2 removed

x^2 (df)	619.031 (293)
x^2/ df	2.113
RMSEA	0.0757
CFI	0.957
NNFI	0.953
GFI	0.805

Step 2: V11.3 removed

x^2 (df)	516.997 (269)
x^2/ df	1.921
RMSEA	0.0678
CFI	0.964
NNFI	0.960
GFI	0.828

Step 3: V12.9 removed

x^2 (df)	426.884 (246)
x^2/ df	1.735
RMSEA	0.0578
CFI	0.972
NNFI	0.968
GFI	0.854

Step 4: V11.9 removed

x^2 (df)	368.185 (224)
x^2/ df	1.643
RMSEA	0.0544
CFI	0.975
NNFI	0.972
GFI	0.865

Step 5: V12.5 removed

x^2 (df)	309.127 (203)
x^2/ df	1.522
RMSEA	0.0497
CFI	0.980
NNFI	0.977
GFI	0.878

Step 6: V14.4 removed

x^2 (df)	270.383 (183)
x^2/ df	1.478
RMSEA	0.0478
CFI	0.982
NNFI	0.979
GFI	0.887

Step 7: V11.1 removed

x^2 (df)	235.024 (164)
x^2/ df	1.433
RMSEA	0.0448
CFI	0.984
NNFI	0.982
GFI	0.897

Step 8: V11.10 removed

x^2 (df)	209.094 (146)
x^2/ df	1.432
RMSEA	0.0441
CFI	0.985
NNFI	0.982
GFI	0.903

After item-removal, fit indices demonstrate that CFA (1) provides a good fit to the data (χ^2 = 209.094 (d.f. = 146; P=0.0005), RMSEA=0.0441 (0.0281-0.0581), CFI=0.985, NNFI=0.982, GFI=0.903) (see Appendix 6.15).

The initial results of CFA (2) also did not provide a very good fit to the data (χ^2 =694.615 (d.f. = 220; P=0.0), RMSEA=0.104 (0.0923-0.109), CFI=0.933, NNFI=0.923, GFI=0.767). Based on the criteria mentioned above (high sum of modification indices, low factor loadings, high value of error) 5 variables were removed from the analysis for CFA (2), which allowed to achieve good values of fit indices, especially GFI. The order of item deletion was:

V38.4, V38.7, V38.3, V38.1 (financial performance), V27.6 (responsiveness).

Step 1: V 38.4 removed

x^2 (df)	491.528 (199)
x^2/ df	2.47
RMSEA	0.0859
CFI	0.952
NNFI	0.944
GFI	0.817

Step 2: V 38.7 removed

x^2 (df)	335.678 (179)
x^2/ df	1.87
RMSEA	0.0663
CFI	0.969
NNFI	0.964
GFI	0.862

Step 3: V38.3

x^2 (df)	251.061 (160)
x^2/ df	1.57
RMSEA	0.0535
CFI	0.979
NNFI	0.975
GFI	0.888

Step 4: V38.1

x^2 (df)	194.357 (142)
x^2/ df	1.37
RMSEA	0.0430
CFI	0.984
NNFI	0.981
GFI	0.900

Step 45: V27.6

x^2 (df)	141.458 (125)
x^2/ df	1.13
RMSEA	0.0257
CFI	0.993
NNFI	0.927
GFI	0.919

After item-removal, fit indices demonstrate that the results of CFA (2) provides a good fit to the data (χ^2 = 141.458 (d.f. = 125; P=0.149), RMSEA=0.0257 (0.0-0.0448), CFI=0.993, NNFI=0.991, GFI=0.927) (see Appendix 6.15).

The procedure of running two separate CFAs was followed by running a single CFA with all measurement items (as their number went down to 35 which fulfils the 5:1 sample size/parameter requirement for a sample size of 200). The results demonstrate that a single CFA provides a relatively good fit to the data (χ^2 = 691.926 (d.f. = 524; P=0.00), RMSEA=0.0401 (0.0315-0.0480), CFI=0.975, NNFI=0.972, GFI=0.834) (see Appendix 6.16). All indices, except GFI, exceeded recommended thresholds. Despite the fact that the value of GFI is slightly lower than the recommended (0.9), it is close enough to be considered acceptable (taking into account that the values for all other indices are relatively high).

6.7.2 Common Method Variance Assessment

As discussed in Chapter 5 (see section 5.5.3), there is a potential for common method variance (CMV) to occur. In the current study, CMV was examined through Harman's one-factor test (Podsakoff et al., 2003). The fit for the measurement model is considerably better than for the unidimensional model. The results of the CMV-adjusted model indicated a deterioration in the $\chi^2$and all other fit indices examined (RMSEA, CFI, NNFI, GFI). The one factor model yielded a χ^2 = 4544.877 (d.f.=568; P=0.00), RMSEA=0.188 (0.0183-0.193), CFI=0.675, NNFI=0.660, GFI=0.434. While the effect of CMV could not be completely ruled out, the comparison analysis suggested that common method bias is not likely to influence the relationship between the constructs.

6.7.3 Construct Validity

The overall CFA was used to calculate composite reliability and average variance extracted (AVEs). As mentioned in Chapter 5 (see section 5.9.4), according to the rule of thumb the construct reliability should be 0.7 or higher (Hair et al., 2006). The construct reliability for most of the examined scales (except competitive intensity) exceeded 0.8. After this AVE values were calculated for all the constructs examined; all values exceeded 0.5 threshold (see Table 6.10 below). Discriminant validity was

assessed by comparing the AVEs for any two constructs with squared correlations between them (Fornell and Larcker, 1981)[†] . All the AVEs estimated appeared to be higher than any squared correlations which provide a good evidence of discriminant validity. To sum up, the constructs examined demonstrated high construct reliability and discriminant validity.

Table 6.13: Construct Validity Assessment

N		**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**
1	Spontaneity	**.53**								
2	Creativity	.01	**.59**							
3	Action-orientation	.03	.32	**.58**						
4	Planning	.18	.25	.38	**.62**					
5	Responsiveness	.00	.20	.19	.14	**.71**				
6	Customer performance	.00	.05	.05	.00	.07	**.62**			
7	Financial performance	.03	.10	.10	.10	.08	.32	**.73**		
8	Technological turbulence	.01	.01	.01	.05	.02	.01	.00	**.65**	
9	9.Competitive turbulence	.00	.00	.00	.01	.01	.00	.01	.04	**.53**
	Mean	4.106	4.370	4.909	4.412	5.10	4.967	4.156	4.127	4.272
	Standard deviation	1.320	1.089	1.025	1.693	.941	1.047	1.421	1.371	1.467
	CR	.85	.88	.80	.89	.92	.83	.92	.85	.68

NOTE:
CR = composite reliability
Average variance extracted (AVE) are presented in a diagonal

After the CFA models were run, an item parceling technique was employed where a score for each latent antecedent variable was calculated by summing the items belonging to each construct (Bandalos, 2002) (see Appendix 6.18 for CFA factor loadings). However, before further analysis could be undertaken, it is necessary to access the normality of the obtained scales.

[††] See initial PHI matrix in Appendix 6.17

6.8 Scales Normality Assessment

Normality is a core assumption of multivariate analysis (Chou, Bentler and Satorra, 1991). Before the structural model is tested, it is necessary to check whether the latent variables are normally distributed. Normal distribution is defined as 'purely theoretical continuous probability distribution in which the horizontal axis represents all possible values of a variable and the vertical axis represents the probability of those values occurring. The scores on the variable are clustered around the mean in a symmetrical unimodal pattern known as the bell-shaped, or normal, curve' (Hair et al., 2006 p. 40). If variables demonstrate significant deviation from normality, multivariate analysis cannot be used because the results of the tests become invalid (Srivastava, 2002). Moreover, multivariate methods assume both univariate normality and multivariate normality (Tabachnick and Fidell, 2001). Univariate normality demonstrates the normality of the distribution for a single variable (Malkovich and Afifi, 1973). Multivariate normality means that combinations of the variables are also normal. If the variable demonstrates multivariate normality it also demonstrates univariate normality (Looney, 1995).

6.8.1 The Impact of Violating the Normality Assumption

6.8.1.1 Impacts due to Sample Size

Larger sample sizes increase statistical power by reducing sampling error (Tabachnick and Fidell, 2001) which reduces the detrimental effects of non-normality (if it occurs). For small samples (30-50 cases) significant deviations from normality can have a large impact on the results. However, for 200 cases or more the same effects are likely to be minor or even cancelled (Hair et al., 2006). As a result the sample size of the current study (200 cases) allows for toleration of slight departures from normality if they occur.

6.8.1.2 Impacts due to the Shape of the Distribution

The shape of the distribution of any variable can be described by the kurtosis and skewness measures. 'Kurtosis is a measure of the peakedness or flatness of a distribution when compared with a normal distribution... skewness is measure of the

symmetry of a distribution' (Hair et al., 2006 p. 40-41). There are statistical tests to assess kurtosis and skewness (where N is a sample size):

$$Zkurtosis = \frac{kurtosis}{\sqrt{\frac{24}{N}}}$$

$$Zskewness = \frac{skewness}{\sqrt{\frac{6}{N}}}$$

A negative kurtosis value of *Z* statistic indicates a platykurtic (flatter) distribution, while a positive value shows that the distribution is leptokurtic (peaked). A negative skewness value of *Z* statistic denotes that the distribution is shifted to the right, while a positive skewness value denotes that the distribution is shifted to the left. The most commonly used critical values of $Z_{kurtosis}$ and $Z_{skewness}$ are ± 2.58 (p=0.1) and ±1.96 (p=0.05). If Z values exceed the critical value the distribution is considered to be not normal (Hair et al., 2006).

In the sections below the results of the multivariate normality assessment for all the examined constructs are now presented.

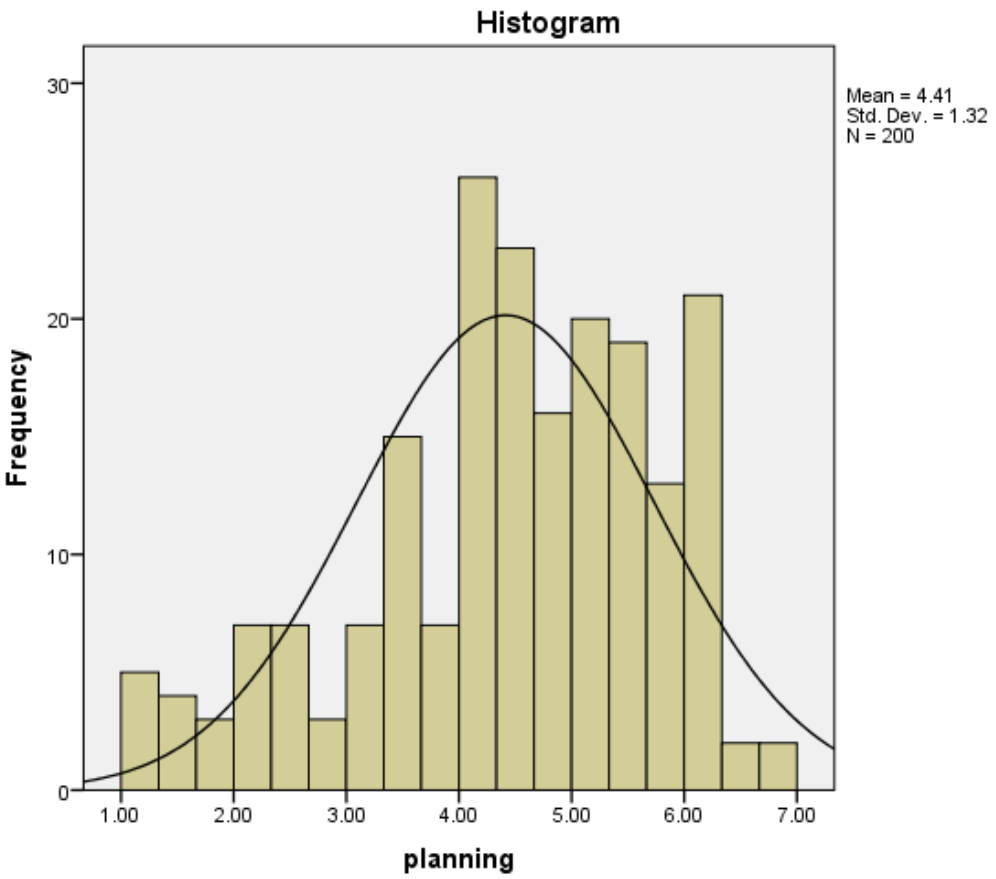
6.8.2 Normality Assessment of Planning

The results indicate that the distribution of the planning construct can be considered normal, as the values of $Z_{kurtosis}$ and $Z_{skewness}$ statistics are substantially below the critical value (p=0.05). The distribution is slightly flatter and is slightly shifted to the right compared to an absolutely normal distribution.

Table 6.14: Planning: Descriptive Statistics

Mean	4.412
Median	4.6
Mode	4.6
Standard Deviation	1.320
Minimum	6.8
Maximum	1
Skewness	-.686
Kurtosis	-.099

Figure 6.2: Planning: Normal Curve



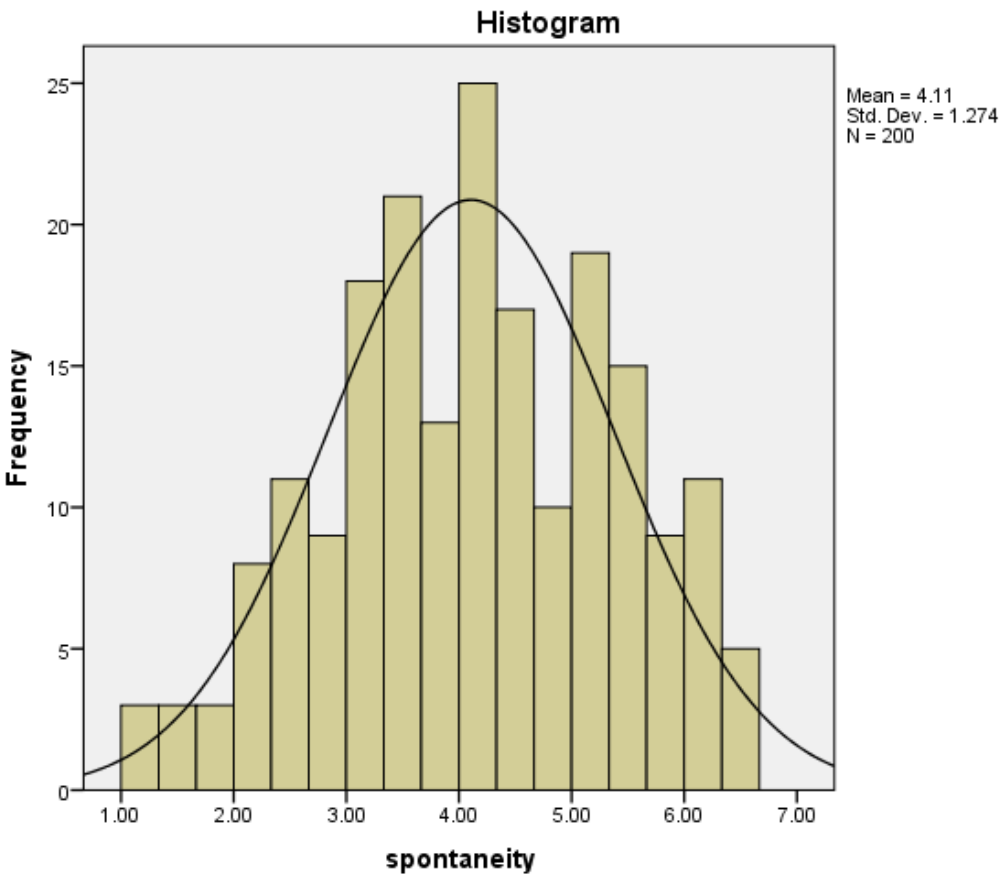
6.8.3 Normality Sssessment of Spontaneity

The results show that the distribution of the spontaneity construct can be considered normal. The values of $Z_{kurtosis}$ and $Z_{skewness}$ statistics are substantially below the critical value (p=0.05). The distribution is slightly flatter and is slightly shifted to the right compared to an absolutely normal distribution.

Table 6.15: Spontaneity: Descriptive Statistics

Mean	4.106
Median	4
Mode	3.6
Standard Deviation	1.274
Minimum	1
Maximum	6.6
Skewness	-.186
Kurtosis	-.588

Figure 6.3: Spontaneity: Normal Curve



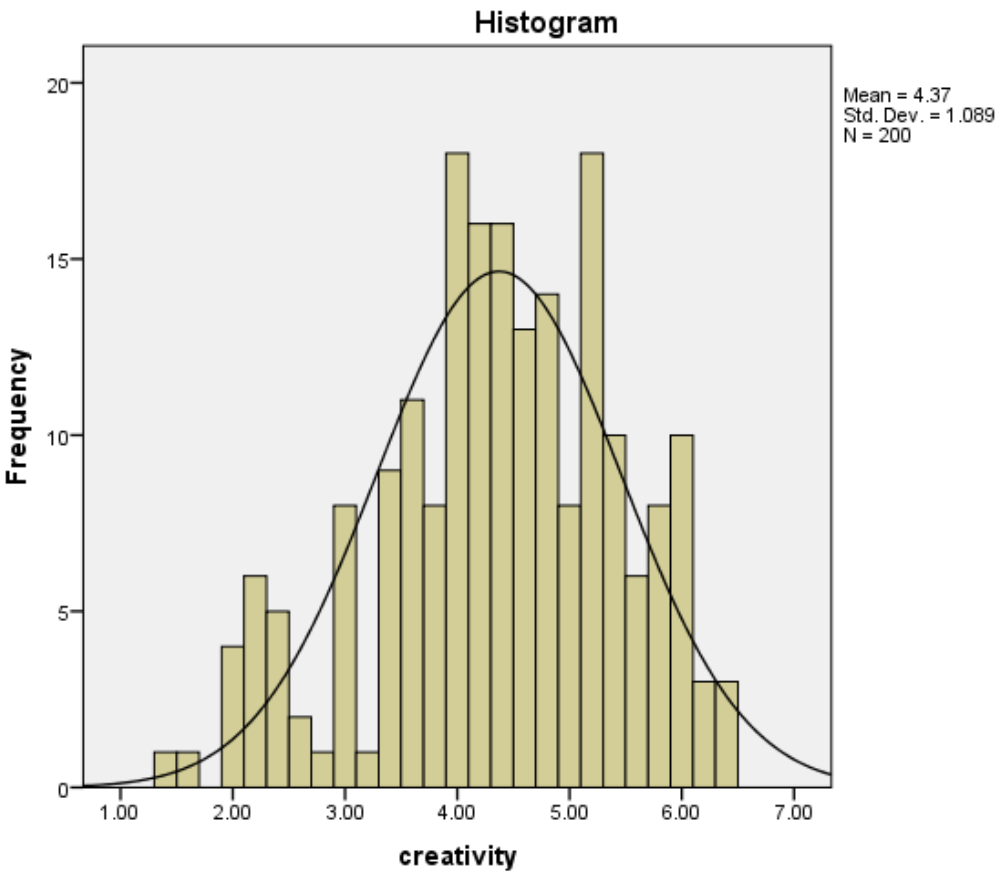
6.8.4 Normality Assessment of Creativity

The results provide support for the normality of the creativity construct distribution. The values of $Z_{kurtosis}$ and $Z_{skewness}$ statistics are substantially below the critical value (p=0.05). The distribution is slightly flatter and is slightly shifted to the right compared to an absolutely normal distribution.

Table 6.16: Spontaneity: Descriptive Statistics

Mean	4.37
Median	4.4
Mode	4
Standard Deviation	1.084
Minimum	1.4
Maximum	6.4
Skewness	-.421
Kurtosis	-.236

Figure 6.4: Creativity: Normal Curve



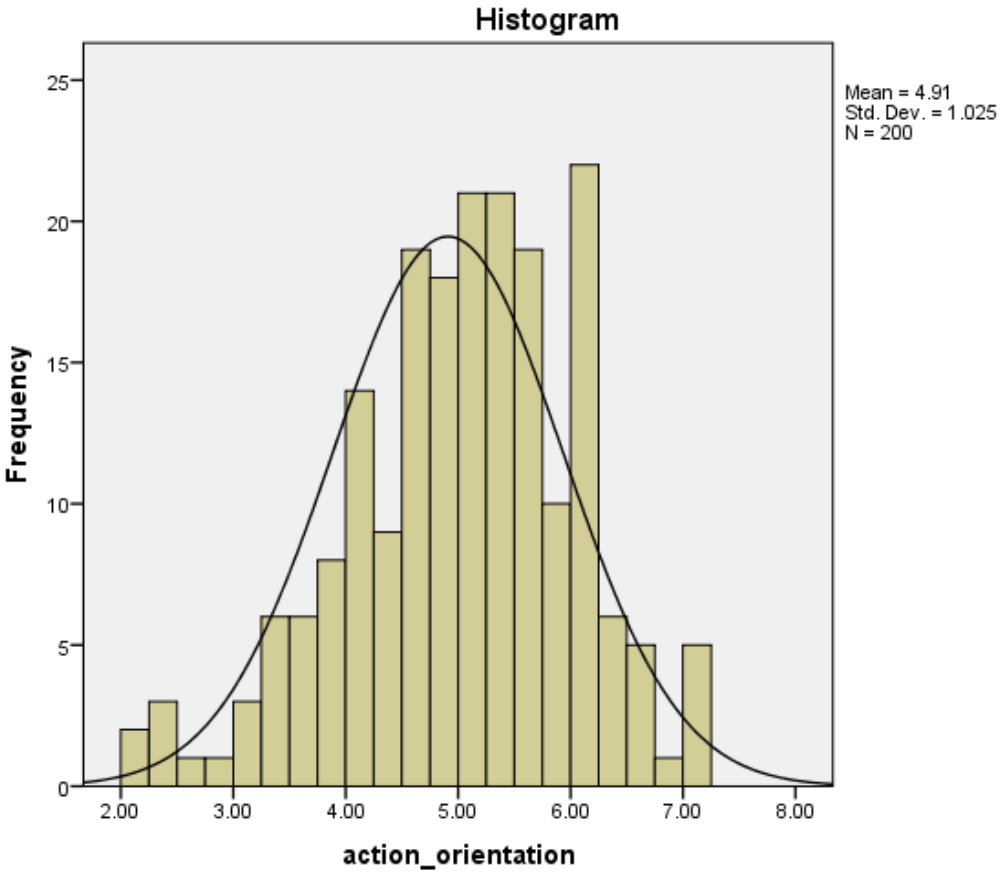
6.8.5 Normality Assessment of Action-Orientation

The results indicate that the distribution of the action-orientation construct can be considered normal, as the values of $Z_{kurtosis}$ and $Z_{skewness}$ statistics are substantially below the critical value (p=0.05). The distribution is slightly peaked and is slightly shifted to the right compared to an absolutely normal distribution.

Table 6.17: Action-orientation: Descriptive Statistics

Mean	4.903
Median	5
Mode	6
Standard Deviation	1.025
Minimum	2
Maximum	7
Skewness	-.465
Kurtosis	.172

Figure 6.5: Action-Orientation: Normal Curve



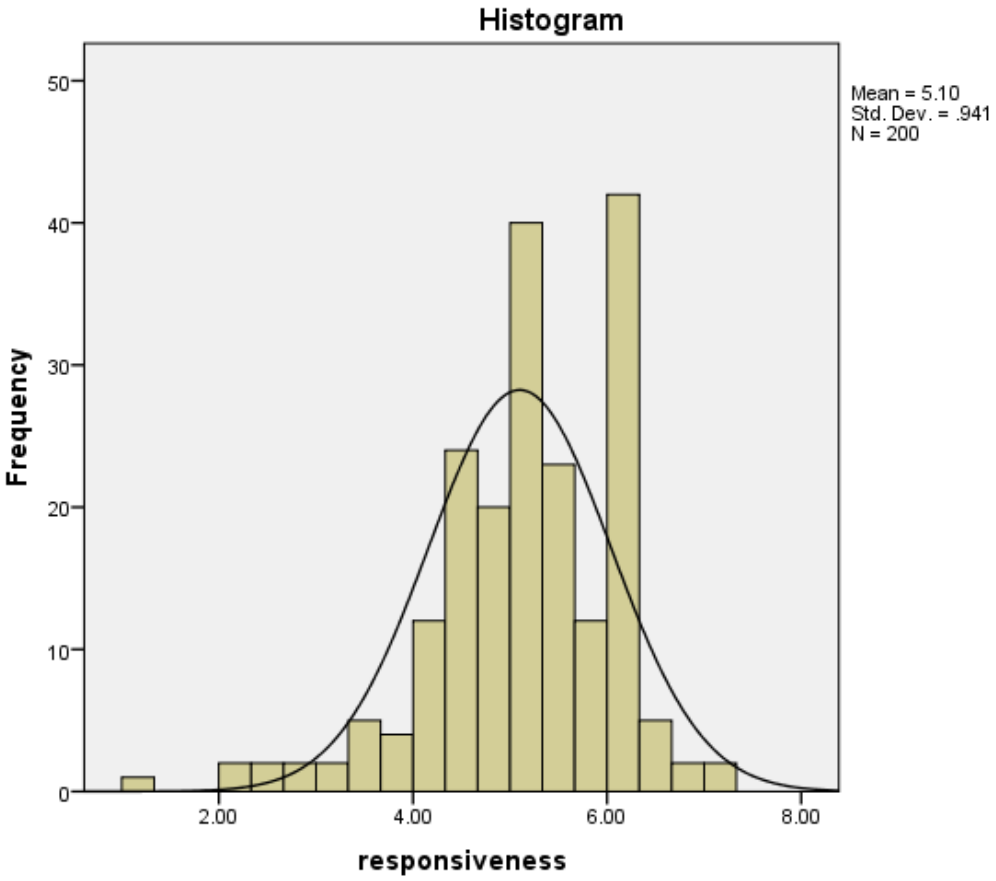
6.8.6 Normality Assessment of Responsiveness

The results indicate that the distribution of the responsiveness construct can be considered normal. The deviation from normality is slightly higher compare to other latent constructs in the analysis, however the values of $Z_{kurtosis}$ (p=0.1) and $Z_{skewness}$ (p=0.05) still do not exceed the critical values. The distribution is peaked and shifted to the left compared to an absolutely normal distribution.

Table 6.18: Responsiveness: Descriptive Statistics

Mean	5.090
Median	5.2
Mode	6
Standard Deviation	.941
Minimum	1
Maximum	7
Skewness	1.027
Kurtosis	2.073

Figure 6.6: Responsiveness: Normal Curve



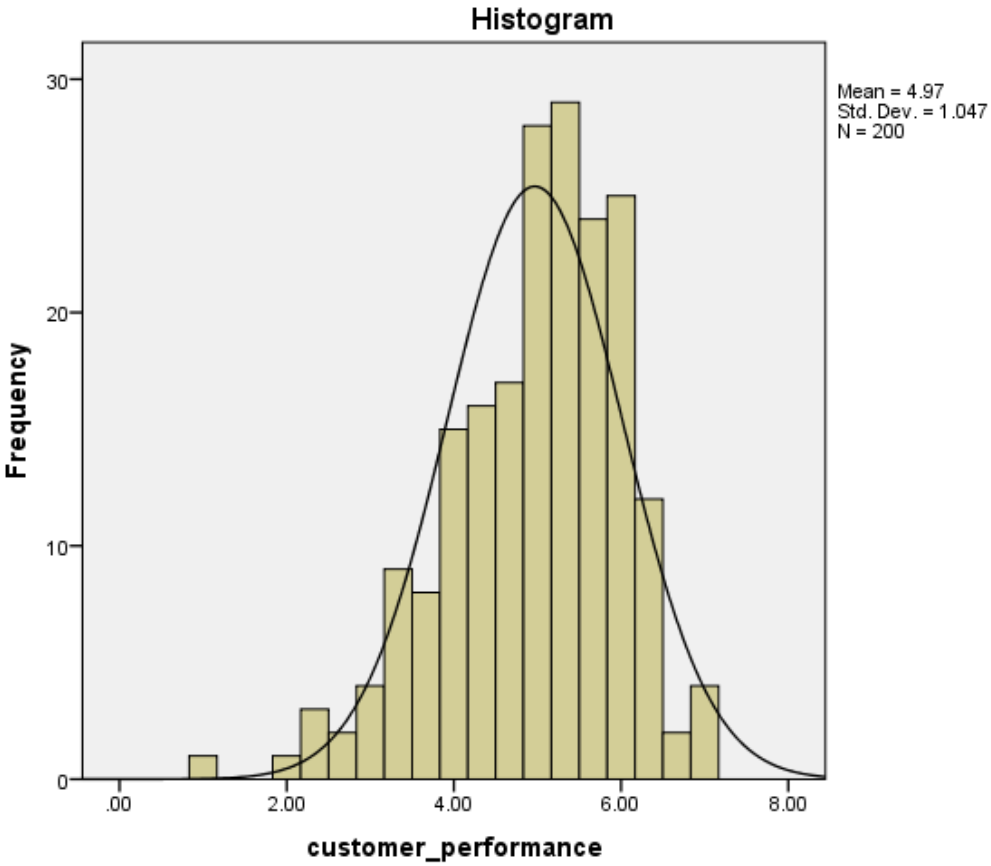
6.8.7 Normality Assessment of Customer Performance

The results provide the support for the normality of the customer performance distribution. The values of $Z_{kurtosis}$ and $Z_{skewness}$ statistics are substantially below the critical value (p=0.05). The distribution is slightly peaked and is slightly shifted to the right compared to an absolutely normal distribution.

Table 6.19: Customer Performance: Descriptive Statistics

Mean	4.967
Median	5
Mode	5.33
Standard Deviation	1.047
Minimum	1
Maximum	7
Skewness	-.715
Kurtosis	.620

Figure 6.7: Customer Performance: Normal Curve



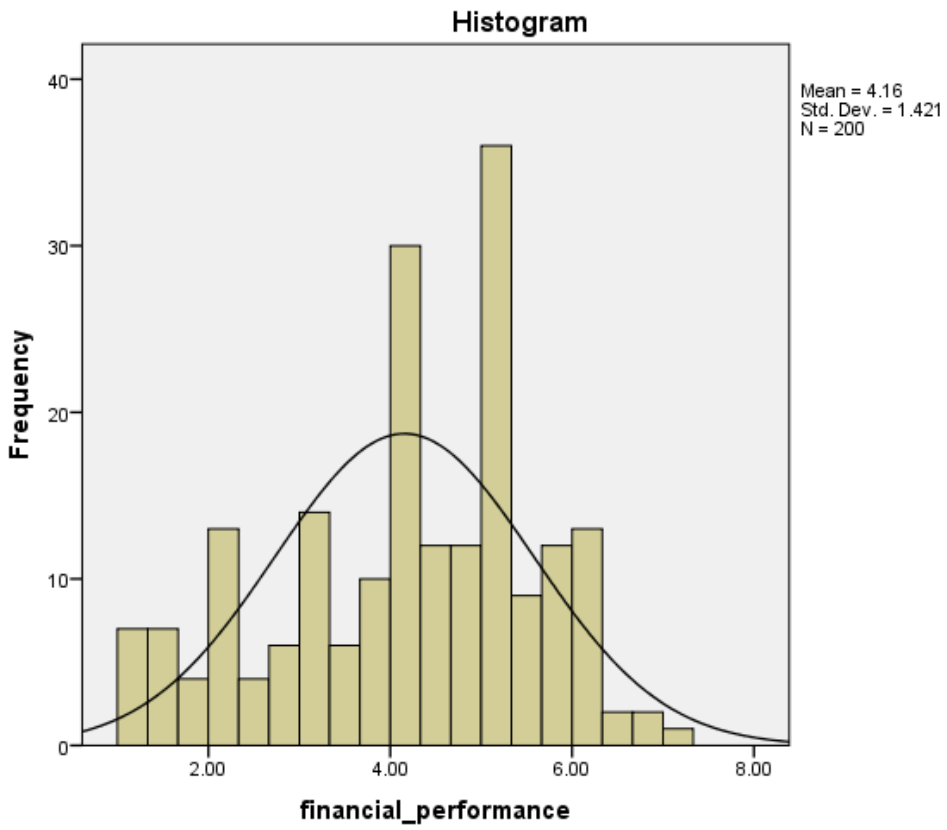
6.8.8 Normality Assessment of Financial Performance

The results provide support for the normality of the financial performance distribution. The values of $Z_{kurtosis}$ and $Z_{skewness}$ statistics are substantially below the critical value (p=0.05). The distribution is slightly flatter and is slightly shifted to the right compared to an absolutely normal distribution.

Table 6.20: Financial Performance: Descriptive Statistics

Mean	4.156
Median	4.25
Mode	5
Standard Deviation	1.421
Minimum	1
Maximum	7
Skewness	-.490
Kurtosis	-.589

Figure 6.8: Financial Performance: Normal Curve



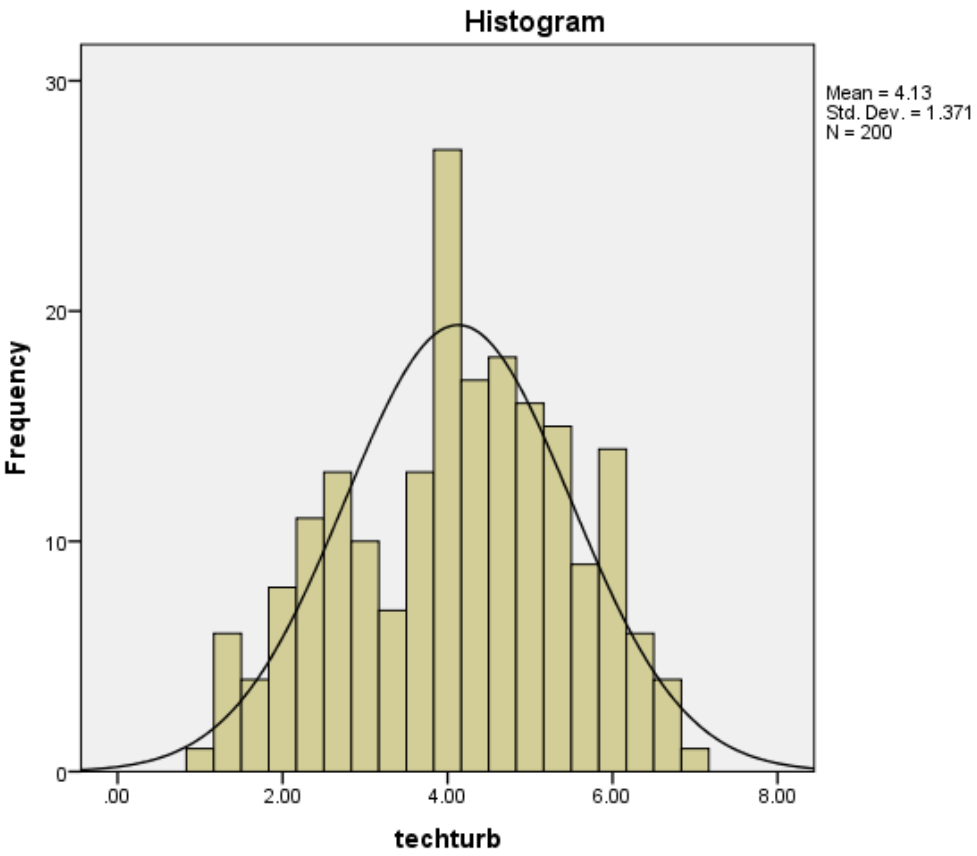
6.8.9 Normality Assessment of Technological Turbulence

The results indicate that the distribution of the construct of technological turbulence can be considered normal, as the values of $Z_{kurtosis}$ and $Z_{skewness}$ statistics are substantially below the critical value (p=0.05). The distribution is slightly flatter and is slightly shifted to the right compared to an absolutely normal distribution.

Table 6.21: Technological Turbulence: Descriptive Statistics

Mean	4.127
Median	4.167
Mode	4
Standard Deviation	1.371
Minimum	1
Maximum	7
Skewness	-.201
Kurtosis	-.693

Figure 6.9 Technological Turbulence: Normal Curve



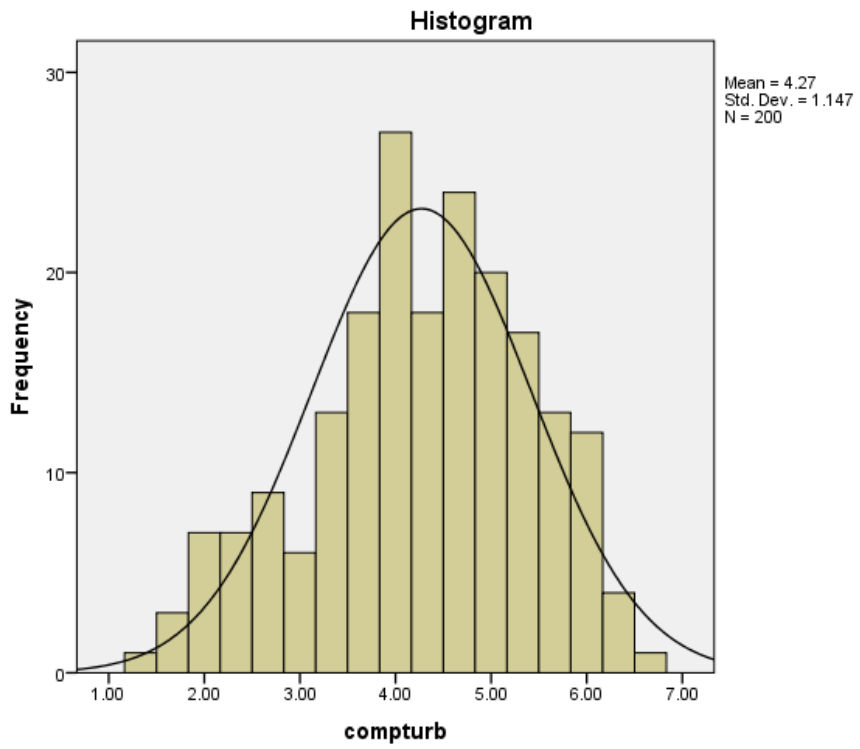
6.8.10 Normality Assessment of Competitive Intensity

The results provide support for the normality of the competitive intensity construct. The values of $Z_{kurtosis}$ and $Z_{skewness}$ statistics are substantially below the critical value (p=0.05). The distribution is slightly flatter and is slightly shifted to the right compared to an absolutely normal distribution.

Table 6.22: Competitive Intensity: Descriptive Statistics

Mean	4.272
Median	4.333
Mode	4
Standard Deviation	1.147
Minimum	1.33
Maximum	6.67
Skewness	-.339
Kurtosis	-.427

Figure 6.10: Competitive Intensity: Normal Curve



To sum up all constructs are considered to be normally distributed (see Appendix 6.19 for Kolmogorov-Smirnov test results). Normality of the scales allows us to proceed and run a structural equation model.

6.9 SEM: Testing a Structural Model

As the CFA model was run previously, the factor loading estimates were known and should no longer have been free (Hair et al., 2006). The error variance for the summated variables was calculated using the formula [(1 – α)* σ^2] (Jöreskog and Sörbom, 1993), where α is the composite reliability and σ the standard deviation. The score of obtained error variance was set in the LISREL spj (Simplis). This method is commonly used in marketing research, where the item parcelling technique is used to overcome problems with cases-to-parameter ratios, and it is considered to be appropriate for complex models, which include moderating effects (Jaccard and Wan, 1996).

The value of alpha (α) and standard deviation (σ^2) for the latent constructs were calculated precisely. However, for the moderators (see below), following convention, α value was set at 0.7 (the minimum critical value of reliability) and σ^2 was 1 by default owing to the orthogonalisation of the variables to avoid multicollinearity. This resulted in the error variance of 0.30 for the moderators.

The moderating effects of export improvisation on export planning-export performance (customer and financial performance) and export planning and export responsiveness were hypothesised. As mentioned above, the results of EFA proposed a three-dimensional structure of export improvisation, including spontaneity, creativity and action-orientation. Thus, three interaction terms were created by the products of spontaneity, creativity and action-orientation with planning. In order to avoid multicollinearity, interaction terms were orthogonalised by using a residual-centering approach (Little, Bovaird and Widaman, 2006).

The results of the structural model indicated a good fit to the data with (χ^2 = 88.153 (d.f.= 63; P=0.0280), RMSEA=0.0430 (0.00149-0.0641), CFI=0.986, NNFI=0.969, GFI=0.952).

As mentioned in Chapter 5 (see section 5.9.5.1), good fit does not guarantee support for the proposed hypotheses. In order for the hypotheses to be accepted or rejected, the researcher has to examine the individual parameter estimates against the corresponding predictions. For the hypotheses to be accepted, the parameter

estimates have to be statistically significant and in the predicted direction (positive or negative) (Hair et al., 2006). Due to the fact that the current conceptual model has a mediator (export responsiveness), the parameter estimates are reported in two separate matrices. The parameter estimates for the relationships between responsiveness and customer and financial export performance can be found in the beta matrix (β), while all other parameters are reported in the gamma matrix (γ).

The structural model results were used to inform interpretation of the hypotheses. The constructs in the model explain 40.5% of the variance in export responsiveness, 20.9% in export customer performance and 19.7% in export financial performance. Below, the results of the hypotheses testing are presented. Table 6.23 shows the t-values and coefficients associated with each relationship, while table 6.24 presents a correlation matrix of the constructs examined.

Table 6.23: SEM Results

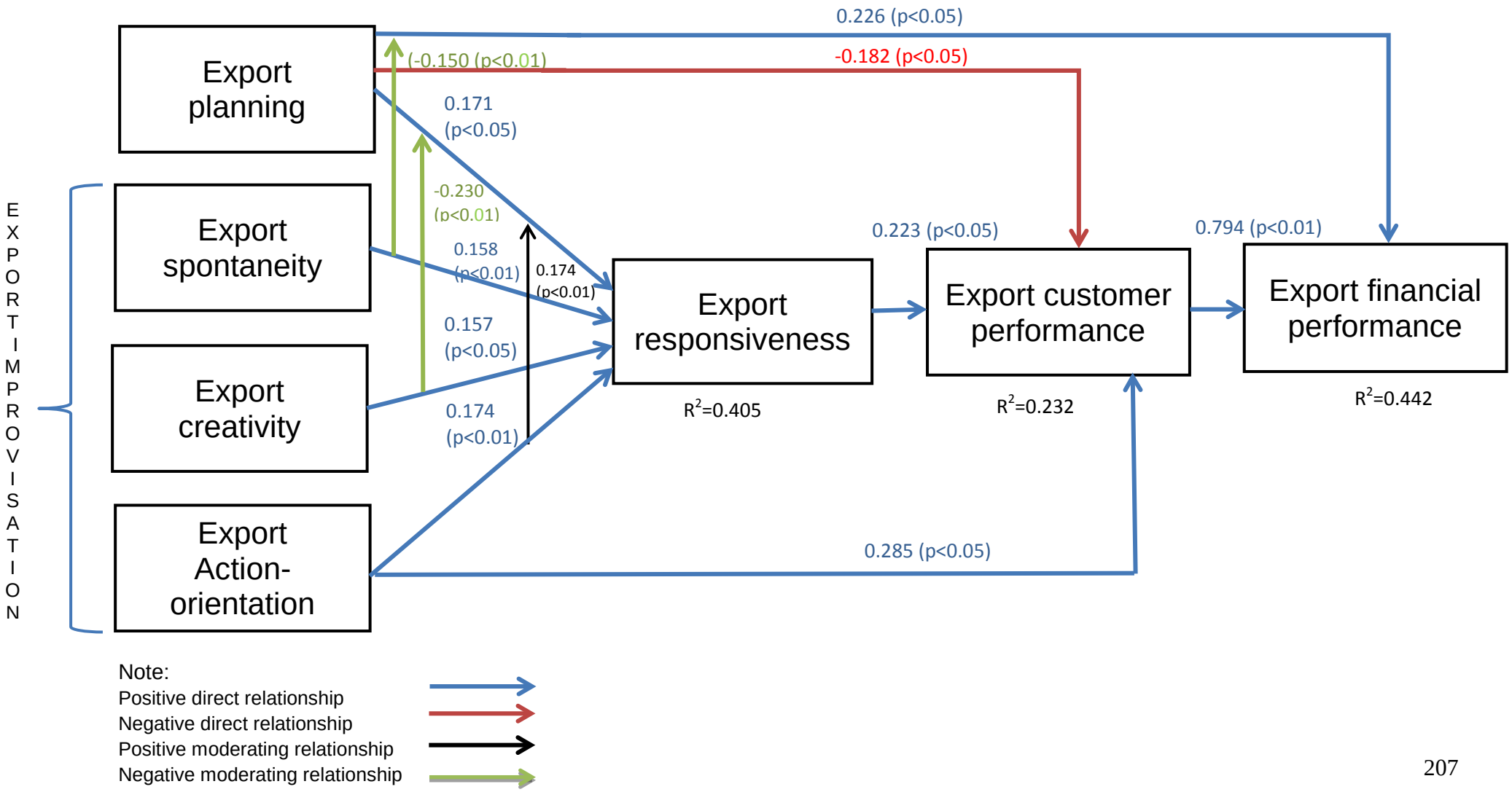
Antecedents	Outcome variables and parameter estimates					
	Export Responsiveness		Export Customer Performance		Export Financial Performance	
	Gamma (γ)	t-value	Gamma (γ)/ Beta (β)	t-value	Gamma (γ)/ Beta (β)	t-value
Export Planning	**0.171**	**2.193****	**-0.182**	**-1.700****	**0.226**	**1.735****
Export Improvisation: Spontaneity	**0.158**	**2.579*****	-0.088	-1.036	-0.074	-0.725
Export Improvisation: Creativity	**0.157**	**1.777****	0.112	0.945	0.192	1.350
Export Improvisation: Action-orientation	**0.255**	**2.359*****	**0.285**	**1.895****	-0.010	-0.053
Planning X Spontaneity	-0.035	-0.892	0.040	0.764	**-0.150**	**-2.392*****
Planning X Creativity	**-0.230**	**-4.300*****	0.009	0.116	-0.039	-0.417
Planning X Action-orientation	**0.174**	**3.274*****	0.097	1.284	-0.060	-0.661
Technological turbulence	0.034	0.613	-0.080	-1.068	0.035	0.397
Competitive intensity	**-0.098**	**-1.349****	**-0.278**	**-2.792*****	0.097	0.777
Export Responsiveness			**0.223**	**1.858****	-0.042	-0.291
Export Customer Performance					**0.794**	**6.391*****

NOTE:
One-tailed tests are used due to directional hypotheses
** significant at 5% level (t-Value > 1.645)
*** significant at 1% level (t-Value > 2.326)

Table 6.24: Correlation Matrix

N		1	2	3	4	5	6	7	8	9	10	11
1	Responsiveness	1										
2	Customer performance	.280	1									
3	Finnancial performance	.265	.561	1								
4	Plannning	.384	.048	.317	1							
5	Spontaneity	.051	-.002	-.175	-.443	1						
6	Creativity	.456	.202	.347	.520	.110	1					
7	Action-orientation	.427	.252	.336	.600	-.155	.593	1				
8	Technological turbulence	.109	.071	.058	.195	-.123	.298	.085	1			
9	Competitive intensity	-.045	.273	-.051	.173	-.075	.111	.108	.097	1		
10	Planning X Spontaneity	-.043	.048	-.150	.00	.00	.007	-.026	.121	.154	1	
11	Planning X Creatativity	-.158	.079	.023	.00	.042	.00	.112	.016	-.065	-.325	1
12	Planning X Action-orientation	.134	.188	.067	.00	.082	.075	.00	-.031	-.118	-.305	.557

Figure 6.11: Results



6.9.1 Hypotheses Testing: Individual Effects

6.9.1.1 Hypotheses 1 and 2

Based on the results of the analysis, H1 and H2 are supported. Specifically, export planning is negatively related to export customer performance (γ = -.182, $p < 0.05$) and positively related to export financial performance (γ =.226, $p < 0.05$).

The support of these hypotheses adds to the export planning–export performance relationship debate. As discussed earlier (see Chapter 2 and Chapter 4), past research on export planning has returned equivocal results regarding the export planning–export performance relationship. Some scholars have found a positive relationship (e.g. Shoham, 1999), some report a negative relationship (Katsikeas, Piercy and Ioannidis, 1996) and some did not find any significant relationship whatsoever between these constructs (e.g. Chae and Hill, 2000).

At this point, viewing export performance as a multi-dimensional construct is the norm (Baldauf, Cravens and Wagner, 2000; Cadogan et al., 2005). Thus, when investigating the relationship between export planning and export performance, attention has to be paid to each dimension separately as each one can significantly influence the results and potentially contribute to understanding this relationship.

Viewing customer performance and financial performance in marketing separately has only recently been accepted (Hultman, Robson, Katsikeas, 2011; Leonidou, Palihawadana and Theodosiou, 2011). It is often the case that customer performance measures are not considered at all (e.g. Shoham, 1998; Brouthers and Nakos, 2005; Balabanis and Spyropoulou, 2007; Nes, Solberg and Silkoset, 2007; Sousa and Lengler, 2009; Stoian, Rialp and Rialp, 2010; Hortinha, Lages and Lages, 2011). However, treating export performance as a single overarching construct instead of distinguishing between financial performance and customer performance dimensions of export performance can be one of the potential causes of past inconsistent results regarding the export planning–export performance relationship (Katsikeas, Leonidou and Morgan, 2000). In other words, past findings could be explained by incorrect modeling and/or measurement of performance or by not

disaggregating performance into different components such as ‘financial’ and ‘customer’.

The results of the current research confirm that export planning is negatively related to customer performance but is positively related to financial performance. Planning sets the objectives and provides direction for company development, but it also represents a rigid approach to decision-making (Fredrickson, 1984; Fletcher and Harris, 2002; Dennis and Macaulay, 2003) that can negatively affect customer satisfaction and retention as well as a company’s reputation among export customers. Even if the decision is very well planned, if it is not customer-focused, customers will not be happy. Export customers often expect the export function to be able to deal with their enquiries and problems using customised approaches, which export planning (or a planning approach) cannot guarantee nor necessarily provide.

According to the marketing concept (the core of marketing theory), customer satisfaction should be the main objective of the company, but this is not always the case (e.g. Webster, 1988; Rundh, 2007). A lot of export marketing decisions are financially driven (c.f. Wind, 2005) and are not necessarily in the customer’s interest. Most of the time, the company, and the export function specifically, is interested in monetary rewards, including sales, profit, saving costs and overall growth.

Being rooted in the normative approach to decision-making, planning prescribes how decision should be made (e.g. Ansoff, 1965; Johnson, 1987; Dennis and Macaulay, 2003). It is an approach that involves rational evaluation of the risks and appropriate resource allocation (for example, into developing the most prosperous export markets) (c.f. Pulendran, Speed and Widing, 2003). Planning allows for decisions to be made ‘carefully’ (when multiple options are evaluated) and to identify and avoid potential mistakes (Slater, Olson and Hult, 2006). This then leads to positive financial outcomes (Baird, Lyles and Orris, 1994; Wiltbank, 2006).

The results confirm that the more an export function plans, the better its financial performance.

6.9.1.2 Hypothesis 3

The results of testing hypothesis H3 were very interesting and important. It is concluded that there is partial support for H3. There is no significant relationship between spontaneity and creativity and export customer performance (γ =-.088, $p > 0.5$; γ =.112, $p > 0.5$) (H3a and H3b). However, there is a strong positive relationship between action-orientation and export customer performance (γ =.285, $p < 0.05$) (H3c).

Despite the fact that it was hypothesised earlier (see Chapter 4) that dimensions of improvisation will result in the same outcomes, the findings do not support this (see below for more examples).

This finding provides a major theoretical contribution to the field of improvisation (see Chapter 7 for more details). In previous studies, organisational improvisation was often treated as a multi-dimensional construct (e.g. Crossan et al., 1996; Crossan and Sorrenti, 2002; Vera and Crossan, 2004). However, most of those studies lack an empirical testing of their propositions. Indeed, whilst accepting the multi-dimensional nature of improvisation, most of the authors have then continued to measure it as a unidimensional construct or higher-order factor (e.g. Moorman and Miner, 1998b; Akgün et al., 2007). The current analysis shows that only one export improvisational ‘dimension’ (action-orientation) is significantly related to export customer performance. However, if the dimensions of the construct have different effects, it ‘is normally indicative that the dimensions are in fact separate constructs’ (Lee and Lings, 2008 p. 154). The obtained results suggest treating spontaneity, creativity and action-orientation as separate constructs (facets of improvisation) that do not necessarily occur simultaneously. For example, some companies could be creative but fail to act on their decisions (Chandry et al., 2006).

More specifically, in relation to H3, the findings show that action-orientation is the most crucial aspect in relation to export customer performance. Based on the results, it can be proposed that export customers value actioning on the decisions more than any other aspect of the decision-making process. In other words export customers are interested in the results (e.g. resolution of their problems, acquiring the right product at the right time) rather than in the process of decision-making itself. Even if

the decision was made spontaneously (on their feet or spur of the moment) or if creative (unusual) solutions to the problem were found, export customers would not be satisfied unless it was implemented and done so in a customer-focused manner.

Action-orientation relates to the export function being responsible in their decision-making, keeping its promises and not being distracted from taking action on the decisions (Hmileleski and Corbett, 2006; Hmieleski, Corbett and Baron, 2013). Putting extra effort in, 'going the extra mile' is what makes export customers view this persistence positively. According to the marketing concept (Webster, 1988), customer needs should be the driving force of the decision-making process. Action-orientation allows the export function to keep this customer focus and to actually implement the marketing concept.

6.9.1.3 Hypothesis 4

No support was found for H4. No significant relationship was found between spontaneity, creativity, action-orientation and financial performance (γ =-.074, $p > 0.05$; γ =.192, $p > 0.05$; γ =-.010, $p > 0.05$).

The results indicated that improvisation does not necessarily lead to financial benefits for the export function. Improvisation, and more specifically spontaneity and creativity, are associated with a trial-and-error approach, whereby mistakes are an unavoidable part of the process (Orlikowski, 1996; Jambekar and Pelc, 2007). Spontaneity relates to making decisions on the feet, which can be financially more expensive compared to decisions that are rationally planned (c.f. Vera and Crossan, 2005; Vendelo, 2009). It can be the case that creativity (e.g. ideas developed through brainstorming) is sometimes costly for the export function as the potential financial expenditures are not rationally evaluated using external information prior to the decision-making process. Thus, there is no mechanism in the decision-making process to delineate the potential mistakes (c.f. Barrett, 1998). For example, Company 5 made a decision to enter a new export market. The decision was made through an informal discussion of the export manager with the managing director based on the merging opportunity (potential distributor). However, this decision could require higher financial investments compare to one following screening multiple countries and finding the optimal country to export to.

Finally, action-orientation is about finishing the job and fulfilling promises (Vera and Crossan, 2004; Hmieleski and Corbett, 2006). It can cost the export function money, because the actioning of the decision can benefit the customer rather than the company's financial figures (see Hypothesis 3). In order to finalise a certain decision and not be distracted, the export function might have to decline other business proposals. That positively influences export customer performance (as discussed above) but does not necessary lead to direct financial benefits.

6.9.1.4 Hypothesis 5

The results provide support for H5. Spontaneity is positively related to export responsiveness (γ =.158, $p < 0.05$) (H5a), creativity is positively related to export responsiveness (γ =.157, $p < 0.05$) (H5b) and action-orientation is positively related to export responsiveness (γ =.255, $p < 0.05$) (H5c).

Export responsiveness is defined as being able to adapt quickly to changes in the export environment (c.f. Homburg, Grozdanovic and Klarmann, 2007; Lee, 2010). Spontaneous, creative and action-orientated decision-making represents a flexible way of making decisions (compared to export planning). According to Sharfman and Dean (1997), having flexible decision-making processes allows a company to respond better to environmental changes. The findings support this notion as improvisation in providing such flexibility does provide responsiveness benefits (e.g. Crossan et al., 1996; Samra, Lynn and Reilly, 2008).

Improvisational activities are sometimes criticised for being reactive (c.f. Cunha et al., 1999) (being a reaction to some external conditions) rather than proactive (trying to shape and control the environment). Meanwhile, the international environment is considered to be more complex compared to the domestic one as it has a higher number of uncontrollable factors and less predictable factors (Balabanis and Spyropoulou, 2007). The exploratory research also confirmed that export managers view the international environment as less predictable. For example, a manager from Company 9 while talking about exporting mentioned that '*the world is not a firm place, everything changes over night'.* Thus, the reactive qualities of improvisational activities should not be underestimated as they allow the company to

be market-driven (Johnson et al., 2003) and to respond better to environmental changes (increased responsiveness).

Spontaneity enables decisions to be made ‘on the feet’ once changes occur in the environment (Preston, 1991; Vera and Crossan, 2005). It directly relates to speed of response as decisions are made in the moment (Mirvis, 1998; Weick, 2001). Making decisions on the feet can guarantee that the export function will not miss the ‘right’ moment to respond (c.f. Machin and Carrithers, 1996; Miller and Ireland, 2005; Glöckner and Witteman, 2010).

Creativity relates to inventiveness and originality in the decision-making process (e.g. Hmieleski and Corbett, 2006). If the environmental conditions are changing, the company has to be inventive in order to survive (Pirola-Merlo and Mann, 2004). It means that standard solutions which worked ‘yesterday’ may not be enough for ‘today’. In order to stay competitive and timely to keep up with changes, the company has to offer solutions which were not available before (c.f. Ciborra, 1996). In other words, to increase responsiveness, the export function has to evolve, and creativity is able to support such evolution (c.f. Kamoche, Cunha and Cunha, 2003; Marren, 2008; Magni, Provera and Proserpio, 2010).

Being action-oriented is the opposite of being a ‘passive observer’ of environmental changes. It is possible to imagine that ‘passive’ companies do not make an effort to shape their decisions in line with environmental changes (c.f. Johnson et al., 2003). They can get bogged down in everyday tasks and fail to see the full picture when timely actions are required. While in the everyday business environment it is easy to be knocked off-track by other duties, action-orientation enables export managers to see decisions through (c.f. Hutchins, 1991; Vendelo, 2009). When the export function is action-oriented, it means it is not distracted from taking action on the decisions, which enables it to respond quicker.

6.9.1.5 Hypothesis 6

No support was found for H6. The relationship between export planning and export responsiveness was hypothesised as negative.The results, however, return a positive relationship between those constructs (γ =.171, $p < 0.05$).

In a number of past studies, authors have stated that planning slows down the decision-making process (Mintzberg, 1994; Fletcher and Harris, 2002). It has been proposed that planning is a time-consuming process (Atuahene-Gima and Murray, 2004), especially when compared with improvisation (Moorman and Miner 1998b). However, it is an interesting finding in itself that planning does not necessarily slow down the response of the export function to environmental changes.

One of the arguments in favour of planning provided by export managers was the ability of planning to forecast possible 'futures' and to reduce uncertainty (see Chapter 3). The planning approach to decision-making involves careful analysis of the environment and informs the company about potential environmental changes (Dvir, Raz and Shenhar, 2003). That facilitates the development of multiple strategic options for dealing with possible scenarios, involving environmental change (Baird, Lyles and Orris, 1994). In other words, planning can be compared to 'preparation work' as scenario evaluations and strategic options considered in the planning process can act as contingency plans in the event of environmental change (e.g. Vijayan and Suresh, 2011). Due to the fact that 'preparation work' was done in advance, in the moment, when a timely decision is required to respond to the environmental changes, planning provides a ready-made solution which can potentially result in 'just in time' response'.

6.9.1.6 Hypotheses 7 and 8

Regarding the relationship between export responsiveness and export performance, the results provide support for the positive relationship between responsiveness and customer performance (β =.223, $p < 0.05$) (H7), but no support for the relationship between responsiveness and financial performance (β =-.042, $p > 0.5$) (H8).

It is commonly accepted that the international environment is more risky and less predictable than the domestic environment (e.g. Balabanis and Spyropoulou, 2007).

In order for companies to survive and be successful, they need to adjust to changing market environments and conditions and take advantage of emerging opportunities (Woodman, Sawyer and Griffin, 1993). Scholars have long suggested that firms that can act quickly in response to environmental challenges and opportunities are more likely to achieve positive outcomes (Lee, Chen and Lu, 2009). However, the nature of those outcomes is not always defined (e.g. Dibrell, Down and Bell, 2007).

The current findings confirm that the ability to respond quickly to environmental changes is closely linked to customer performance. Changes in customer preferences is one of the aspects of environmental changes (Jaworski and Kohli, 1993; Cadogan et al., 2002). If the company is evolving with the environment and doing it timely (for example, more quickly than competitors), it has a higher chance of satisfying customers' needs and thus retaining customers (Jayachandran, Hewett and Kaufman, 2004; Sousa, Ruzo and Losada, 2010).

Despite the fact that past research has documented a positive relationship between responsiveness and financial indicators (e.g. Homburg, Grozdanovic and Klarmann, 2007; Lee, 2010), this is not confirmed by the current research. It can be argued that to respond quickly to environmental changes, the company might need substantial financial resources, for example, to keep up with state-of-the art technology or to respond to competitors' moves or customer demands. Meanwhile, responsiveness can be necessary 'just' to stay in the export business. It is possible to imagine situations when the company either responds to environmental changes or goes out of business, for example, the Credit Crunch of 2008 and subsequent recessions in countries worldwide. This does not mean that responsiveness leads to an increase in financial performance but rather that it enables a company to survive or have a higher chance of survival. For example, a manager from Company 11 mentioned that during the last financial crisis (Credit Crunch in 2008), the ability of his firm to adapt to the environmental changes allowed them to stay in the industry but their export financial performance still suffered when compared to previous years. As a result, it is perhaps not so surprising that there is no direct positive link between export responsiveness and export financial performance.

6.9.1.7 Hypothesis 12

H12 is supported. The results show that there is a strong, positive relationship between export customer performance and export financial performance (γ =.794, $p < 0.05$)

As discussed in Chapter 4 (see section 4.7), past research has provided support for a positive relationship between customer and financial performance in the domestic context (e.g. Ramaswami, Srivastava and Bhargava 2009; Zhou, Brown and Dev, 2009). However, limited empirical evidence exists in the exporting context (Leonidou, Palihawadana and Theodosiou, 2011). The results of the current study support there being a positive relationship between the constructs for the exporting environment.

If customers are satisfied with the company's offerings, there is a higher chance they will be willing to place a repeat order and finally become loyal customers. (Leonidou, Palihawadana and Theodosiou, 2011). The aim of most companies is to create a loyal customer base. (Kumar et al., 2013). According to a common marketing rule, 20% of the customers who are loyal generate 80% of the profit (Koch, 2011). Satisfied existing customers will attract new customers through word-of-mouth communication, which helps to generate new business (c.f. Leonidou, Palihawadana and Theodosiou, 2011). This means that a company can increase its sales and profit without making a direct financial effort, for example, investing in promotion or additional distribution.

6.9.2 Hypotheses testing: Moderator effects

6.9.2.1 Hypothesis 9

Hypothesis H9 is not supported. No support was found for the moderating effects of spontaneity, creativity and action-orientation on planning-customer performance relationship (γ = .040, $p > 0.05$; γ = .009, $p > 0.05$; γ = .097, $p > 0.05$) (H9a, H9b and H9c).

The results do not support a proposition that the presence of improvisation in the export function is able to turn the negative relationship between planning and customer performance from negative into positive as the relationships are shown to

be insignificant. However, the hypothesis would be partially supported if 10% confidence interval was chosen instead of 5%. As discussed above (see H1 and H3), export planning results in a decrease in export customer performances while action-orientation leads to an increase. The results suggest that when action-orientation is combined with planning it can potentially negate negative effects of planning on customer performance as it makes export planning more focused. As the results are relatively subjective (not supported at 5% significance level, but would be supported if 10% significance level was chosen), future research has to look in more details into the moderating effect of improvisation (spontaneity, creativity and action-orientation) on planning- customer performance relationship, for example by examining different control variables (size of the company, export experience, export dependency etc.).

6.9.2.2 Hypothesis 10

The results show partial support for H10. The relationship between export planning and export financial performance was found to be contingent on levels of spontaneity ($\gamma = -.150$, $p < 0.05$) (H10a). However, no support was found for creativity and action-orientation ($\gamma = .060$, $p > 0.05$; $\gamma = -.039$, $p > 0.05$) (H10 b and H10c).

Spontaneity weakens the relationship between export planning and export financial performance. The results indicate that when spontaneity increases in the company, the relationship between export planning and export financial performance becomes weaker. As discussed above, planning allows for multiple options to be evaluated and optimal choices to be made (Fredrickson, 1984), which leads to positive financial outcomes (e.g. Brews and Hunt, 1999). On the other hand, spontaneity occurs without an order. It can bring a degree of randomness and chaos into the rational planning decision-making process. According to the Oxford dictionary (http://oxforddictionaries.com/definition/english/chaos), chaos is a state of ‘confusion’ characterised by randomness and unpredictability. Spontaneity reduces the company’s protection against mistakes (c.f. Barrett, 1998; Vendelo, 2009). It can be risky, especially for long-term financially driven decisions, and the occasional mistake can be very ‘expensive’ for the export function.

6.9.2.3 Hypothesis 11

The results show the partial support for H11. The relationship between export planning and export responsiveness was found to be contingent on levels of creativity (γ = -.230, $p < 0.05$) (H11b) and action-orientation (γ = .174, $p < 0.05$) (H11c). However, no support was found for the spontaneity dimension of improvisation (γ =-.035, $p > 0.5$) (H11a).

When creativity moderates the relationship between export planning and export responsiveness, the positive relationship between those constructs becomes weaker.

The results show that formal planning and creativity do not work well when executed simultaneously. A potential explanation can be found in the field of psychology. It is argued that creative and non-creative (habitual, structural) behaviour relies on different cognitive systems that cannot be observed at the same time (c.f. Kuhl, 2000; Wierenga, 2011). Creative behaviour, similar to spontaneity, favours chaos when there is no structure imposed on the process (for example, brainstorming). Non-creative behaviour relies on thinking in certain patterns and structures, whereby steps are pre-determined. In other words, if creativity favours uncertainty, planning aims to reduce uncertainty (Dvir, Raz and Shenhar, 2003). It can be the case that for the company to benefit from both planning and creativity to increase responsiveness, managers have to apply these approaches in turn rather than simultaneously. For example, creativity can be used to come up with a list of potential ides how to respond to environmental changes (c.f. Leybourne and Sadler-Smith, 2006), whereas planning can help to evaluate the ideas and take them forward for further implementation (Ghobadian et al., 2008). It can be also proposed that creativity occurs after planning. As far back as 1975, Camillus suggested that in large companies formal planning encourages creativity and new ways of thinking. Andrews and Smith (1996) went one step further and proposed a curvilinear (inverted U-shaped) relationship between planning and creativity. They argued that ‘creative ideas are often the result of a process focused on solving a specific problem through combining existing concepts in a new way’ (Andrews and Smith, 1996 p.175). However, the ‘lockstep’ nature of formal planning may stifle creative behaviour,

which requires ‘freedom’ and organisational flexibility to be successful (e.g. Oldham, 2002).

On the other hand, creativity can be a starting point of the decision-making process (for example, brainstorming) (Dennis and Macaulay, 2003). It can help to develop the original solutions, while planning is responsible for their rational evaluation and final choice. Either way, export planning has positive implications for responsiveness and whilst somewhat tempered by high creativity, it is still beneficial despite the presence of creativity.

When action-orientation moderates the relationship between export planning and export responsiveness, the relationship between those two constructs becomes stronger.

Even if the export function relies heavily on planning in its decision-making, it is very difficult to know precisely all the activities that need to be carried out in order to respond appropriately to environmental changes (c.f. Dvir, Raz and Shenhar, 2003). The condition of action-orientation complements the traditional planning approach and promotes result-oriented thinking (Andersen, 1996). If the export department is action-oriented (demonstrates a high level of action-orientation), the relationship between planning and responsiveness is stronger as the company is able not only to follow rational decision-making but most importantly to act on its decision. In other words, when the export function is persistent and not distracted from implementing the decisions while planning, it allows it to respond quicker as nothing interrupts the rational decision-making process. This is a very important finding. While scholars suggest that the company could benefit from a combination of decision-making approaches (e.g. Hart, 1992), there is always a question: exactly which approaches should be combined? Thus, the current results confirm that the export function can increase its export responsiveness by simultaneous application of planning and action-orientation.

To sum up, in that regard, this is positive news for exporters that attempt to use both planning and improvisation as the findings provide useful insights into how both co-exist in the company and can be beneficial.

6.10 Reflection on the Findings

After the investigation of significant and non-significant results, it is important to reflect on the meaning of the current findings and to understand how they ‘fit’ or contradict existing knowledge.

6.10.1 Export Improvisation

The results uncovered important insights into the nature of improvisation

Improvisation as a construct was adopted for organisational studies (and then for the field of marketing) from Jazz theory (e.g. Barrett and Peplowski, 1998; Lewin, 1998). On the one hand, it represents a new metaphor that helps to describe important activities occurring in organisations, such as spontaneous and creative decision-making (e.g. Vera and Crossan, 2004). On the other hand, the results of the current study show that this adoption has to be conducted with caution and perhaps with a degree of adaptation as organisational improvisation should not be conceptualised in the same way as Jazz improvisation.

In Jazz for improvisation to occur, the act has to be spontaneous and creative and be implemented during the performance (Weick, 1998). The decision-making process is more complex than a jazz performance. First, decisions can be made spontaneously and/ or creatively but not necessarily be implemented at the same time, which does not make them less improvisational. There is a natural time lag between making some export decisions and their implementation. For example, if the export function spontaneously decides to penetrate a new export market, it still needs time to do that. This means that time is relative rather than objective (Crossan et al., 2005). However, looking at prior empirical research on improvisation, it is noted that improvisation was mostly measured through a time lag between the composition and execution – the shorter the time between making a decision and its implementation, the more the act is regarded as improvisational (e.g. Moorman and Miner, 1998b). However, this represents spontaneity rather than the three facets of improvisation.

Second, some decisions can be purely spontaneous or purely creative. This raises the important question: does improvisation still exist in an organisational context? The answer is: ‘yes it does’. Nevertheless, it should not be treated as an entity. The decision-making process does not relate to an individual decision but is concerned with the pattern of the decision-making (Mintzberg, 1978). Some decisions can be just spontaneous or just creative or both. They can represent different types of improvisation (Vera and Crossan, 2005).

All improvisational facets are found to lead to positive outcomes, which clearly indicates that an export function can benefit from export improvisation.

6.10.2 Export Planning

The nature of the prior inconsistent findings on the export planning-export performance relationship can be explained by the inadequate operationalisation of export performance. In the current research, planning is found to be positively related to export financial performance, whereas a negative relationship is found between export planning and export customer performance. However, to the best of the author’s knowledge, the relationship between export planning and export customer performance has never been examined before, which could be the cause of the prior equivocal findings. Thus, planning can actually lead to both positive and negative outcomes for the export function. However, those outcomes represent conceptually distinct dimensions of export performance.

An interesting result is the positive relationship between planning and export responsiveness. It was hypothesised that the relationship between those constructs is negative (see Chapter 4, section 4.5.2). Planning is often criticised for rigidity and making decision-making slow (e.g. Mintzberg, 1994; Fletcher and Harris, 2002). While the process of planning can be slow when compared to improvisation, it does not result in slow responses to the environment (Chaell and Hill, 2000). A potential explanation for the result is that export planning leads to the development of multiple scenarios of possible ‘futures’(e.g. MacKay and McKiernan, 2006). Thus, when the decision is needed, the ready-made solution can already be available. This finding encourages viewing planning as an on-going process within the export function

rather than a one-off activity employed to find a solution to a certain problem (Matthyssens, Pauwels and Vandenbempt, 2005; Ghodian et al., 2008).

6.10.3 Combination of Export Planning and Export Improvisation

The findings support the potential combination of decision-making approaches. As argued by Hart (1992), companies that rely on different approaches to decision-making are able to achieve greater success. However, there is always a question: exactly which approaches should be combined? The current research provides an answer to that question.

Despite the fact that all improvisational activities can lead to positive outcomes for the export function, they do not always fit well with planning (H9-H11). Actually, the results show that the export function can benefit from a combination of planning and action-orientation as it strengthens the relationship between export planning and export responsiveness. Despite the fact that both spontaneity and creativity lead to an increase in export responsiveness, the simultaneous combination of planning with spontaneity and creativity does not provide benefits for the export function. The explanation can be found in the field of psychology, where authors refer to two different cognitive systems (‘analytical’ and ‘instantaneous’), which cannot be applied at the same time (c.f. Kuhl, 2000). Thus, it may be the case that export marketing managers should generally avoid employing spontaneity and creativity while planning. However, this does not mean that the export function cannot benefit from the combination of those approaches. For example, spontaneity and creativity can potentially be employed prior to or after planning (c.f. Dennis and Macaulay, 2003; Ford, Sharfman and Dean, 2008).

6.10.4 Export Performance

It is understandable that financial indicators represent the bottom line of the business for commercial (profit-oriented) organisations. However, traditional marketing theory clearly states that the aim of any business has to be to reach its financial goals *through* customer satisfaction (e.g. Webster, 1988). It is documented in the literature that this state is desirable but not always achievable for commercial organisations as the financial goals often take the focus away from customers due to various factors

(e.g. stakeholders pressure) (Wierenga, 2011). Nevertheless, for companies aiming to succeed in both financial and customer performance, a combination of planning and action-orientation is crucial. While planning results in financial performance (but is negatively related to customer performance), action-orientation is positively related to customer-performance. If companies are able to combine planning and action-orientation, they have a better chance of implementing the marketing concept (to achieve financial benefits through customer satisfaction). In that case reliance only on planning fails to be sufficient.

If the export function is still only interested in financial performance, theoretically it can rely solely on export planning, abandoning export improvisation. However, this has to be done with caution as there is a strong direct relationship between export customer performance and export financial performance (see H12). It can be the case that a long-term low customer performance will in the end negatively influence financial performance (e.g. Zhou, Brown and Dev, 2009).

6.10.5 Export Responsiveness

The results propose that there is no one best way to quickly adapt to environmental changes as both export planning and export improvisation lead to an increase in export responsiveness. Thus, a company has to identify the approach that suits it the most. In the past, some researchers adopted the contingency approach to investigate the relationship between decision-making approaches (planning and improvisation) and company performance (e.g. Slevin and Covin, 1997; Moorman and Miner, 1998b; Slater, Olson and Hult, 2006). In the future, contingency theory (Donaldson, 2000) can be applied to investigate further the relationship between export decision-making and export responsiveness (see Chapter 7 for more details).

Moreover, export responsiveness itself was found to be positively related to customer performance but not to financial performance. The ability to respond quickly to environmental changes can be costly for the export function as it might need additional financial resources to be able to respond accordingly (c.f. Lukas, Whiwell and Hill, 2007).

To sum up, planning is often portrayed in negative terms due to its relative slowness and rigidity. Yet, this is not necessarily the case. It was found to result in quick adaptation to environmental changes (export responsiveness). Furthermore, it has clear benefits for export financial performance. On the other hand, improvisation does not influence financial performance directly. Regarding export customer success, export planning appears to be detrimental to this type of performance, whereas action-orientation directly improves customer performance. This rises obvious concerns for companies that focus on export customer performance as planning cannot simply be 'abandoned' as such since it has positive financial benefits. The question must be raised as to how much focus to put on export planning due to its simultaneously positive and negative performance effects and how much to focus on improvisation within the export function. Market oriented companies that focus on the customer may well favour the benefits of improvisation, but the overarching need to create shareholder value and wealth in many companies would imply a profit requirement that planning appears to advance.

6.11 Conclusion

The current chapter has detailed the results of the analysis. First, the descriptive statistics of the companies' characteristics were analysed. Then the results of a two-stage analytical model were presented. Initially, the scales of the constructs were purified using both exploratory factor analysis and confirmatory factor analysis. A considerable number of items were removed to achieve a model fit. However, the theoretical integrity (face validity) of the constructs was a core priority during a measurement model respecification. After that, the hypotheses were tested. The majority of the hypotheses were supported. However, both significant and non-significant relationships uncovered important insights into the decision-making process in the exporting context. The findings of the study provide important theoretical and managerial contributions, which are discussed in the next chapter.

Chapter 7: Conclusions

This chapter represents the final conclusions to the study. It starts with a brief summary of the whole research. This is followed a section on the theoretical contributions of this research to the existing body of marketing literature and managerial implications. The chapter concludes with the study's limitations and some directions for future research.

7.1 Research Summary

In the current study, the relationship between export decision-making approaches and export performance was examined. The conceptual development of the study (see Chapter 4) relied on the literature review (see Chapter 2) and an exploratory study of export managers (see Chapter 3).

It is recognised that in the age of globalisation, the importance of exporting has significantly increased. Export companies in comparison to the companies operating only in the domestic market are able to diversify risks, generate multiple income streams and in general better deal with the consequences of the recent economic crisis. Thus, investigation of the drivers of export performance has become crucial.

Marketing decision-making has been identified as a core driver of s firm's success (Wierenga, 2011). It is under the direct control of managers, who can make significant changes to improve the process. Yet, little is known about how marketing decisions are made or in what way the different decision-making approaches are related to a firm's performance.

The study is rooted in decision theory of the firm which traditionally examined the decision-making from two distinct angles: normative approach to decision-making and descriptive approach, where the former prescribes how decisions should be made (Tamura, 2008) and the latter describes how decisions are made in reality

(Nutt, 2008). The current research proposed reliance on both approaches to decision-making simultaneously. Moreover, much of the research into decision-making has focused on strategic decisions and the problem of strategy formation (e.g. Mintzberg and Waters, 1985), with authors distinguishing between deliberate and emergent strategy formation types (Mintzberg, 1978). In order to draw a holistic picture of the decision-making process, the relevant literature was therefore reviewed. The analysis of the decision making literature revealed two ‘pure’ decision-making approaches, namely planning and improvisation. These are both concerned with how decisions are made and do not overlap with other organisational constructs.

Despite a long tradition of research into export planning-export performance relationships, prior findings have returned equivocal results. Some authors documented positive relationship between the constructs (e.g. Shoham, 1999), whilst others referred to negative relationship (e.g. Katsikeas, Piercy and Ioannidis, 1996) and some failed to find any significant relationship (e.g. Chae and Hill, 2000). Regarding the outcomes of export improvisation, limited information was available in the literature. Positive outcomes of organisational improvisation were found in the domestic context (e.g. Moorman and Miner, 1998b). However, to the best of the author’s knowledge, no prior research has examined the relationship between export improvisation and export performance (with the exception of the exploratory work of Nemkova, Souchon and Hughes, 2012). Thus, the current research represents the first study aiming to consider the effect of both export planning and export improvisation on export performance.

The exploratory research was conducted (see Chapter 3) in order to get insights into the decision-making process in the export context. Before the conceptual model was finalised (see Chapter 4), it was important to verify the relevance of improvisation for the exporting context as the constructs are not automatically transferable from one context to another (Cadogan, 2003). The results of the exploratory research confirmed the relevance of improvisation for the export environment. They also enabled the identification of a pool of items for measuring improvisation (see Chapter 3 and Chapter 5) as prior empirical research on improvisation is limited and requires further development of the reliable and valid scales.

Moreover, the exploratory results revealed that in some companies export planning and export improvisation co-exist and that an export function can make a planning approach more successful through combining it with export improvisation. Thus, the moderating role of export improvisation on the export planning-export performance relationship was proposed (see Chapter 4). In addition, the exploratory results uncovered that the relationship between export decision-making and export performance is not necessarily direct but is mediated by the ability to quickly adapt to environmental changes. In the literature, 'the ability quickly to adapt to environmental changes' is conceptualised as responsiveness (Homburg, Grozdanovic and Klarmann, 2007). Thus, the concept of export responsiveness was added to the conceptual model as a mediator between export decision-making approaches and export performance.

Regarding the construct of export performance, prior research has not reached a consensus regarding its conceptualisation and operationalisation (see Chapter 2). The authors argue that export performance is a multi-dimensional construct (Baldauf, Cravens and Wagner, 2000; Cadogan et al., 2005). However, an array of different dimensions was suggested by the academics. Based on the results of the exploratory study, priority was given to a two-dimensional conceptualisation of this construct proposed by Leonidou, Palihawadana and Theodosiou (2011) as the respondents themselves viewed their export success in terms of customer performance and financial performance.

When the conceptual model was finalised (see Chapter 4), the quantitative study was undertaken in order to test the proposed relationships. The method of online data collection was chosen as the most appropriate one due to the nature of the export manager's job (highly mobile) and the cost benefits associated with that method (see Chapter 5).

The analysis of the results revealed important findings (see Chapter 6).

First, some light was shed on the nature of the export planning-export performance relationships as export planning was found to be negatively related to export customer performance (H1) and positively related to export financial performance (H2). Thus, the prior inconsistent findings on the export planning-export performance

relationship can be explained by inadequate operationalisation of export performance whereby the customer dimension was not separated from the financial dimension.

Second, the concept of improvisation, while found to be relevant to the exporting context (see Chapter 3), should not be considered as an entity due to the fact that its' three 'dimensions' (namely, spontaneity, creativity and action-orientation) lead to different outcomes. For example, only action-orientation facet of improvisation is positively related to export customer-performance (H3). This provides an important theoretical contribution and creates new opportunities for further research (see section 7.5).

Third, both planning and improvisation lead to an increase in export responsiveness (H5-H6). While a positive relationship between export improvisation and export responsiveness was hypothesised (see Chapters 4) a positive relationship between export planning and export responsiveness took the author of the current work by surprise as planning is often criticised for its rigidity and slow decision-making (e.g. Fletcher and Harris, 2002). The findings suggests that planning can potentially lead to the quick response to the environmental changes, which undermines the major critiques of the planning approach and requires more detailed investigation.

Forth, the findings also uncovered important insights into the combination of decision-making approaches (H9-H11). The results suggest that the export function can especially benefit from the combination of planning and action-orientation. If the export function employs both at the same time, then action-orientation is able to strengthen the relationship between export planning and export responsiveness. Regarding other improvisational activities (spontaneity and creativity), while they can lead to positive outcomes for the export function when applied on its own, the export function does not benefit from their simultaneous co-existence with export planning. Thus, the export function is advised to rely either on planning or spontaneity and creativity or to apply them in sequence rather than simultaneously.

Finally, in terms of the relationship between outcome variables (export responsiveness, export customer performance and export financial performance), it was found that export responsiveness positively influences customer performance,

whereas customer performance has a strong positive effect on financial performance.

The current research makes an important theoretical and managerial contribution to the topic of marketing decision-making in the context of exporting and creates an array of opportunities for further research. These are therefore discussed in the sections below.

7.2 Theoretical Contribution

The current study makes several important contributions to marketing knowledge.

7.2.1 Contribution to Decision Theory

The results first of all contribute to decision-making theory. Traditionally decision-making was examined from two distinct angles: normative and descriptive (Simon, 1959; March, 1978; Bell, Raiffa and Tversky, 1988; Tamura 2008). However, in the past, scholars paid little attention to the descriptive approach when studying the decision-making process in the marketing field (Wierenga, 2011). Researchers prefer to view and study decision-making from a normative stand point, which brings the planning construct into focus (Hitt and Tyler, 1991; Wiltbank et al., 2006). They are less interested in how decisions are actually made and would rather examine how far the actual decision-making deviates from the 'norm' (how decisions *should* be done). But what is the 'norm'? Why do we need a norm? For a long time, planning was accepted as a remedy for all organisational problems. Despite the fact that equivocal results on the planning–performance relationship were returned, it continued to dominate the marketing literature.

People are known to not always behave in the prescribed manner (Mintzberg and Westley, 2001). Managers in reality rarely make optimal choices. Instead, it is argued that decision-making is more adaptive, responsive, creative and spontaneous

(Crossan et al., 1996; Marren, 2008), whereas spontaneity, creativity and action-orientation of decision-making are often associated with improvisation (Vera and Crossan, 2005). In order to draw a holistic picture of the decision-making process, researchers have to examine marketing decision-making from both normative and descriptive points of view. The current research is the first attempt to combine both normative and descriptive approaches to the decision-making in the exporting context, whereby planning and improvisation are viewed as the main decision-making approaches.

7.2.2 Contribution to Improvisation Research

To the best of the author's knowledge, this is one of the first studies (with the exception of Nemkova, Souchon and Hughes, 2012) to specifically focus on export improvisation. The concept of improvisation first emerged in the Jazz literature (e.g. Weick,1993) and then was applied later in the area of organisational studies (e.g. Moorman and Miner, 1998ab). Even though the concept of improvisation is relatively well established in the organisational studies literature, this does not mean that improvisation is applicable to the export context as constructs are not automatically transferable to alternative contexts to those they have been developed in (Cadogan, 2003). The qualitative research (see Chapter 3) confirmed the relevance of improvisation for the exporting context, while the quantitative phase and subsequent empirical testing of the data generated supported the notion that improvisation leads to positive outcomes for the export function. However, before those benefits are summarised, the theoretical contribution of this study regarding the nature of improvisation is discussed.

From a theoretical standpoint, this study provides new insights into the nature of export improvisation. The theoretical position on dimensions of improvisation needs to be rethought. Initially, a three-dimensional structure of improvisation was proposed, including spontaneity, creativity and action-orientation (Vera and Crossan, 2005). However, the results of hypotheses testing returned some interesting results. The analysis showed that improvisational 'dimensions' do not always lead to the same outcomes. For example, only action-orientation is positively related to export customer performance. In relation to the planning–responsiveness

relationship, both creativity and action-orientation were found to moderate the relationship between the constructs; however, the effect is negative for creativity and positive for action-orientation. Meanwhile, if the dimensions of the construct result in different outcomes, it 'is normally indicative that the dimensions are in fact separate constructs' (Lee and Lings, 2008 p. 154).

Someone might ask: 'does improvisation exist then ?' the answer is: 'Yes, it does'. The evidence can be found in past research and the results of the current exploratory study. Company export managers rely extensively on spontaneity, creativity and action-orientation while making decisions. However, it should be accepted that improvisation is not an entity in itself. This is a very important finding for both current and future research. Instead of a three-dimensional structure, it is suggested that it is viewed as a combination of three separate constructs, namely, spontaneity, creativity and action-orientation. Thus, scholars should try to explore how its facets (spontaneity, creativity, action-orientation) are interrelated (see section 7.5 for more details). Additionally, the current research developed psychometric sound measures of the three improvisational facets, which creates opportunities for further empirical research in this area.

7.2.3 Contribution to Export Planning-Export Performance Research

Some light was shed on the nature of the inconsistent findings regarding export planning–export performance relationship. The current findings inform theoretical knowledge on the direct relationship between export planning and export performance. It was confirmed that export planning negatively influences customer export performance, whereas the link between planning and financial export performance is positive. The previous inconsistent results of export planning-performance relationship can be explained by the poor operationalisation of export performance itself. Despite the fact that planning positively influences the sales and profit of the company, it is negatively related to customer satisfaction and retention. Failure to separate customer performance measures from financial performance measures could have led to equivocal results in the past. As mentioned in Chapter 4 (see section 4.3), customer performance relatively recently became a focus of research in marketing (Katsikeas, Samiee and Theodosiou, 2006; Hultman, Robson

and Katsikeas, 2009; Hultman, Katsikeas and Robson, 2011). In order to keep export customers satisfied, a company should be able to provide a customised approach, which planning fails to guarantee. Thus, the current research emphasises the importance of distinguishing between different forms of export performance (customer and financial) richer insights into the export planning-export performance relationship.

7.2.4 Contribution to Export Improvisation-Export Performance Research

The next theoretical contribution provides deeper insights into the export improvisation-export performance relationship. Amongst all the improvisational facets only action-orientation has a direct relationship with export customer performance. This means that customers value actioning on the decisions more than any other aspect of improvisational decision-making. On the other hand, no facets of improvisational were found to positively influence export financial performance. Despite the fact that some authors state that improvisation leads to the development of unpredictable and more innovative solutions (e.g. Eisenhardt and Brown, 1998) and creation of differential advantage, the current findings show that it does not necessary lead to financial benefits directly. In comparison with planning improvisation can be costly for the export function as the outcomes of the decisions are not rationally evaluated during the decision-making process. Thus, improvisation loosens company's protection against the potential mistakes (c.f. Barrett, 1998) which can have financial implications.

7.2.5 Contribution to the Research on Combination of Decision-Making Approaches

Moreover, the results make a theoretical contribution to the knowledge on the combination of decision-making approaches. Previous research proposed that companies could benefit from a combination of decision-making approaches (e.g. Hart, 1992; Brown and Eisenhardt,1998; Mintzberg and Westley, 2001; Dibrell, Down and Bull, 2007). However, the most important question is: which approaches should be combined? The current findings provide an answer to that question. If the export function is aiming to achieve success in both export customer and export

financial performance, it has to apply both planning and action-orientation, as action-orientation positively influence customer performance whereas planning has a positive effect on financial performance. Moreover, action-orientation strengthens the relationship between export planning and export responsiveness. Action-orientation is able to provide focus to a comprehensive planning approach. On the other hand, even though both spontaneity and creativity lead to positive outcomes, the export function does not benefit from their simultaneous co-existence with planning. The export function has to choose to rely either on planning or spontaneity and creativity or to employ all of these but in sequence rather than at the same time. Nevertheless, this proposition requires further investigation.

7.2.6 Contribution to the Indirect Relationship between Export Decision-Making and Export Performance

Another important theoretical contribution is that the link between planning and improvisation and performance outcomes is not necessarily direct but is mediated by the construct of export responsiveness. At the exploratory stage of the study, the respondents often mentioned quick adaptation to environmental changes as an outcome of the decision-making process. As a result the construct of export responsiveness (c.f. Homburg, Grozdanovic and Klarmann, 2007) was included in the conceptual model. The empirical testing of the hypotheses showed that both planning and improvisational activities increase the export function's ability to adapt quickly to environmental changes.

The results confirmed that spontaneity, creativity and action-orientation lead to a quick response to environmental changes. Spontaneity enables decisions to be made 'on the feet' and rapidly (Samra, Lynn and Reilly, 2008). Creativity relates to the originality of the decision-making process and enables exporters to come up with new or novel solutions that were not available before (c.f. Hmieleski and Corbett, 2006). Action-orientation allows a company to stay focused and not be distracted from actioning decisions when the environment is changing (Vendelo, 2009). All those qualities contribute to the positive link between improvisational activities and export responsiveness. Those findings are in line with the current literature on improvisation, which proposes that improvisation enables making quicker decisions

(Moorman and Miner, 1998a) and a better response to environmental changes (Cunha, Kamoche and Cunha, 2003).

It is often assumed that planning is a process that slows down decision-making (e.g. Mintzberg, 1994; Fletcher and Harris, 2002). However, the results show that it does not necessarily the case as the proposed hypothesis is not supported. The reason for this can be found in the 'external' orientation of export planning. The planning approach involves careful analysis of the environment and can inform an export function about environmental changes (c.f. Pulendran Speed and Widing, 2003). Based on the acquired information, the export function is able develop alternative scenarios of how the situation will unfold; when a timely decision is needed, planning can actually able to provide a readymade solution because the 'preparation work' has been done in advance. Thus, export planning does not necessarily slow down the decision-making process but can make it quicker. However, these results require further investigation in the future given the consistently contradictory findings in relation to planning in the marketing and strategy literature. Despite the inclination to believe that everything is understood about planning due to the sheer volume of research in the area, the fact that export planning is related to export responsiveness raises the issue that planning, as a research agenda, is far from exhausted.

To sum up, the findings of the current research helped to fill the research gaps identified at the beginning of the study (see Chapter 1). The key export decision-making approaches were identified and studied in detail. The research findings provided an explanation of the nature of the export planning-export performance and export improvisation-export performance relationships. Moreover, the possibilities for a successful combination of planning and the facets of improvisational decision-making in the exporting context were identified.

7.3 Managerial Contribution

This research provides evidence that export managers have much to gain from using export improvisation alongside the traditional export planning approach. The results show that there is no one ‘best way’ to make effective export decisions. If the company’s aim is to achieve export success, adopting a formal planning approach alone is not always the optimum choice. Exporters should be open to alternative forms of decision-making. While planning seems traditionally to be an accepted ‘norm’ and a better route to export success, facets of improvisation (spontaneity, creativity and action-orientation) appear to be equally important for the export function. In the international environment, decisions often have to be made quickly in order to be able to keep up with the pace of change (Geletkanycz and Black, 2001). Actually, both planning and improvisation can be used to respond quickly to dynamic market conditions.

However, by now, the planning paradigm is well established among practitioners. Managers often see the attempt to deviate from planning or not to rely on planning at all as irresponsible and dangerous (c.f. Moorman and Miner, 1998a; Slotegraaf and Dickson, 2004). Meanwhile, it is confirmed that in reality companies also rely on improvisational activities when making the decisions, but this behavior is not always recognised. Managers often have to consider different possibilities as well as re-combine and reorganise processes in order to find a solution. They often have to make a decision without a clear understanding ‘how things will unfold’ (Cunha, Cunha and Kamoche, 1999). In reality, managers do start taking action without prior planning, make decisions on their feet and discover new ways of doing things (Barrett, 1998). This means that managers are often improvisational. Despite the fact that different facets of improvisation lead to different outcomes, their effect is mostly positive. Action-orientation was found to lead to an increase in customer performance, while all improvisational activities (spontaneity, creativity and action-orientation) result in better export responsiveness.

In order to gain the most from improvisational activities, managers have to realise that they often already successfully rely on improvisation. This realisation is the first step to improvement. For example, a manager from Company 5 before the interview

did not realise that his firm's export function relies on both export planning and export improvisation while making decisions. The process of the interview itself made him reflect and realise that his company should put more emphasis on export improvisation to be successful. After realising the importance of improvisation, managers have to consider how to encourage spontaneity, creativity and action-orientation within their teams. It is suggested that export marketing managers need to recognise the benefits of improvisation and learn the skills of practicing it.

But is it possible to learn improvisation? The argument could be drawn from theatrical or jazz improvisation (e.g. Weick, 1993), where practicing improvisational skills improves performance. It is proposed that organisational improvisation can be learned in a similar way through training (Vera and Crossan, 2004), whereby managers can develop their skills in order to be more spontaneous, creative and action-oriented.

Moreover, the actual performance outcomes of planning are not always positive. Despite the fact that the results show that planning improves the financial performance of the export function, companies should not consider planning to be a remedy for all of their problems. For example, it cannot be ignored that the relationship between planning and customer performance is negative. Thus, the results of this study caution managers that an unquestionable view of planning as the only 'best way' of decision-making is too simplistic.

Specifically, the study suggests the need for managers to pay more attention to enhancing action-oriented behaviour in order to better satisfy their customers. The results show that action-orientation is crucial for customer performance. Companies should always fulfil their promises and not be distracted by other tasks when actioning decisions. Although that is a straightforward recommendation, it is not always easily achievable. In an everyday business environment managers can be distracted and involved in several tasks simultaneously. The results show that managers have to remain persistent and finish the decision-making process with an actual action.

Meanwhile, export responsiveness was found to be a strong contributor to customer performance. Traditionally, the international environment is considered less

predictable when compared to the domestic one (Lee, 2010). In order for companies to be successful, they need to adjust to changing market conditions. The results show that if companies are able to respond quickly to environmental changes, their customers ought to be more satisfied. Thus, managers are encouraged to strive for responsiveness in their export function. This means that companies should be market-driven (Johnson et al., 2003) rather than being a passive observer of environmental changes.

In the broadest sense, managers should encourage their team members to build relationships with clients or in other words focus on relationship marketing Traditionally, customer relationships were considered to be more important in service companies rather than manufacturing companies (La, Patterson and Styles, 2005). However, the findings show that manufacturing firms have to pay equal attention to customer performance as this was shown to improve financial performance for the firm. That seems logical because if companies' customers are happy (satisfied and loyal), they are likely to attract more financial benefits for the company (Slater and Narver, 2000; Martin and Gbac, 2003; Leonidou, Palihawadana and Theodosiou, 2011). Given that customer performance has a significantly strong positive impact on financial performance, managers should constantly pay attention to the needs and wants of their customers. Moreover, if the the company is aiming to improve both customer and financial performance, managers have to combine planning and action-orientation.

7.4 Research limitations

The study has a number of limitations.

There are always inherent risks in ascribing causal inference based on a cross-sectional study compared to a longitudinal study. However, recently Rindfleisch et al. (2008) demonstrated that cross-sectional studies have a comparative validity with longitudinal studies if the relationship between the constructs in the model is relatively large. As the relationships between constructs in the current study are quite

strong, the results are considered to be valid. However, a longitudinal study creates a variety of opportunities to investigate the phenomena in more detail. For example, Montuori (2003) identifies improvisation as a temporary phenomenon, which emphasises the short-term nature of improvisation; whereas no evidence is found in the literature that improvisation can or cannot have a long-term nature. As a result, this area needs further investigation, and longitudinal research is necessary.

Also, the current study was implemented through obtaining the information from a single respondent. One can argue that the use of multiple respondents may increase the reliability of the scales (e.g. Slater et al., 2009). However, the inclusion of 'less knowledgeable informants can actually decrease the accuracy of responses' (Huber and Power, 1985 p. 175). The knowledgeability of the respondents was verified (see Chapter 6, section 6.4). Moreover, the results confirmed that in the majority of companies the export function is relatively small (four members or less). In that case, the use of multiple respondents could bias the results.

A larger sample would have been beneficial, but the time constrains of the project did not allow a longer data collection period. However, the measures of improvisational activities developed and tested in the current research should be replicated on different samples to provide additional evidence of their psychometrical soundness. Due to the fact that the research was undertaken in the export context, generalisation to other areas should be with caution.

Moreover, the focus of the current study was on export manufacturing companies. Originally, the service firms were excluded from the study. However, they could be of potential interest for future research. For example, the results of the study showed that the action-orientation activity of improvisation is positively related to customer performance. In the service sector the importance of customer performance has long been emphasised (c.f. Sichtmann, von Salesinsky and Diamantopoulos, 2011). It can be proposed that improvisation positively influences the customer performance of the service firms as there is direct extensive interaction between company managers and their clients. Future research could compare service and manufacturing companies.

In addition, the research was only conducted on exporting companies in the UK. Because the sample of the current project is limited to British firms, the results should only be generalised to this context. Accordingly, the study of export improvisation and export planning should be extended to different countries and cultural contexts as their relative roles and influence on company success may well differ. Developing economies (e.g. China, Russia, Brazil) are of particular interest as they have become heavily involved in exporting relatively recently.

Finally, the reliance on primary data leaves room to validate the findings using secondary data. For example, a subjective measure of export performance can be linked to objective secondary data.

7.5 Future Research Directions

7.5.1 Constructs and Relationships between them

The future research directions discussed below are concerned with the specific constructs and relationships between them.

As discussed above, the findings make an important theoretical contribution to the research, indicating that improvisation should not be considered as an entity. This has major influence on future research directions. Treating improvisation as a higher order construct may lead to losing valuable information on how it actually works and how it affects different aspects of performance. The results were significant only action-orientation-export customer performance relationship. However, it is documented in the literature that improvisation can lead to positive performance outcomes for companies. For example, the potential non-linear relationship between export improvisation and export performance could be examined in further research. It can be the case that the relationship between facets of improvisation and export performance dimensions is positive up to a point. To develop theoretical propositions on curvilinear relationship, researchers can look into the chaos theory of the firm (e.g. e.g. Stacey, 1991; Brown and Eisenhardt, 1998)

Also scholars can explore conditions under which export improvisation leads to better performance. Drawing on equivocalities of interactions between planning and improvisational activities, it can be suggested that improvisation as a process leads to both positive and negative outcomes. That should encourage future research to look into conditions which make improvisation more or less successful. Past research paid attention mostly to environmental contingencies and structural contingencies (e.g. Moorman and Miner, 1998a; Akgün et al., 2007). However, further research can combine a contingency theory (Donaldson, 2000) and the resource based theory of the firm (Charles and Beamish, 2001; Westhead, Wright and Ucbasaran, 2001) to explore whether the success of export improvisation is contingent on resources and capabilities available. Some researchers argue that improvisation can be well implemented with the resources available (Chelariu, Johnston and Young, 2002). However, those propositions require further theoretical development and empirical investigation.

To uncover deeper insights into the mechanism by which improvisation shapes performance, the interrelationships between spontaneity, creativity and action-orientation need further investigation. While each of these improvisational activities represents a separate construct, the relationship between them may be the focus of future research. More specifically, it is possible to examine whether the relationship between spontaneity and creativity and export responsiveness and export performance changes (either the strength or direction) depending on high and low levels of action-orientation.

The researchers also have to decide how improvisational activities are linked together. For example, according to Moreno (1947) and his followers (e.g. Scheiffelle, 1995), spontaneity triggers creativity (creative thinking), whereas creativity triggers creative acts (similar to action-orientation construct). However, this requires further empirical investigation.

Another potential research direction could be exploration of the antecedents of export decision-making (planning and especially improvisation). The quantitative phase of this study focused on the outcomes of export improvisation and export planning as the qualitative phase confirmed its existence and use. However, little

effort is made to understand the background process that gave rise to export decision-making and especially export improvisation or its dominance within the export function. While this was not a goal per se of this research, it is an area in the literature that is lacking. The research on the antecedents of export decision-making, on the one hand, provides an explanation of the theoretical drivers of planning and improvisation, but on the other hand, allows researchers to give practical recommendations to export managers on how to increase or decrease levels of planning and improvisation to achieve better results.

The results show that both planning and improvisation (all its facets) are positively related to export responsiveness. First, future research has to investigate in more detail the positive effect of planning on export responsiveness and more specifically on the concept of speed. Planning has often been criticised for its rigidity and slow decision-making. However, the current findings revealed that it is not necessarily negatively related to quick adaptation to environmental changes. Thus, this result requires further verification. Second, it can be proposed that in order to better understand the relationship between export decision-making and export responsiveness, future research should investigate the effects of moderating variables, such as a company's characteristics (e.g. structure, experience, resources and capabilities). At the next step, researchers can apply a contingency theory (Donaldson, 2000) to look into the conditions which can make the positive relationship between both export planning and export responsiveness and export improvisation and export responsiveness stronger.

Finally, the current research is focused on the examination of decision-making processes rather than individual decisions. While being a difficult task, future research can focus on making individual decisions and compare how different types of decisions are made. For example, it is possible to compare long-term and short-term decisions, proactive and reactive decision, risky and non-risky decisions, etc. Some export managers mentioned (see Chapter 3) that they were combining planning and improvisation, using the former for long-term decisions and the later for more day-to-day tasks. However, this proposition requires further theoretical development prior to empirical testing.

7.5.2 Construct Measurements

7.5.2.1 Export Planning

Future research can look into studying export planning as a multi-dimensional construct. Despite the fact that the majority of scholars define planning as a step-by-step process (e.g. Ansoff, 1965; Johnson, 1987; Bailey, Johnson and Daniels, 2000; Slater, Olson and Hult, 2006), it is usually operationalised as a unidimensional construct. It could be proposed that future research could develop psychometrically sound measures for each of the four proposed stages (e.g. Ansoff, 1965; Grant, 2003) of the planning decision-making process (see Chapter 2). In return this will facilitate a more detailed exploration of the interactions between the facets of improvisation and stages of planning.

7.5.2.2 Export Responsiveness

In the current study, the construct of responsiveness was defined quite broadly as the ability quickly to adapt to environmental changes (Homburg, Grozdanovic and Klarmann, 2007). Future research could look into this construct in more detail, with specific attention being given to the nature of the environmental changes. For example, Jaworski and Kohli (1993) view environmental turbulence as a three-dimensional construct, including technological turbulence, customer turbulence and competitive turbulence. Based on that assumption, the nature of the environmental changes can drive the operationalisation of the components of the responsiveness. For example, researchers can consider responsiveness to customers, responsiveness to competitors and responsiveness to the changes in the technology separately. Paying specific attention to the different aspects of responsiveness rather than focusing on an aggregate construct is also a possibility for future research.

7.6 Closing Remarks

As was stated at the beginning of the thesis '*the cost of an occasional mistake is less than the cost of delay*' (Shimizu and Hitt, 2004*)*. In the international market environment '*everything can change overnight*' (an export manager, Company 9). The main finding of the current work is that both export planning and export improvisation (spontaneity, creativity and action-orientation) can lead to positive outcomes for the export function and that managers have to learn how to combine the two. For a long time, planning has been accepted as the 'norm' for marketing practice. However, it is proposed here that the idea of planning as the 'norm' is rejected and that there is not one singular 'recipe' for making successful export decisions. The results show that companies are able to achieve positive outcomes by following different paths. For example, export financial performance can be improved through planning or creativity, while export customer performance benefits from action-orientation or a combination of planning and action-orientation. Moreover, all decision-making approaches studied here are able to improve export responsiveness, which allows for quick adaptation to change in the international environment.

To conclude, exporting is complex and making decisions in such conditions is also complex. But addressing this by constraining one's thoughts and decision processes and merely following the comforting linearity of a planning process is not the answer. Embracing improvisation and its components of spontaneity, creativity and action-orientation can lead to better decision-making and thus export performance can be improved. It is little wonder then that Weick (1979), himself one of the pioneers of thinking on improvisation, said: '…managers get into trouble because they forget to think in circles' (p. 52).

Appendices

Appendix 2.1 Definitions of Improvisation

N	Category	Authors	Definition	Area
1	Intuition guiding action in a spontaneous way	Crossan 1997	Spontaneity of action [with a high] level of intuition (p.39)	Management
		Hatch 1997	Intuition guiding action upon something in a spontaneous but historically contextual way (p. 181)	Management
		Crossan 1998	Action […] taken in a spontaneous and intuitive fashion (p.593)	Management
		Crossan and Sorrenti 2002, Vera and Crossan 2005	Intuition guiding action in a spontaneous way (p.29)	Organisational learning
		Berry and Irvine 1986	Day-to-day cognitive performance (p.272)	Cognitive psychology
		Orlikowski 1996	Accommodations to and experiments with […] everyday contingencies, breakdowns, exceptions and unintended consequences (p.65)	Technology and change
2	Reacting in time/ just-in-time-strategy / doing something in a temporary manner	Crossan et al. 1996	… take advantage of the opportunities that present themselves in the moment (p.34)	Strategy
		Mirvis 1998	Make things as they go along (p.587)	Management
		Pasmore 1998	Created in real time (p.6)	Management
		Weick 1998	Composing extemporaneously, producing something on the spur of the moment (p.19).	Risk
		Montuori 2003	doing something in a crude and temporary manner (p.245)	Human relations
		Weick 2001	Just-in-time-strategy	Organisation studies

		Crossan et al. 2005	Time-based phenomenon	Management
3	Drawing on available resources	Eisenberg 1990	Making do with minimal commonalities and elaborating simple structures in complex ways (p.154)	Communication
		Weick 1993	Making do with available resources	Organisational design
		Meyer 1998	In the […] nick of time […] devising resourceful solutions to intractable problems (p.572)	Organization studies
		Weick 1998	…to make something from whatever materials are currently available (p.21)	Risk
		Cunha, Cunha and Kamoche1999	the conception of action as it unfolds… drawing on available material, cognitive, affective, and social resources (p. 302).	Organisation studies
		Cunha, Kamoche and Cunha 2003	the conception of action as it unfolds, by an organization's members drawing on available resources (p.36)	Management
4	Performing without any preparation or plan	Hutchins 1991	[action] emerg[ing] from the interactions among the participants without any explicit planning (p.23)	Organisational design
		Halpern, Close and Johnson 1994	true improvisation is getting on-stage and performing without any preparation or planning (p.13)	Organisation Science
		Crossan et al. 1996	… ideas […] emerge in new and creative ways not planned by the performer (p.28)	Strategy
		Barrett 1998	Fabricating and inventing novel responses without a prescripted plan and without certainty of outcomes; discovering the future that [action] creates as it unfolds (p.605)	Management
		Barrett and Peplowski 1998	Creating […] on the spot without a prescripted […] plan (p.558)	Jazz music

N	Category	Authors	Definition	Area
5	An exception	Weick 1993a	When one organizational order collapses, [and] a substitute [is] invented immediately (p.640)	Organisation design
		Chelariu, Johnston and Young 2002	Lack of planning is associated with improvisation	Organisational theory
		Montuori 2003	an exception, something we can 'fall back on' when things don't go the way they should	Human relations
6	Adaptation	Erickson 1982	Strategically adaptive action (p.161)	Educational psychology
		Johnson and Rice 1984	The degree to which an innovation is changed by the adopter in the process of adopting and implementation after its original development (p.169)	Technology
		Hutchins 1991	…an adaptation process that [takes] place by way of local interactions (p.36)	Organisational design
7	Adaptation/ response *to the environment*	Erickson 1982	…making new kinds of sense together in adapting to the fortuitous circumstances of the moment (p.166)	Educational psychology
		Gardner and Rogoff 1990	Adapting planning to [the] circumstances (p.481)	Children's psychology
		Preston 1991	to cope or ingeniously adapt to a set of circumstances (p. 88)	Organisation studies
		Eisenhardt and Tabrizi 1995	Rapidly building intuition and flexible options so as to cope with an unclear and changing environment (p.88)	Innovation
		Crossan et al. 1996	Mak[ing] decisions and adapt[ing] to changing needs and conditions (p.26)	Strategy
		Machin and Carrithers 1996	Not hav[ing] a stable response to [external stimuli], but rather [create] different responses according to […] circumstances (p.344)	Anthropology

		Ciborra 1996	Efficiently generate new combinations of resources, routines and structures which are able to match the present, turbulent circumstances (p.104)	Organisation structure
		Brown and Eisenhardt 1997	It means creating a product while simultaneously adapting to changing markets and technologies (p.15)	Innovation
		Pearson et al. 1997	Efforts to turn around the intensity of a crisis and to keep it from spreading to other, yet uncontaminated parts of the organization and its environment [while it unfolds] (p.56)	Crisis management
		Marren 2008	It's creative reaction to a reality that you cannot control, in real time (p. 60)	Strategy
8	*Structure* related	Hutchins 1991	…a search in a very complex space for a [task] structure and a social structure that fit each other and that get job done (p.23)	Organisational design
		Brown and Eisenhardt 1997	Combin[ing] limited structure with extensive interactions and freedom [to make changes] on current products (p.3)	Innovation
		Hatch 1998	Playing around and […] with a structure (p.566-567)	Organisation theory
		Hatch 1999	[to] use structure in creative ways that enable [the] alter[ing] the structural foundations of [performance (p.78) Mak[ing] structure implicit and discover what they are able to express – it is a structure that supports, but does not specify (p.82-83)	Organisation studies
9	Defining through other conceptions	Moorman and Miner 1998a	is special case of intraorganizational *innovation,* which is defined as deviation from existing practices or knowledge (Rodgers 1983, Zaltman, Duncan, and Holbek 1973)	New product development
		Vera and Crossan 2005	close to pure “creativity”—or perhaps more accurately to creative organization, the way in which we respond to and give shape to our world	Teamwork
		Samra, Lynn and Reilly 2008	an extreme case of flexibility (p. 175)	New product development

N	Category	Authors	Definition	Area
10	Convergence of composition and execution, Convergence of planning and implementation	Leinhardt and Greeno 1986	Planning and decision making embedded in the performance	Educational psychology
		Perry 1991	Formulat[ing] and implement[ing] strategies together in real time (p.51).	Strategy
		Eisenhardt 1997	Organizing in a way such that actors both adaptively innovate and efficiently execute. […] creating […] in real time (p.255)	Decision making and strategy
		Moorman and Miner 1998b	Composition converg[ing] with execution (p.702)	New product development
		Moorman and Miner 1998a	When the composition and execution of an action convergence in time (p.1)	New product development
		Weick 1998	…thinking and doing unfold[ing] almost simultaneously (p.19)	Risk
		Kamoche and Cunha 2001	composing and performing contemporaneously	Organisation studies
		Chelariu, Johnston and Young 2002	simultaneous creation and execution of plans (p. 142)	Business Research
		Akgün, Byrne, Lynn and Keskin 2007	Convergence of planning and execution (p.212)	Management
		Vendelo 2009, Cunha et al., 1999	acknowledging the inseparability of the convergence between conception and execution	Management
		Powers 1981	The extent to which [meaning is] invented by the people immediately involved in a relationship (p.289)	Sociology

Appendix 2.2 Measures of Planning

Category	Planning Measures	Author(s)	Source
Planning horizon	1. Less than 1 year 2. One year 3. More than 1 year 4. Five or more years	Rhyne (1986)	Strategic Management Journal
planning classification	Short-term forecasting Budgeting Annual planning Long-range planning Strategic planning		
Planning activities	The composite question, measuring the extent to which firms carried out planning activities, regarding use of: (1) long-term forecasting of sales, profits, and the nature of markets; (2) long-term forecasting of the technology relevant to products and services offered by firms; (3)planning of long-term investments.	Miller (1987)	Academy of Management Journal
Budgeting for exports operations	No export budget prepared Export sales budget prepared – no detailed breakdown for sales Export sales and profit budget prepared-- no detailed breakdown for sales Detailed export sales budget, break down by country and/ or product line Detailed export sales and profit budget, break down by country and/ or product line	Walters (1993)	Management International Review
Planning implementation	Our hospital strategic planning needs to become formalized and disciplined (reverse scored) Our strategy implementation plans are well developed Our hospital strategic planning process would benefit from more involvement of the department directors/heads (reverse scored)	Veliyatch and Shortell (1993)	Journal of Management Studies
Extent of planning	Extent of careful planning for this venture (from none-1-2-3-4-5-substantial)	Cavusgil and Zou (1994)	Journal of Marketing
Planning formality	Assigning implementation responsibilities to specific individuals/groups. Setting explicit business goals. Providing a written business plan. Seeking commitment to the business plan. Developing business plan budgets. Regular reviews of progress against business plan.	Appiah-Adu, Morgan and Katsikeas (1998)	Journal of Marketing Mansagemnt

Strategic planning formality	Which of the following *best* describes your company's strategic planning activities? (1) The company has a short-range (approximately 1 year) profit plan, (2) The company has a planning process such that the final plans are accepted by those responsible for their attainment, (3) There is a person or group whose time responsibility is to coordinate a companywide strategic planning effort, (4) The company's top management has developed a climate in the company which supports the planning effort. (5) The company's top management has developed a formal statement of what business the company is in or wants to be in, (6) The company's plans are used to judge managerial performance.	Shoham (1999)	Journal of International Marketing
Comprehensiveness	The *export customer*s to be served have been clearly identified Strategies for *competing* on export markets have been developed Distinct *goals* for export market operations have been developed		
Types of a plan	An *explicit export marketing plan* has been developed which provides clear guidelines regarding: the export markets to be sources export product policy export promotion policy export distribution policy export pricing policy Plans have been established in the areas: Export production policy R&D for exports Export financing		
Formality	The firm has a short-range (approximately one year) export profit plan. The firm has an export planning process, such that the final plans are accepted by those responsible for their attainment. There is a person or group whose time responsibility is to coordinate a firm wide export strategic planning effort. The firm's top management has developed a climate in the firm that supports the export planning effort.		

Comprehensiveness	•Many alternative courses of action were explicitly considered before we chose this strategy. •The chosen strategy was flexible and allowed for various contingencies. •Alternative strategies were adequately analysed before they were dropped.	Menon, Adidam and Edison (1999)	Journal of Marketing
`Strategic planning	Please indicate which *one* statement best describes your firm. Note that the last two statements differ only in the underlined sentences. 1.No specific strategic plans or policies have been developed to guide the firm. The firm's strategic direction is determined based chiefly on the intuition and experience of the firm's founder(s)/owner(s)/senior managers. This direction evolves as circumstances warrant, as the firm succeeds or fails in its activities. Firm strategies have tended to emerge as the firm learns from its experiences. 2.The firm has a broad strategic plan in place, but this plan is considered a loose guide and is not strictly adhered to, and tends to change as the firm succeeds or fail in its activities. This plan contains no specific, detailed action plans or programs that the firm is expected to implement. Strategies have tended to develop and emerge over time. 3.The firm has developed a strategic plan, which includes specifically developed means, but this plan is considered a loose guide, which is either ignored, or loosely followed. The plan contains no specific, detailed action plans or programs that the firm is expected to implement. 4.The firm has a carefully developed strategic plan, detailing on a step-by-step basis a number of specific actions and programs the firm is implementing, or will implement in order to achieve its objectives, and thus accomplish its ends. This plan, developed after careful deliberation, is typically fully formed and complete once the planning cycle is finished. The firm is currently implementing this plan, but expects (and allows for) non material changes as implementation proceeds. 5.The firm has a carefully developed, comprehensive strategic plan, detailing on a step-by-step basis a number of specific actions and programs title firm is implementing, or will implement in order to achieve its objectives, and thus accomplish its ends. This plan, developed after careful deliberation, is typically fully formed and complete once the planning cycle is finished. The firm is currently implementing this plan, as outlined. Please indicate the one statement which *best describes* your firm's current strategic plan: 1.No specifically developed strategic plans of any substance. 2.A broad, general statement of firm plans and policies, with no detailed action plans or programs that can be or are used to direct firm activities or monitor firm performance. Plans are not considered complete once the planning cycle is finished, but tend to evolve as circumstances warrant.	Brews and Hunt (1999)	Strategic Management Journal

	3.Mostly a broad, general statement of firm plans and policies, but with some action plans or programs which are not detailed enough to direct firm activities or monitor firm performance. 4.A statement of firm plans and policies, with some detailed action plans or programs which are considered fully formed and complete at the end of the planning cycle, and are used to direct firm activities and/or monitor firm performance. 5.A comprehensive, written, detailed, complete statement of firm plans and policies, containing specific action plans and programs which are continually referred to to direct firm activities or monitor/measure firm performance. Plans and programs are linked to strategic goals and objectives, and compensation is partly based on performance against plan.		
Formality	My company spends much time and effort: Setting up realistic and acceptable global strategic marketing goals/objectives Monitoring and predicting changing external environments (e.g. political, competitive, technological, economic, and societal change) Analysing our internal strengths and weaknesses as part of the global strategic marketing planning process	Chae and Hill (2000)	International Marketing Review
Strategy/Planning Comprehensiveness	Our product-market strategy is made explicit in the form of precise plans When we formulate a product-market strategy it is planned in detail We have precise procedures for achieving strategic product-market objectives We have well-defined planning procedures to search for solutions to strategic product-market problems We meticulously assess many alternatives when deciding on a product-market strategy We evaluate potential strategic product-market options against explicit strategic product-market objectives We have definite and precise strategic product-market objectives We make strategic product-market decisions based on a systematic analysis of our business environment.	Bailey, Johnson and Daniels (2000)	British Journal of Management
Planning Formality	In the previous planning cycle, we had a formal procedure that we had to follow. We had strict and formal policies in the previous planning cycle. A person involved in planning could make a decision without checking with anyone else (reversed) To what extent was a formalised method of planning used?	Pulendran, Speed and Widing (2003)	European Journal of Marketing
Marketing planning capabilities (comprehensiveness)	Export marketing planning skills Setting clear export marketing goals Formulating creative export marketing strategies Thoroughness of export marketing planning process	Morgan, Zou, Vorhies and Katsikeas (2003)	Decision Science

Marketing Strategy Comprehensiveness	Develop many alternative courses of action to achieve the intended objectives? Conduct multiple examinations of any suggested course of action the project members wanted to take? Thoroughly examine multiple explanations for the problems faced and for the opportunities available? Search extensively for possible alternative courses of action to take advantage of the opportunities? Consider many different criteria before deciding on which possible courses of action to take to achieve your intended objectives?	Atuahene-Gima and Murray (2004)	Journal of Marketing
Marketing planning capabilities (comprehensiveness)	*What is your objective assessment of your strategic business unit on the following competencies?* (Using a bench-marking scale of 1 = *far below average in industry*, 2 = *below average in industry*, 3 = *above average in industry*, 4 = *above average but not best in industry*, 5 = *best in industry domestically*, 6 = *best in industry worldwide*, and 7 = *best in world across all industries*) Market scanning Market situation/environment analysis Matching firm strengths to market opportunities Meshing programs to market realities Implementing marketing programs Marketing budgeting/allocating resources Program performance tracking	Slotegraaf and Dickson (2004)	Journal of the Academy of Marketing Science
Export planning orientation (formality)	To what extent was a formalized method of planning used? To what extent did the organization structure the planning process? Our plan was widely disseminated throughout the organization. We constantly referred to our export plan to direct our export activities.	Lukas, Whitwell and Hill (2007)	Journal of Business Research
Strategic planning (formality)	We have a strategy for achieving our business goals We have a plan for our business We know what we need to do to reach our business goals	Eddleston, Kellermanns and Ravi (2008)	Journal of Management Studies

Appendix 2.3 Measures of Improvisation

Category	Improvisation Measures	Author(s)	Source
General improvisation	We figured out action as we went along/Action followed a strict plan as it was taken Improvised in carrying out this action/Strictly followed our plan in carrying out this action Ad-libbed action/Not an ad-libbed action	Moorman Miner (1998b) Kyriakopoulos (2011)	Journal of Marketing Organization Studies
Post plan improvisation	Our actions follow a strict step-by-step execution of the marketing plan. (R) We improvise a lot in implementing the marketing plan. We“ad-lib” our marketing mix programs as we execute them.	Slotegraaf and Dickson (2004)	Journal of Academy Marketing Science
Spontaneity	The team deals with unanticipated events on the spot Team members think on their feet when carrying out actions The team responds in the moment to unexpected problems	Vera and Crossan (2005)	Organization Science
Creativity	The team tries new approaches to problems The team identifies opportunities for new work processes The team takes risks in terms of producing new ideas in doing its job		
Creativity/bricolage	I am inventive I serve as a good role model for creativity I demonstrate originality in my work I am creative when asked to work with limited resources I identify ways in which resources can be recombined to produce novel products I find new uses for existing methods or equipment I think outside the box I take risks in terms of producing new ideas in completing projects I identify opportunities for new services/products	Hmieleski, Corbett (2006)	Journal of Small Business Management
Action/persistence	I am not easily distracted I am a persistent person I don’t let past failures hinder future performance I am action oriented I am an optimist I don’t easily get frustrated when things don’t go my way During a catastrophe, I am likely to adopt a leadership role Nothing is more important than the achievement of my goals I am good at solving logic problems		

Team improvisation	The team figured out the new product-development process as it went along versus following a rigid well-defined plan. The team improvised in developing this product versus strictly following the plan. The team improvised in commercializing this product versus strictly following the plan.	Akgün et al. (2007)	Journal of Engineering and Technology Management
Team improvisation	The team figured out the NPD process as it went along versus following a rigid well-defined plan The team improvised in developing the product versus strictly following the plan The team improvised in commercializing this product versus strictly following the plan.	Samra, Lynn and Reilly (2008)	International Journal of Management

Appendix 2.4 Measures of Export Performance

Category	Export performance Measures	Author(s)	Source
Economic performance	The export proportion of sales, The breadth of market coverage in terms of the number of countries a firm is exporting to The export profit margin	Samiee and Walters (1990)	Journal of Business Research
Perception of export profitability	Exporting compared with selling in the United States was evaluated on a five-point scale: 5 = exporting the product to that country is much more profitable (larger by 8 per cent or more) than selling it within the US. 4 = exporting the product to that country is slightly more profitable (larger by about 3 per cent to 7 per cent) than selling it within the US. 3 = exporting the product to that country is about equally profitable (approximately ±2 per cent). 2 = exporting the product to that country is slightly less profitable (smaller by about 3 per cent to 7 per cent) than selling it within the US. 1 = exporting the product to that country is much less profitable (smaller by about 8 per cent or more) than selling it within the US.	Koh (1990)	International Marketing Review
Economic performance	How would you allocate the points so that the total adds up to 100? Initial strategic objectives Importance a. Gain a foothold in the export market b. Increase the awareness of our product/company c. Respond to competitive pressure d. Improve our company's market share position e. Expand strategically into foreign markets f. Increase the profitability of the company g. Just respond to enquiries from abroad h. Other (specify) Which of the above objectives were achieved in the first five years of this venture? How would you rate the performance of this venture in the first five years? (Unsuccessful 1 2 3 4 5 6 7 8 9 10 Successful) Please indicate sales growth rates of this venture in the first five years (Sales Growth Year 1 Year 2 Year 3 Year 4 Year 5) Was this export venture profitable in the first five years? Year 1 Year 2 Year 3 Year 4 Year 5 Y/N	Cavusgil and Zou (1994)	Journal of Marketing

Economic Performance	Do you feel your foreign markets to be greater or less than your domestic markets on the following: (5-point scale from much less to much greater) a) Level of competitor domination b) Amount of business enjoyed by the top four distributors in the market c) The market share of the top four distributors in the market	Raven, McCullough and Tansuhaj (1994)	Joutnal of Int marketing
Growth	Please answer the following questions: (5-point scale from much less favourable to much more favourable): a) How would you compare the potential for growth in your export market compared to that in your domestic market? b) Compared to your domestic market, how would you rate the demand for your current product line in your export market?		
Comeptitiveness	How does your product stack up compared to your competitors on each of the following factors in both the domestic and export channels (5-point scale from lower/ weaker-higher/ stronger): Domestic Channel: a) Reseller margins b) Relative market share Export Channel: c) Reseller margin d) Relative market share		
New product export performance (cumulative index)	Export sales of the new product relative to domestic sales since its introduction (five-point scale ranging from 1 "much less," to 5 "much more") The profit growth performance of the new product since its introduction into export markets (five-point scale ranging from 1 "growing rapidly," to 5 "declining rapidly"—reversed scored).	Atuahene-Gima (1994)	International Journal of Marketing
Perception of export success	Managers were asked to give their perception of the venture's overall success on a ten-point unsuccessful/ very successful scale.	Styles (1998)	Journal of International Marketing
Short-term performance	Satisfaction with ratio of export to total sales Satisfaction with export sales Satisfaction with export sales profitability ratio	Shoham (1999)	Journal of Int Marketing
Five-Years Change in Export Performance	Satisfaction with five-year change in ratio of export to total sales Satisfaction with five-year change in export sales Satisfaction with five-year change in export sales profitability ratio		

Economic performance	Actual product market share in the served market Thepretax profit margin of the new product.	Li (1999)	International Journal of Marketing
Overall export performance	Thinking about the **overall** performance of your company as an **exporter**, how would you rate the export performance of your company: Very Good -- Fairly Good—Average--- Not So Good-- Not So Good At All i) five years ago? ii) at present? iii) three years from now?	Robertson and Chetty (2000)	International Business Review
Economic (financial) performance	Export intensity (percentage of export sales to total annual sales) Export sales (in dollars), Export intensity growth (change in export intensity between the current year and three years previous), Export gross margin profitability (by export gross margins relative to domestic margins on a seven-point perceptual scale anchored by "much lower" and "much higher").	Francis and Collins-Dodd (2000)	Journal of International Marketing
economic/financial strategic outcomes of exporting satisfaction with outcomes of exporting	(1) sales growth and profitability (2) building awareness and image overseas, entering key markets abroad, improving market share position, and gaining new technology/ expertise (3) respondents were asked to assess their export performance in relation to their top management's expectations on a five-point range	Prasad , Ramamurthy and Naidu (2001)	Journal of International Marketing
Growth	Growth in export profits Growth in export sales	Souchon and Durden (2002)	Journal of European Marketing
Competitiveness	Competitiveness in terms of export sales Competitiveness in terms of export profits Competitiveness in terms of market share within export markets Competitiveness in terms of new market entry		
Market position	Market position in terms of the exporter being a market leader Market position in terms of the exporter being a follower Market position in terms of the exporter being a major supplier within its export markets Market position in terms of the exporter being a minor supplier within its export markets		
Satisfaction with performance	Satisfaction with export sales Satisfaction with profits Satisfaction with market share Satisfaction with rate of new market entry		
Sales	Export sales per country		
Profitability	Export versus domestic profitability		

Export sales efficiency	Export sales per company employee Export sales per country exported to	Cadogan, Cui, Li (2003)	International Marketing Review
Export sales growth	Over the last 3 years, average annual percentage growth/decline in export sales (%) How does your average annual export sales growth/decline compare to the industry average (10-point from poor to outstanding)		
Export profit performance	Overall, how profitable has exporting been over the last financial year? (10 point from very unprofitable to very profitable)		
Intensity	Export share (Of sales) in 1996 United States Other countries	Julien and Ramangalahy (2003)	Entrepreneurship Theory and Practice
Growth	Export growth: Decline 0 to 9% 10 to 19% 20 to 49% 50 to 99% 100% and over		
Profitability	Export profitability (Compared with domestic sales): Inferior Same level Higher Much higher Not assessed		
Reputation	International reputation (Percentage of firms that are well known on the market): Québec Rest of Canada United States Other countries		
Economic performance	Self-reported scores of the firms on a five-point Likert scale Profitability, Market share Growth.	Dhanaray and Beamish (2003)	Journal of Small Business Managemt
Adaptive performance	7-point scale from much worse to much better Responding to competitors' product change in this export market Time to market for new export venture products Number of successful export venture products Revenue from new export venture products (less than three years old)	Morgan, Zou, Vorhies and Katsikeas (2003)	Decision Science

Export venture Performance	(“Much worse” and “Much better” compared with main competitors over past 12 months are scale anchors) A. Economic . Export sales volume Export market share Profitability : Percentage of sales revenue derived from products introduced in this market during the past three years B. Distributor . Service quality Quality of your company’s relationship with distributor Reputation of your company Distributor loyalty to your company Overall satisfaction with your total product/service offering C. End-user . Quality of your company’s end-user customer relationships Reputation of your company :End-user customer loyalty to your firm End-user customer satisfaction	Morgan, Kaleka and Katsikeas (2004)	Journal of Marketing
New product success	This product met or exceeded volume expectations sales dollar expectations the first year number expected to be produced and commercialized overall sales expectations profit expectations return on investment expectations senior management expectations market share expectations customer expectations	Akgün, Lynn, Yilmaz (2005)	International Marketing Management
Economic performance	Export intensity (export sales as a percentage of total sales) Self-report perceptual measure of export sales growth.	Haahti et al. (2005)	Journal of World Business
Export profitability	Respondents were asked (1) to rate the profitability of their sales abroad in relation to their sales in their domestic market, and (2) to compare the profitability of their company in comparison with other companies in the same industry.	Brouthers and Nakos (2005)	Journal of Small Business Management
International sales growth	Respondents were asked to rate whether the growth of their sales abroad had been higher or lower in comparison with their domestic sales during the last five years		

Export sales	Export sales measure the firm's sales in export operations during the past 3 years relative to expectations and industry norms	Cadogan et al. (2005)	Journal of the Academy of Marketing Science
Export profit	Export profits measure managers' levels of satisfaction during the past 3 years with export profits and their overall assessment of the firm's export operations during the past financial year.		
Overall success	Over the past 5 years your business unit's exporting operations have been very successful	Calantone, Kim, Schmidt, Cavusgil (2006)	Journal of Business Research
Sales performance	(three-item, seven-point Likert type scale, anchored by '*Much worse*' and '*Much better* ') Sales volume Sales growth New product sales	Katsikeas, Samiee and Theodosiou (2006)	Strategic Managem ent Journal
Comeptitiveness	Please assess your organization's export performance over the past five years relative to your competitors (5 representing the industry average): export sales growth, export profitability/ROIs overall export performance.	Balabanis and Spyropoulou (2007)	British Journal of Managem ent
Subjective financial export performance	The profitability of the operations in that country compared to the general profitability of the company The change in profitability in the last 3 years in the country compared to the change of company profitability in general The increase (or decrease) in sales in the last 3 years, compared to the change in sales of the company as a whole	Nes, Solberg and Silkoset (2007)	Internation al Business Review
Economic performance	The respondents were asked to rate the export performance of their company in relation to their domestic performance for (1) sales (2) profit contribution to the company (subjective measures)	Brouthers et al. (2009)	Journal of Internation al Marketing
Market performance	1. Sales volume 2. Sales growth 3. Market share	Hulman, Robson and Katsikeas (2009)	Jour of Internation al Marketing
Financial performance	1. Profitability as a percentage of sales 2. Return on investment 3. Profit margin 4. Profit growth		

Customer performance	1. Customer satisfaction 2. Customer retention 3. Customer referral 4. New customer generation	Hulman, Robson and Katsikeas (2009)	Jour of International Marketing
Economic performance	The extent to which managers were satisfied with their firms' performance in terms of: export sales volume export market share export market entry assessment of sales growth relative to the industry average.	Cadogan, kuivalainen and Sundgvist (2009)	Journal of International Marketing
Market performance	Export intensity, Export market share, End meeting expectations.	Sousa and Lengler (2009)	J. of Mark. Manag
Strategic performance	Each from 8 indicators could range from 0 to 500 and was calculated as a weighed sum by multiplying the respondents' perception of the importance of each objective (allocation of 100 points to the objectives used) by their perceived level of achievement of each (5-point scale, from ''not achieved'' to ''fully achieved''). Gain a foothold in the export market Increase the awareness of our products/company Respond to competitive pressure Improve our company's market share position Expand strategically into foreign markets Increase the profitability of the company Diversify customers Increase the product portfolio offered	Papadopoulos and Martin (2010)	International Business Review
Satisfaction with performance	Firm's satisfaction with its export activity in the past three years, using a scale of 1–7 (1 = very dissatisfied; 7 = very satisfied). Growth of export sales Awareness and image of firm in foreign markets Profitability of export business Market share associated with export activity International expansion of firm	Navarro, Losada, Ruzo and Diez (2010)	Journal of World Business
Competitiveness	• Strengthened our strategic position. • Improved our global competitiveness • How competitors rate a firm's export performance	Sousa, Ruzo and Losada (2010)	Journal of International Marketing
Export sales growth	• Decline • Stable • 1%–5% • 6%–10% • 11%–15%		

	• 16%–20% • 20+%	Sousa, Ruzo and Losada (2010) (continue)	Journal of International Marketing
Export profitability	• Loss • Breakeven • Profit		
Market performance	• Providing superb value to export customers . • Retaining valued export customers • Acquiring new export customers . • Company reputation among export customers • Satisfaction received by export customers • Delivering exactly what export customers want	Leonidou, Palihawadana and Theodosiou (2011)	Journal of International Marketing
Financial performance	• Export sales volume • Export market share • Export profitability • Export sales intensity • Return on investment made on exports • Return on assets devoted to exports		
Satisfaction with Export Venture	• Overall, the company's service has been very successful. • The performance of this export venture has been very satisfactory. • This service has fully met our expectations.	Sichtmann, von Selasinsky and Diamantopoulos (2011)	Journal of International Marketing
Financial Performance	Our service in region xy: • Has been very profitable. • Has generated a high volume of sales. • Has achieved rapid growth.		
Strategic Performance	Our service in region xy: • Has improved our global competitiveness. • Has strengthened our strategic position. • Has significantly increased our global market share.		
Financial performance	With regard to your company's exporting operation, to what extent do you agree with the following sentences? • It has been very profitable. • It has generated a high volume of sales. • It has achieved rapid growth.	Hortinha, Lages and Lages (2011)	Journal of International Marketing
Market performance	• Sales volume • Sales growth • Market share	Hultman, Katsikeas and Robson (2011)	Journal of Inter Marketing

Financial performance	• Profitability as a percentage of sales • Return on investment • Profit margin • Profit growth	Hultman, Katsikeas and Robson (2011)	Journal of Inter Marketing
Customer performance	• Customer satisfaction • Customer retention • Customer referral • New customer generation (omitted during scale purification)		
Market performance	Please evaluate the performance of your export venture over the past year relative to your major competitors. Seven-point scale running −3 (Much Worse than Competitors) to +3 (Much Better than Competitors). Market share growth Growth in sales revenue Acquiring new customers Increasing sales to existing customers	Morgan, Katsikeas and Vorhies (2012)	Journal of the Academy Marketing Science
Financial performance	Please evaluate the performance of your export venture over the past year relative to your major competitors. Seven-point scale running −3 (Much Worse than Competitors) to +3 (Much Better than Competitors). Export venture profitability Return on Investment (ROI) Export venture margins Reaching export venture financial goals		

Appendix 3.1 Interview Guide

Interview Guide

About exporting in general

- For how long have you been exporting?
- For how many countries have you been exporting to?
- How many products/ services, which products? What is your key market / industry?
- What are the main objectives of exporting? Why did you decide to export?
- Is there a separate export department?

About decision-making

- Would you describe your exporting as reactive or proactive?
- What are the main export decisions?
- How export decisions are made (is it a formal process)?

  Try to ask about all (or at least several decisions) listed by them above
- Do you have a written plan? What types of plan do you have (marketing, budgeting, corporate etc.)?
- If yes, how long does it take to develop it?
- How detailed is your plan?
- Do you follow plan strictly during implementation? Is it flexible?
- What makes you shift from the plan?
- What is your planning time-scale (5 years, one year etc.)?
- If not (no plan), how decisions are made? (*for example, do they make them spontaneously*)
- Do you make differently long-term and short term decisions? Can you specify, please? *(examples)*
- Are risky decisions reflected in more formal planning? If not, how are risky decisions made (for example, adapt a flexible plan, heavy research)

Export memory

- Do you have an export memory?
- How is it retained (computers, library, people etc.)? *Is it organisational or personal?* How does it help to make export decisions (fast, slower, better, worse etc.)?

Competitive advantage and innovations

- What sort of products do you export (domestic, adapted – if so, to what extend – complete innovation?)
- How do you view your competitive advantage? What does help you to improve it?
- Do you consider product or service novelty to be important for you to maintain or develop competitive advantage? *(creativity dimension)*
- How novel are you products/services compare to competitors and compare to you existing products? *(creativity dimension)*
- Do your products respond to customers' needs? How do you ensure that they do? *(creativity dimension)*
- How creative can you be while making decisions?
- Do you view yourself as innovators/ entrepreneurs
- How do you decide on innovations and/or product adaptation?

Improvisation

- Is it important for exporters to think on their feet?
- What sorts of decisions are made on the hoof? How often?
- Are they important? How likely are they going to be successful?
- How can you be sure that those decisions are correct?
- Do you gain the knowledge from improvisation?
- Do you often have to make decisions quickly or do you tend to take your time?
- How long does it usually take from making a decision to its implementation?

Communication

- Who is involved in decision-making process? How many people (which departments, how many levels)?
- Do you connect with other departments during decision-making process?
- What aspect of your export operations have to be flexible to ensure responsiveness to export customers (structure, production, personnel, pricing, negotiation etc.)?

Export success/ failure

- What makes decisions successful/ fail?
- Does the way how you make decisions affect your export performance/ success?
    - Are you satisfied with your exporting? Is it successful? How do you measure/ assess export success/ failure?
    - If not, why? Which (major) factors influence the decision-making process (its success)?
- Which factors influence the success of exporting?

- Which (other) difficulties do have during exporting in general? And decision-making process in specific?
- Is it possible to improve it? If yes, how?
- Describe please type of the market environment your firm operates in (stable, competitive, changing rapidly etc.)
- Does it affect how you make decisions?

Closing questions

- What sort of educational background (level and content of the degree) does the export decision-maker have?
- What is the size of the firm in terms of number of employees and annual turnover?
- What is the proportion of total sales are exporting sales?

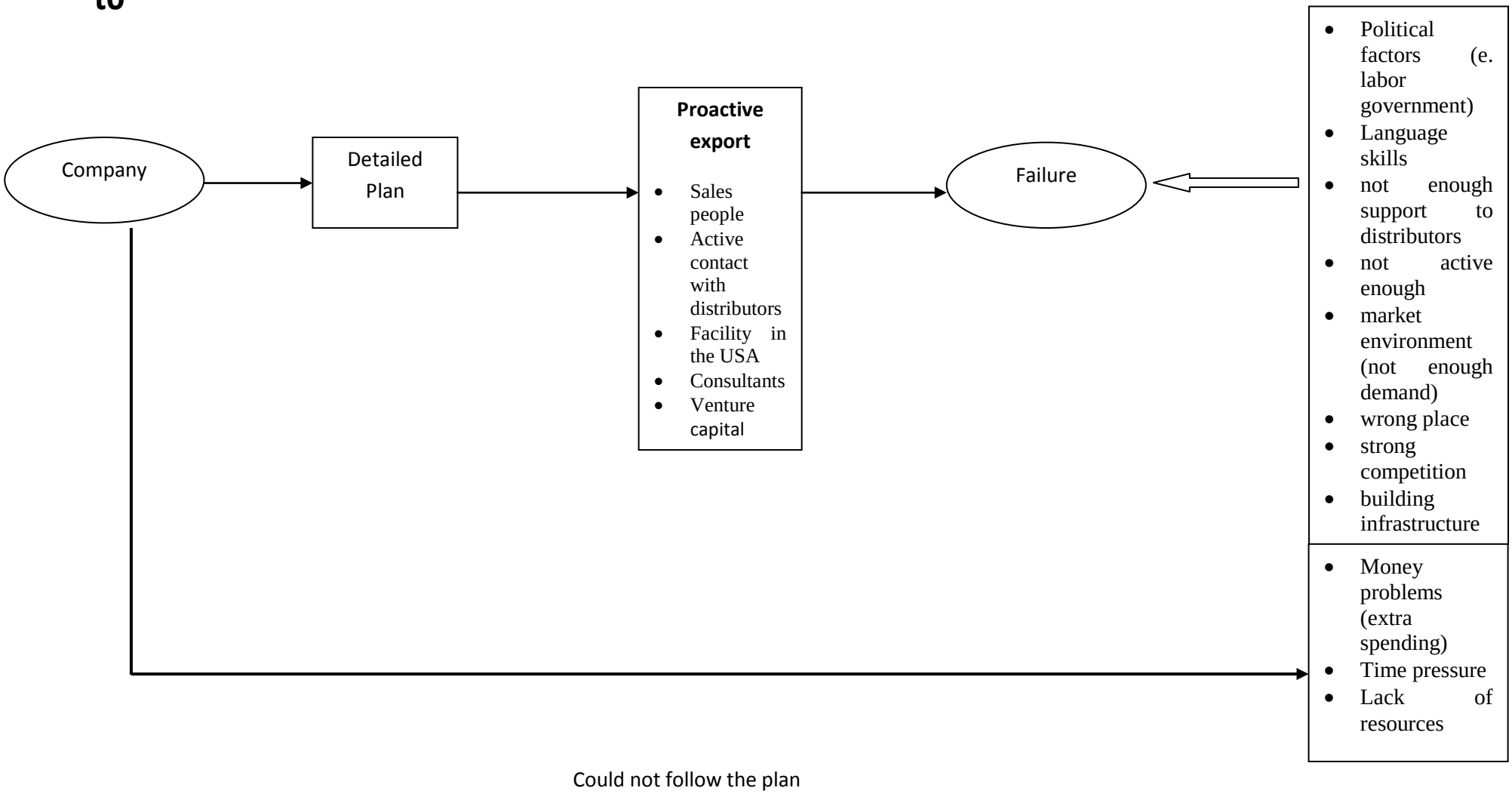
Questions to interviewer (if any)

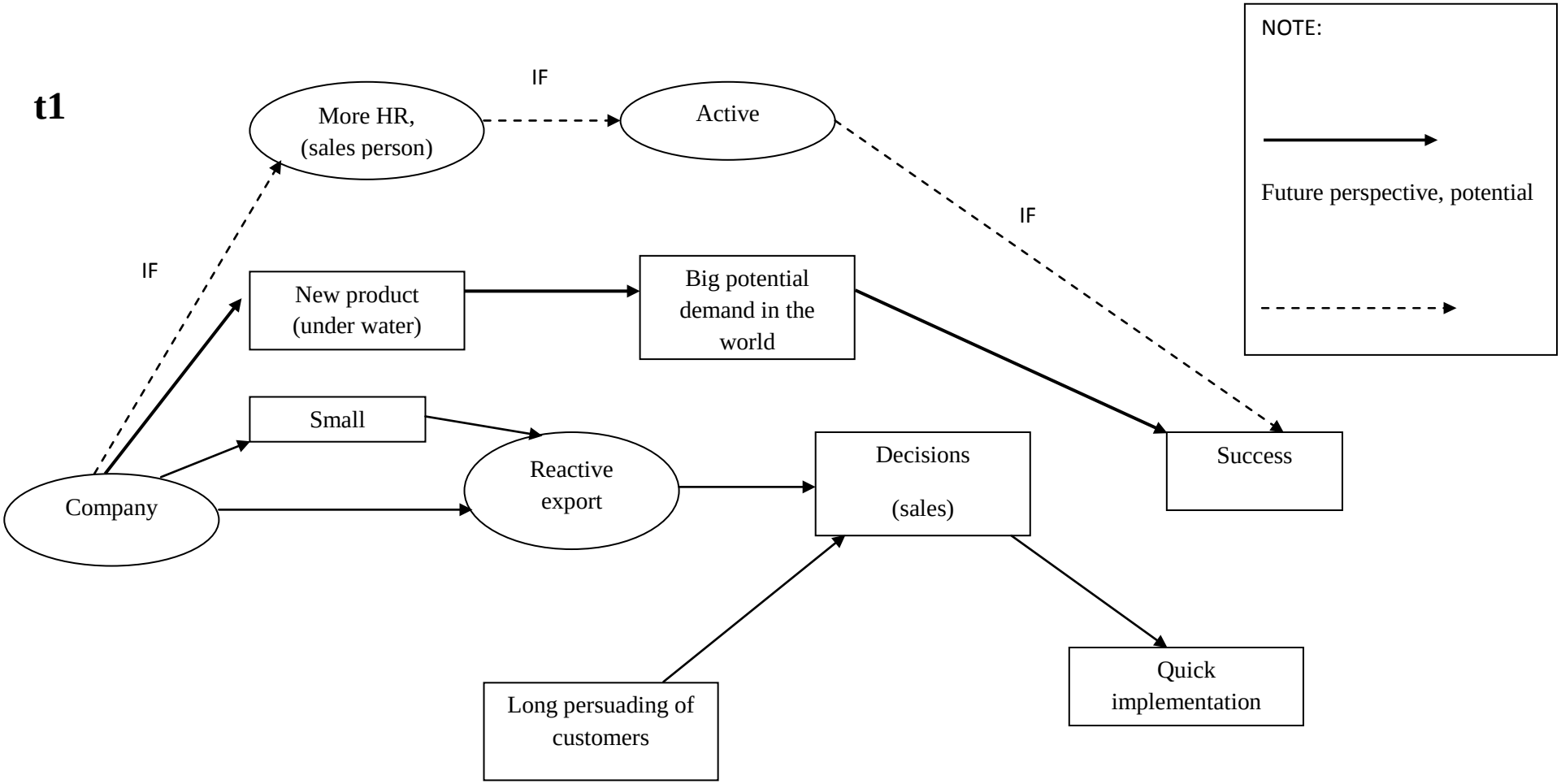
Ask if willing to comment on the daft of the questionnaire

Appendix 3.2 Within-case Displays

Company N 1

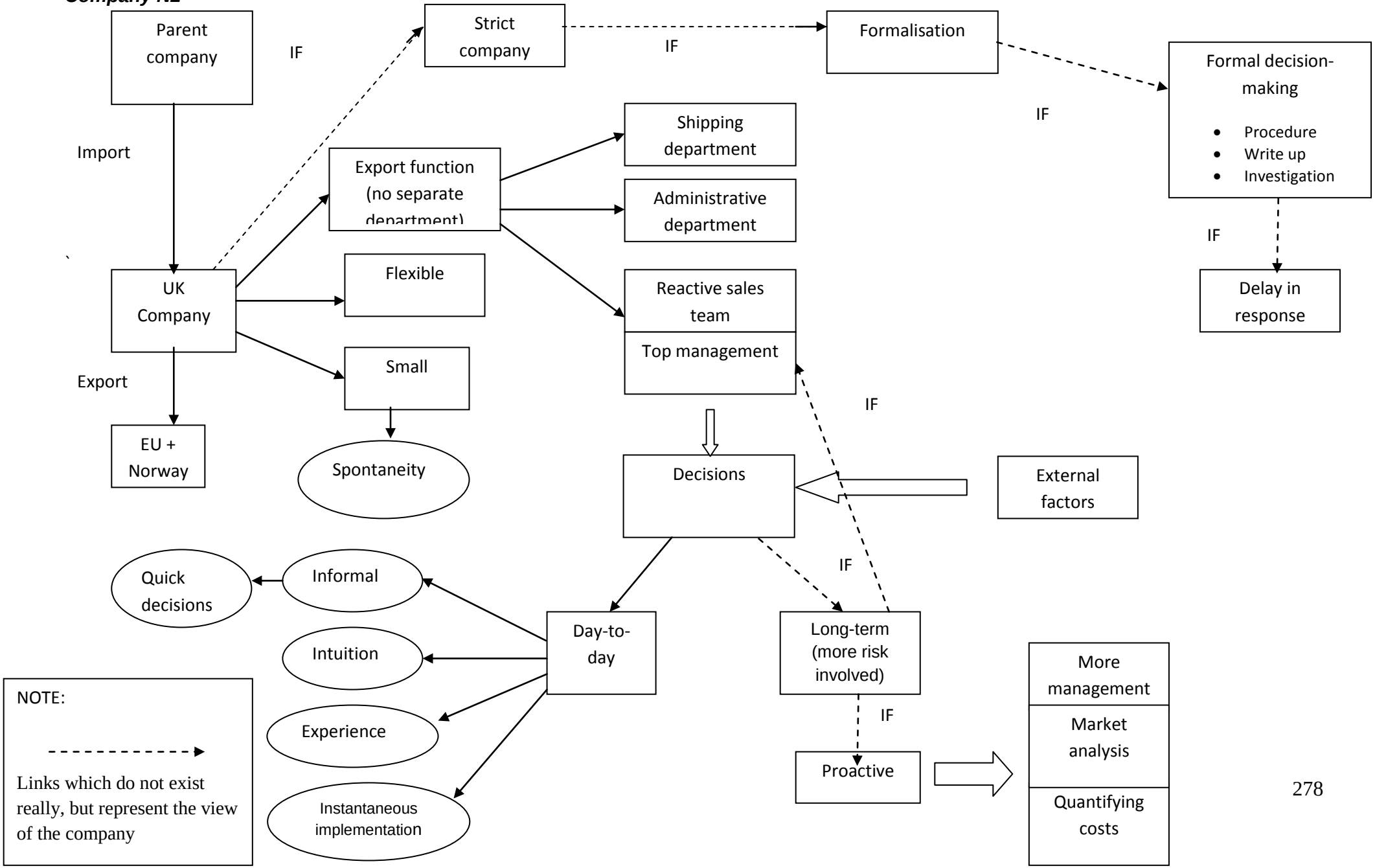
t0




t1
More HR,
(sales person)
IF
Active
IF
IF
New product
(under water)
Big potential
demand in the
world
Small
Reactive
export
Decisions
(sales)
Success
Company
Long persuading of
customers
Quick
implementation
NOTE:
Future perspective, potential

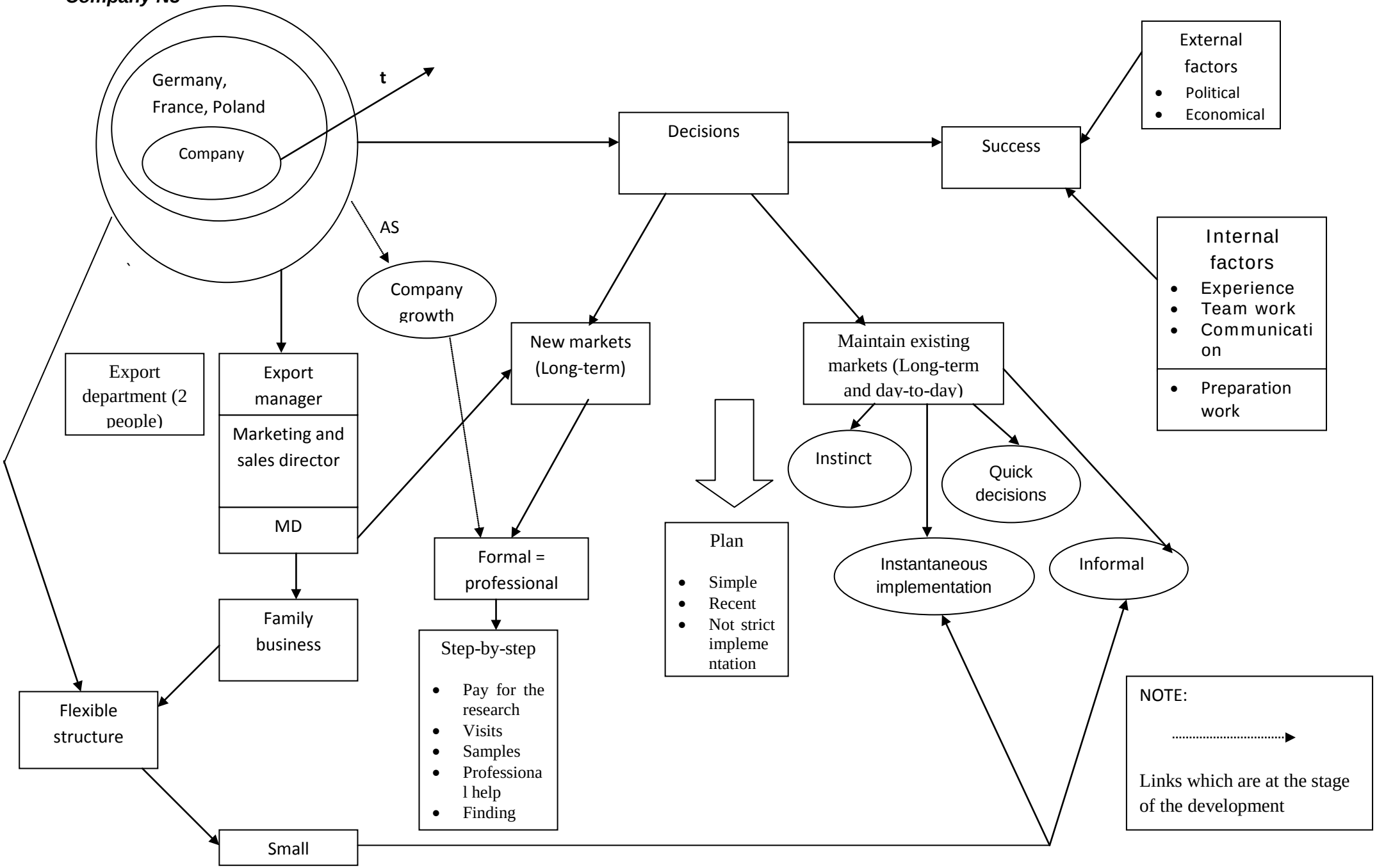
Main features of exporting	**Competitive advantage**	**Environment**
Wide spread Very thin spread (few machines in every country) Didn't start actively ('world came to us') Direct sales + distributors	Unique product, used to be high tech Easy to use (simple) High quality (technical advantages) Safe Last long Pay for itself rapidly **But:** expensive	Diverse (from high tech to very simple) Few competitors (10 in the world, none in the UK)

Company N2


Parent company
IF
Strict company
IF
Formalisation
IF
Formal decision-making
Procedure
Write up
Investigation
IF
Delay in response
Import
Export function (no separate department)
Shipping department
Administrative department
UK Company
Flexible
Reactive sales team
Top management
Small
Export
EU + Norway
Spontaneity
IF
Decisions
External factors
IF
Quick decisions
Informal
Intuition
Experience
Instantaneous implementation
Day-to-day
Long-term (more risk involved)
IF
Proactive
More management
Market analysis
Quantifying costs
NOTE:
Links which do not exist really, but represent the view of the company

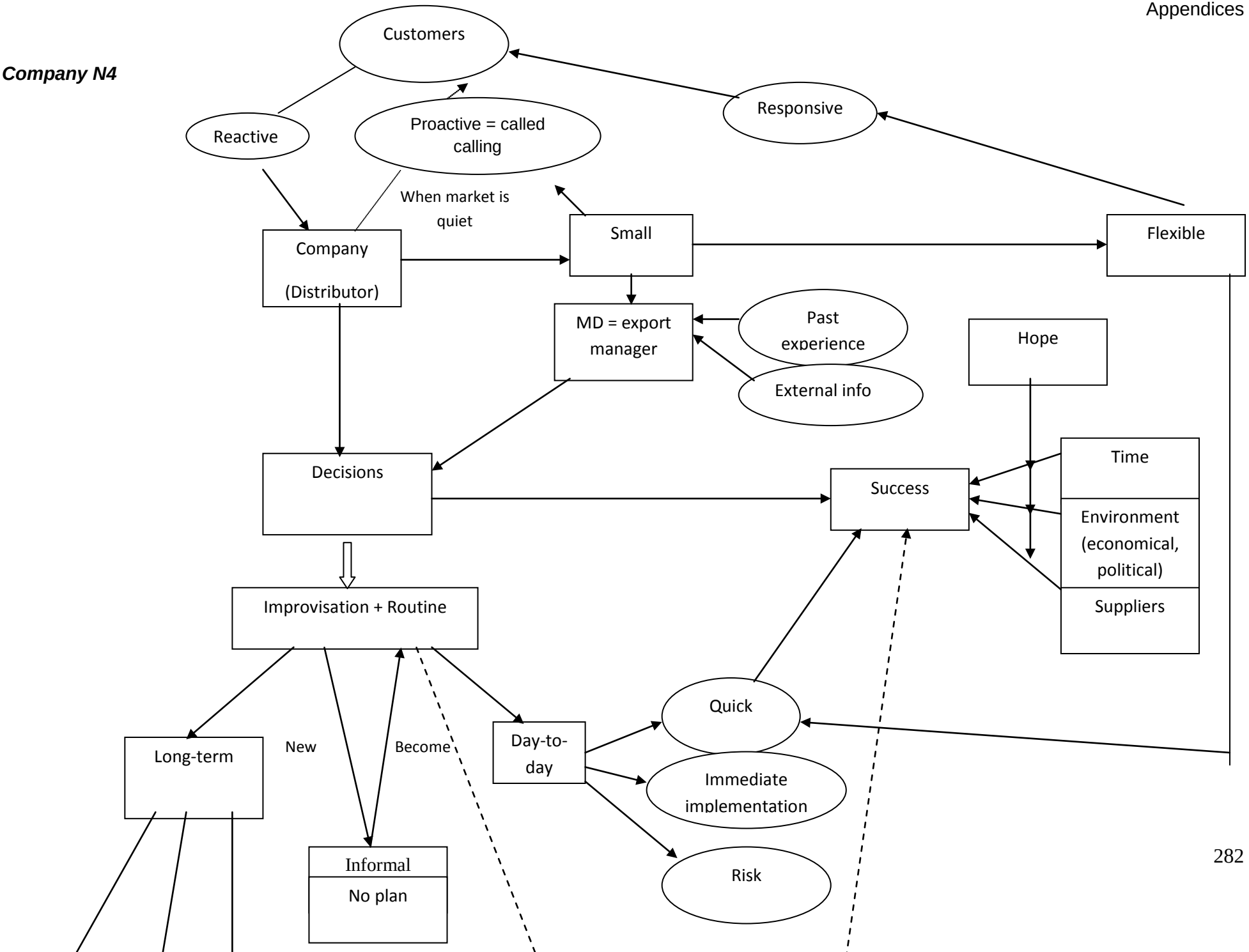
Types of decisions	Objectives	Ways how distributors find a company	Success of the business	Successes of the export depends on	External factors	The way to deal with difficulties	Competitive advantage	Types of innovations
Country Can deal with a country or not **Choice of the distributor** Usage history Competence Amount of support (the less the better) Presence in the market Contacts Commitment **Price=discount** Volume of business Experience Amount of support (the less the better)	Growth Profitability **General** Profitability To provide good products and services To find innovative products	Website Word of mouth Recommendation Came across the equipment	Profitability	The amount of support needed (the less the better) repeat purchase customer satisfaction	**Economic** Budget cuts Exchange rates **Cultural** Language communication **Political** extra documentation government requirements laws, regulations **Physical** To bring staff to the country	Look at new areas To have a back up (industry) To write down solutions of unusual decisions	Reliability of the product Service, support provided	Existing products, but better The same product but better price

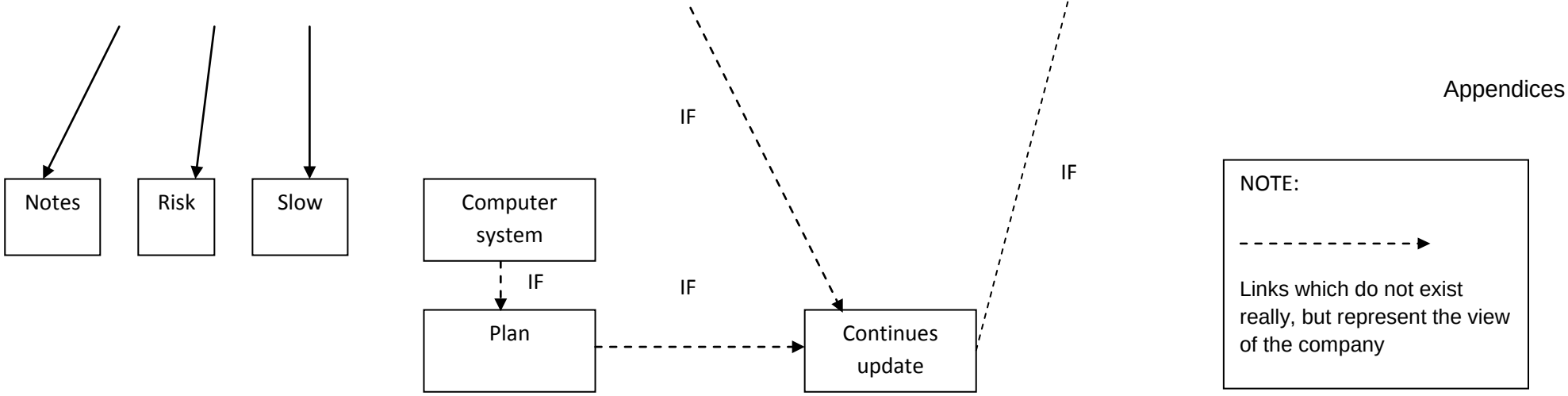
Company N3

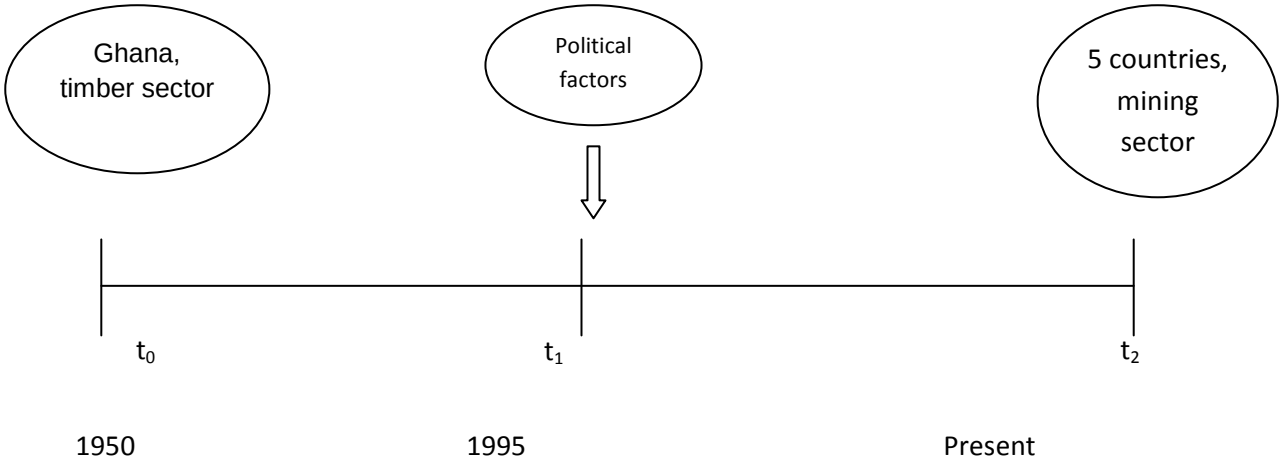

Germany,
France, Poland
Company
t
AS
Company growth
Decisions
Success
External factors
Political
Economical
Internal factors
Experience
Team work
Communication
Preparation work
Export department (2 people)
Export manager
Marketing and sales director
MD
New markets (Long-term)
Maintain existing markets (Long-term and day-to-day)
Instinct
Quick decisions
Plan
Simple
Recent
Not strict implementation
Formal = professional
Step-by-step
Pay for the research
Visits
Samples
Professional help
Finding
Instantaneous implementation
Informal
Family business
Flexible structure
Small
NOTE:
Links which are at the stage of the development

Objectives	**Main decisions**	**Competitive advantage**	**Innovation**	**Day-to day decisions**	**Long-term decisions**	**Support of distributors**	**Aims for future**
Medium and long-term objectives (not short-term financial objectives) Growth of the company Export orientation	To maintain existing markets To look for new markets	Quality of the product Good marketing Good website (to improve competitive advantage=> respond better to customers' needs)	Simple product= innovators, but innovators in terms of finding new markets	Pricing (set of, negotiating) Choice of the distributor Budgeting To offer the product in different materials	To stay in the market or not if there is a loss	Catalogs Financial support Fair organisation	Developing a website Taking part in international fair in October 2010 Visit European fairs to see the distributors

Company N4


Customers
Reactive
Proactive = called calling
Responsive
When market is quiet
Company (Distributor)
Small
Flexible
MD = export manager
Past experience
External info
Hope
Decisions
Success
Time
Environment (economical, political)
Suppliers
Improvisation + Routine
Long-term
New
Become
Day-to-day
Quick
Immediate implementation
Risk
Informal
No plan

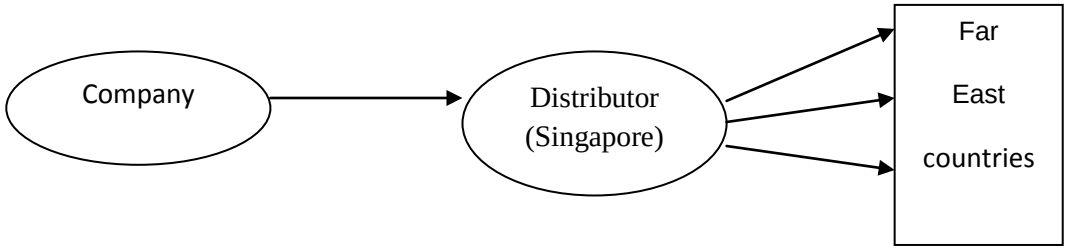

Notes
Risk
Slow
Computer system
IF
Plan
IF
IF
Continues update
IF
NOTE:
Links which do not exist really, but represent the view of the company


Ghana, timber sector
Political factors
5 countries, mining sector
t_0
t_1
t_2
1950
1995
Present

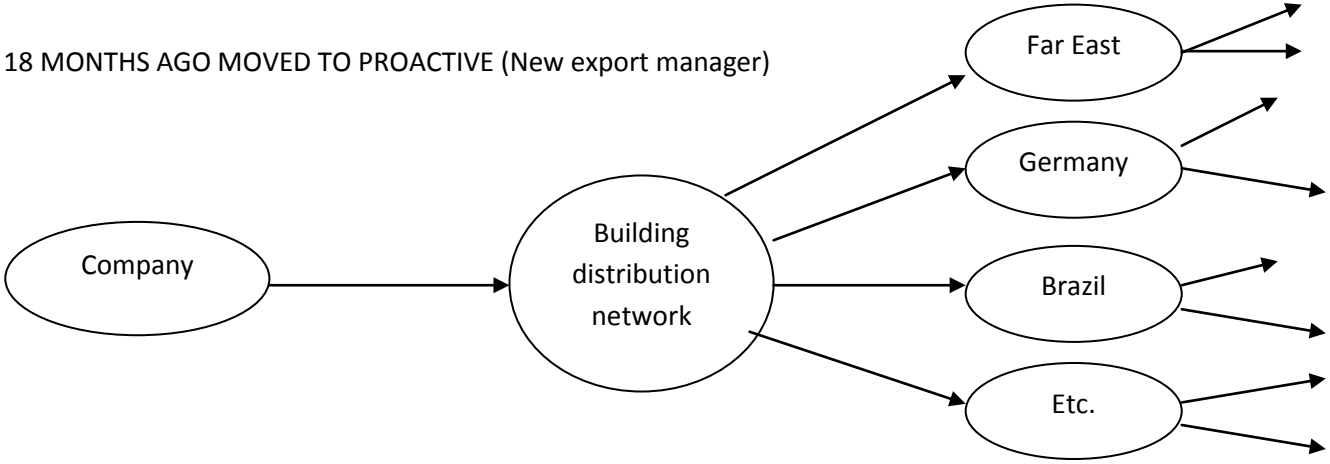
Countries where export	**Sources of products**	**Day-to day decisions**	**Long-term decisions**	**Main function**	**No plan because**	**Improvisation definition**	**Environment**
Ghana Sirloin Ethiopia Yemen	Internet Past history Technical books	Margins Cash flow Quotes	Future opportunity Customers plans Change a bank, auditor	To Quote	React to what's going on Can't forecast major things Continuous update (long-term aim as well)	React to things ad they come along	Competitive Stable (situation in countries) Changing rapidly (e. Economics, exchange rates)

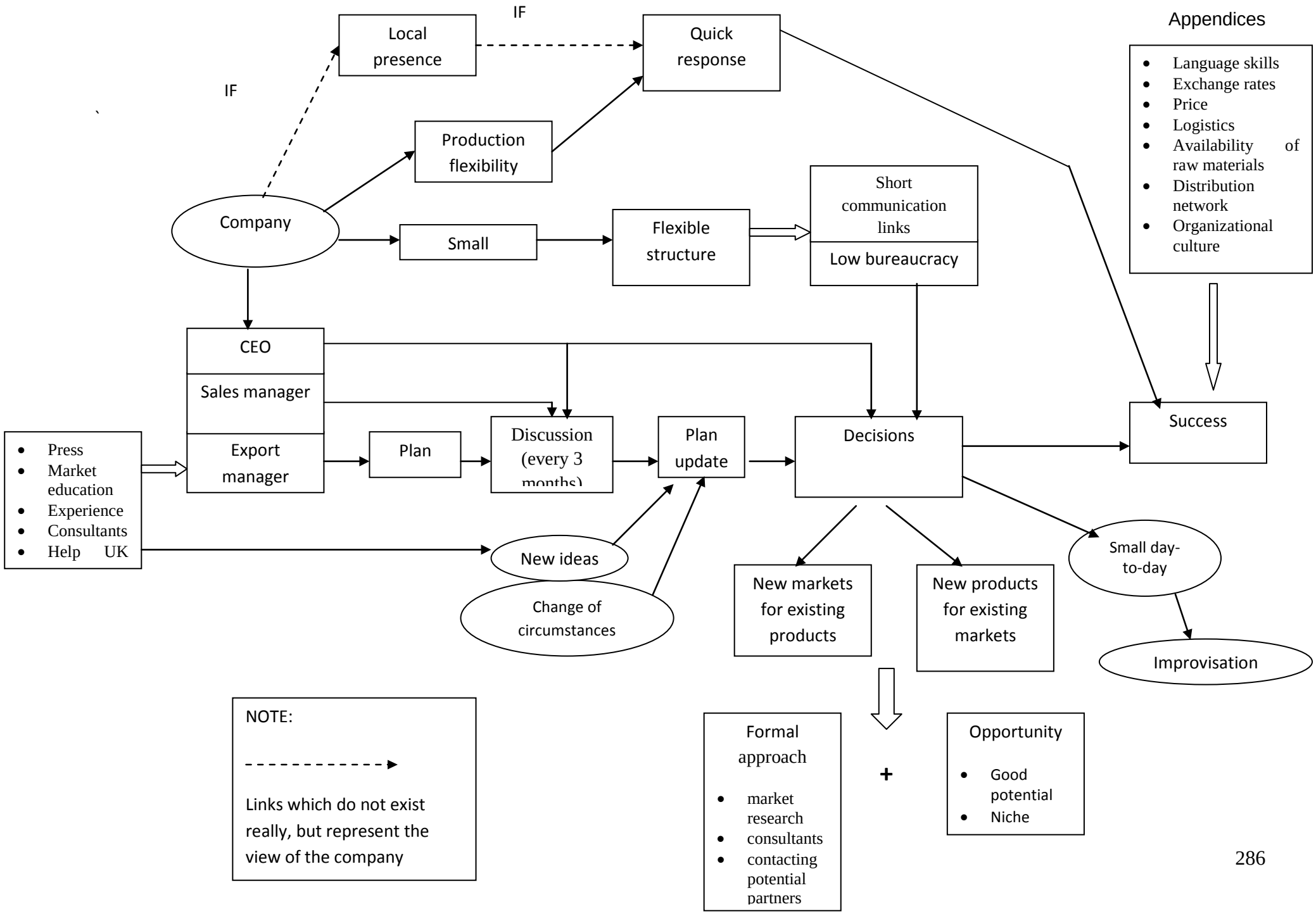
Company N5

USED TO BE REACTIVE (respond to enquiries)



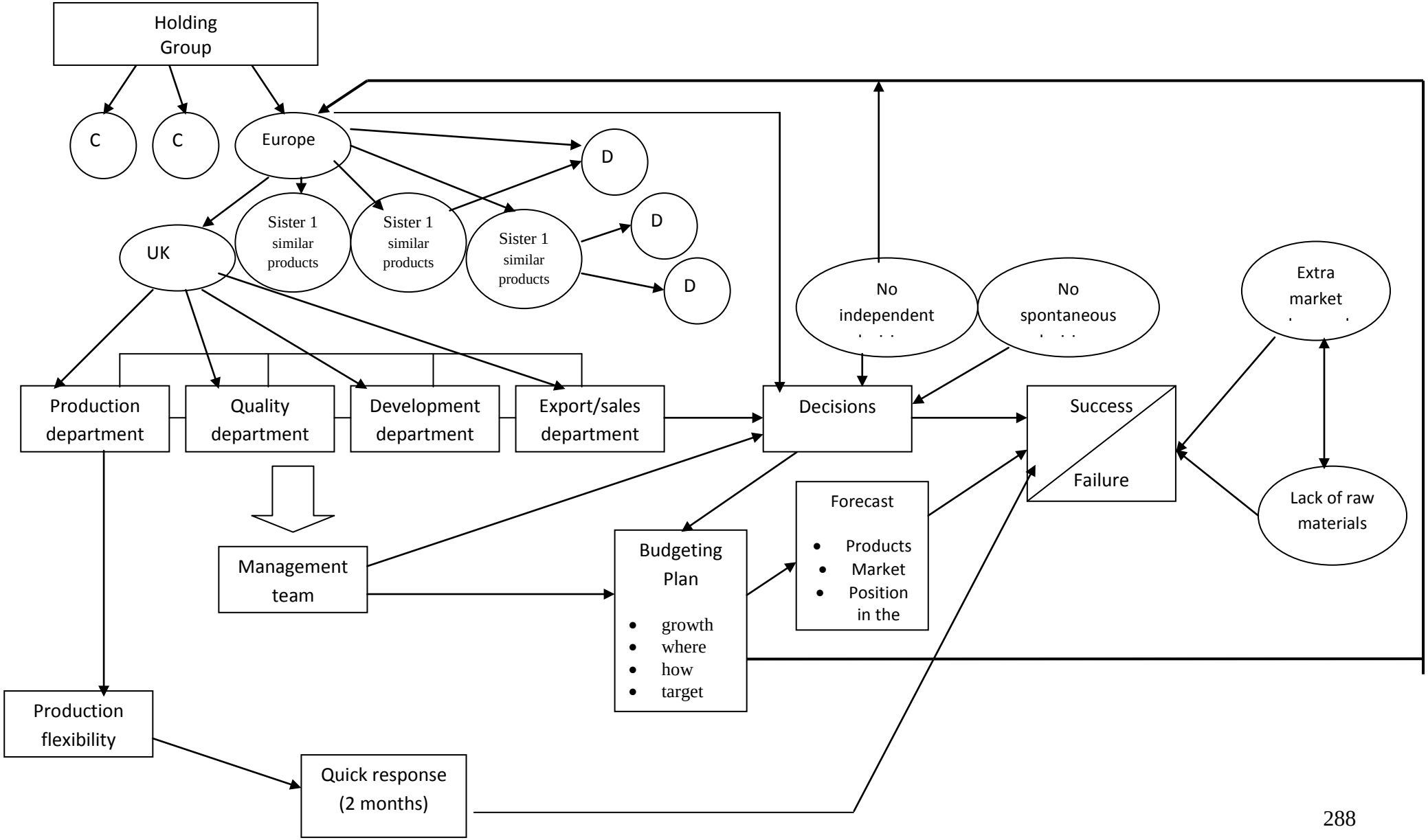
18 MONTHS AGO MOVED TO PROACTIVE (New export manager)




Appendices
Language skills
Exchange rates
Price
Logistics
Availability of raw materials
Distribution network
Organizational culture
IF
Local presence
Quick response
IF
Production flexibility
Company
Small
Flexible structure
Short communication links
Low bureaucracy
CEO
Sales manager
Export manager
Press
Market education
Experience
Consultants
Help UK
Plan
Discussion (every 3 months)
Plan update
Decisions
Success
New ideas
Change of circumstances
New markets for existing products
New products for existing markets
Small day-to-day
Improvisation
NOTE:
Links which do not exist really, but represent the view of the company
Formal approach
market research
consultants
contacting potential partners
+
Opportunity
Good potential
Niche

Aims of exporting	**Actions**	**UK TI help**	**Organisational culture**	**Plan**	**Implementation of decisions**	**Competitive advantage**	**Satisfaction/ success of export**
Not be dependent only on the UK market To find new markets New niche products Be closer to customers Differentiation from competitors(high-added value products)	Visits Exhibitions Literature upgrade Joined UK Trade and Investment Passport of Exporting Took students with language skills to help	Financial advantages With literature Exhibitions Website development Finding the agency for international students	Traditional engineering company Don't think about target market, think where to sell Production first, customer second Family business	As foundation Constant changes (3-4 per year) For 12 months 1 page document: • Strengths • Weaknesses • Target market depend on the product • List of action (ex. to go to Germany, find distributors there Necessity of the plan –- to get consensus The bigger the company the more detailed plan needed	Speed of decision implementation depends on the availability of CEO 2-5 months Small day-to day decisions –very quickly (ex. meeting with me)	Production flexibility (small quantities	=Turnover Didn't achieve what supposed to achieve Slow beginning BUT: satisfied with decision-making process

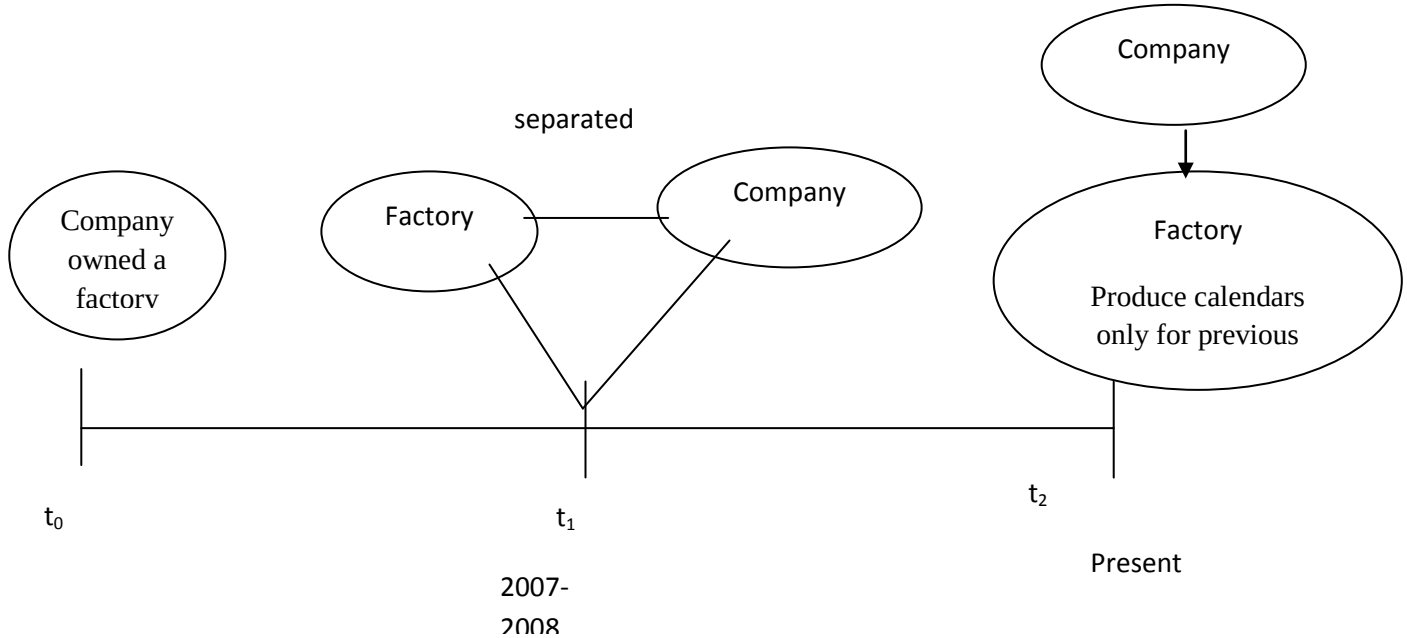
Company N6

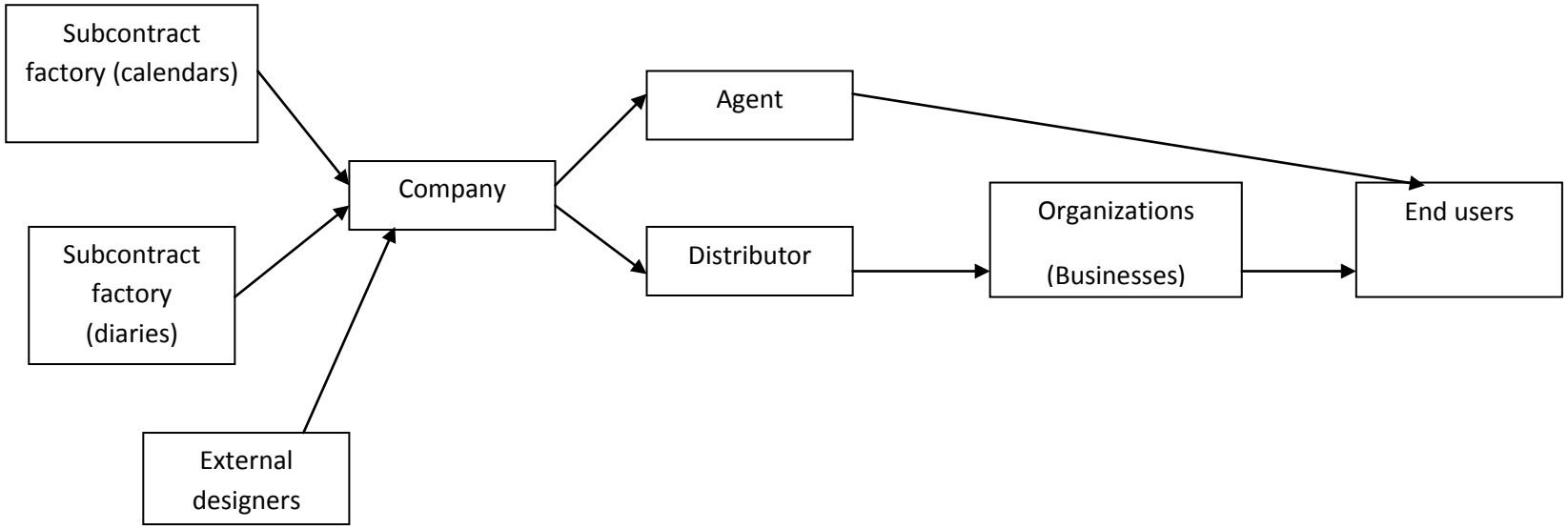

Holding Group
C
C
Europe
D
D
D
UK
Sister 1 similar products
Sister 1 similar products
Sister 1 similar products
No independent
No spontaneous
Extra market
Production department
Quality department
Development department
Export/sales department
Decisions
Success
Failure
Lack of raw materials
Management team
Budgeting Plan
growth
where
how
target
Forecast
Products
Market
Position in the
Production flexibility
Quick response (2 months)

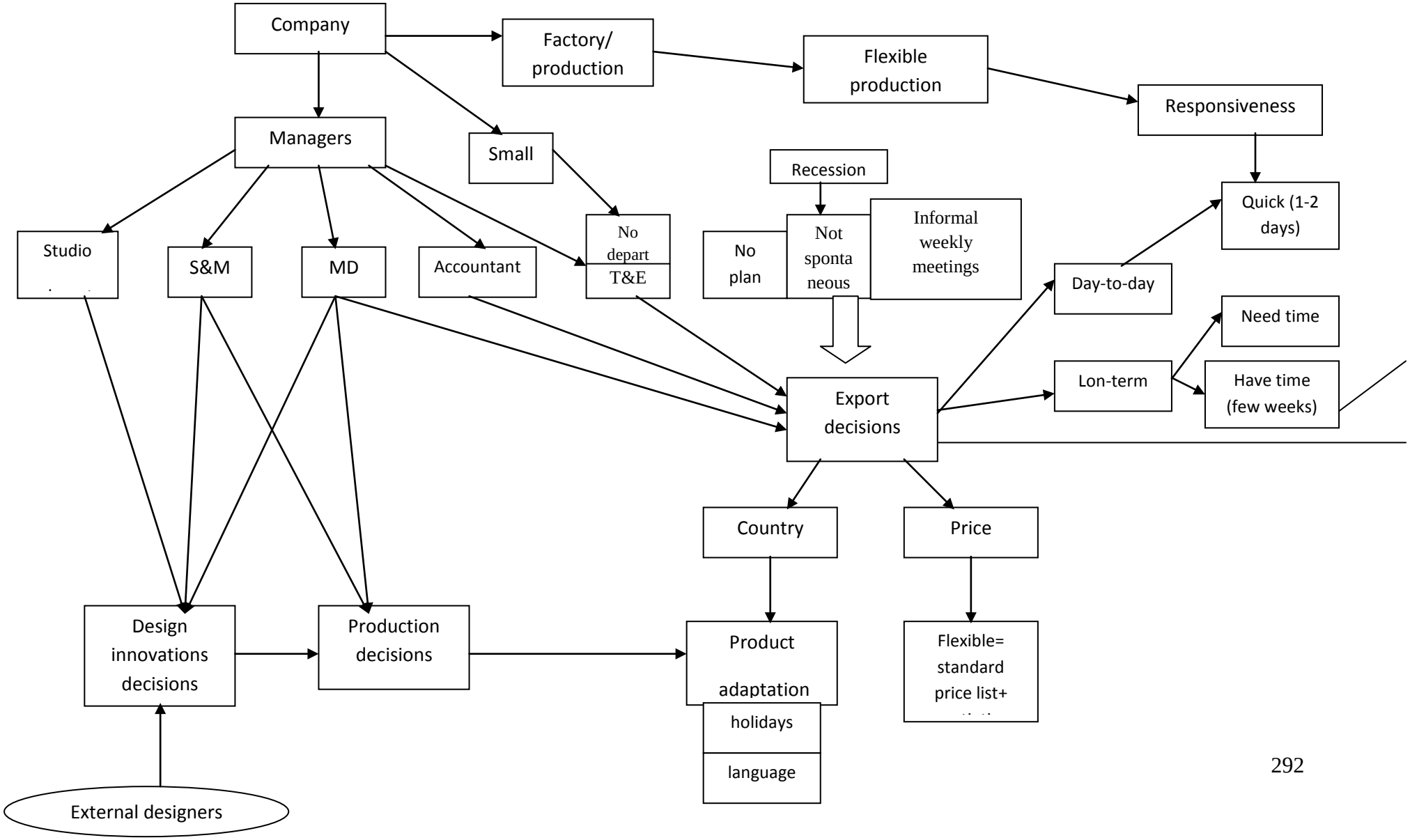
Export development	**Main export decisions (aims)**	**Innovation**	**Competitive advantage**	**Price**	**Sales**	**Plan**
Recognised that there is a need for the product (demand) Export was developed thru import (import=>contacts=> export Helps to spread risks (e. Credit Crunch did not affect a lot)	Position on the market (compare to sisters companies) Differentiation	Product innovation (3-4 new products per year, but maybe just variations from old products) Innovation is based on market needs, not blue sky innovation	Flexibility Technical advantages (lasts longer)	Higher than sister companies	Thru the group, but can influence sometimes, because have contacts, reputation, history (when were independent), experience and knowledge help with technical questions, not with commercial questions	No marketing plan Budgeting plan: • General document • Follow relatively strictly • For 12 months • Development from July till December (6 months) • Can be updated • Step-by-step process • Dictates staffing level, work progress and stock level Note: think that most companies work like that

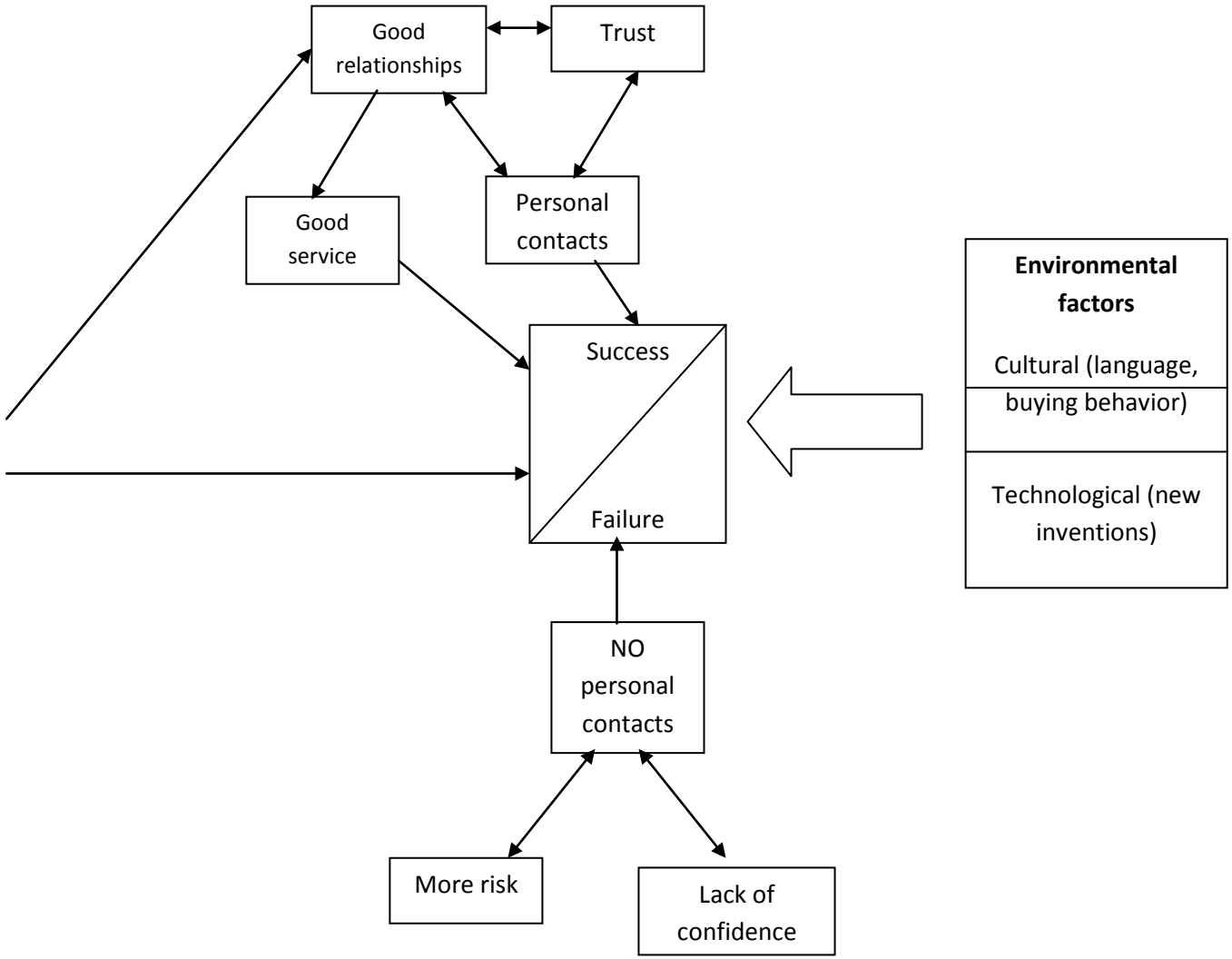
Communication between departments	**Export success**	**Environment**	**The main aim of the group**			
Good communication, departments are small (communication is easy) Management meetings Export department (5-8 people) no separation of duties Intranet	= Top line results (now 20%, satisfied) Important to find balance price-quality	Competitive 3 main producers I the world of the same size (80% of the market) Danger of cheap production from China	Bottom line results, growth			

Company N7


Company
separated
Company
owned a
factorv
Factory
Company
Factory
Produce calendars
only for previous
t_0
t_1
t_2
Present
2007-
2008

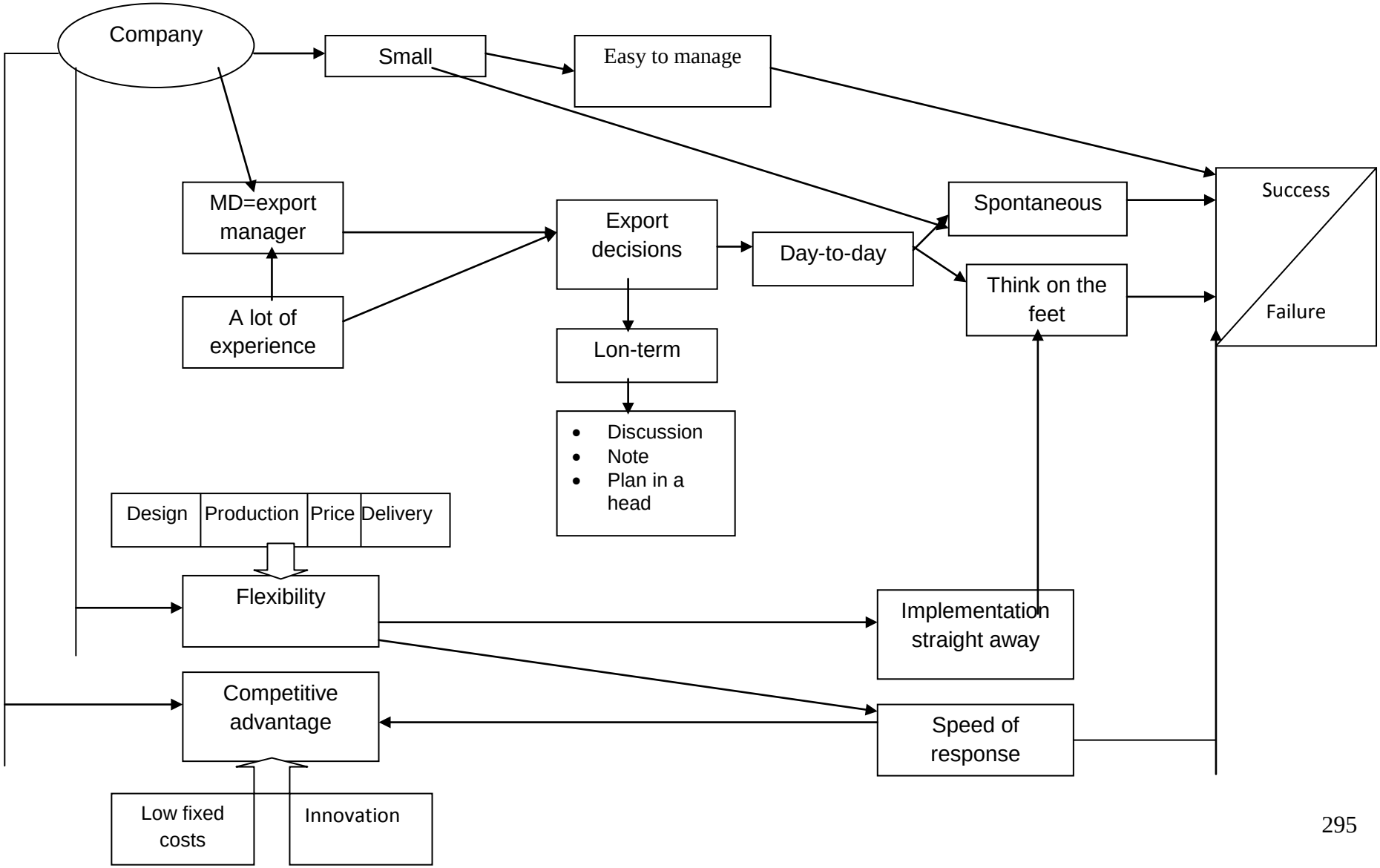

Subcontract
factory (calendars)
Subcontract
factory
(diaries)
External
designers
Company
Agent
Distributor
Organizations
(Businesses)
End users

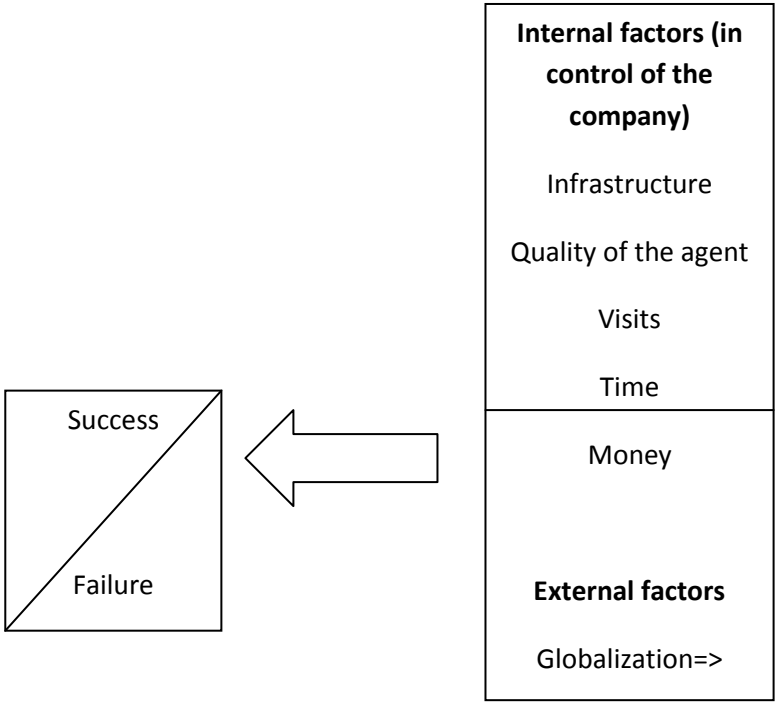

Company
Factory/ production
Flexible production
Responsiveness
Managers
Small
Recession
Quick (1-2 days)
Studio
S&M
MD
Accountant
No depart
T&E
No plan
Not sponta neous
Informal weekly meetings
Day-to-day
Need time
Lon-term
Have time (few weeks)
Export decisions
Country
Price
Design innovations decisions
Production decisions
Product adaptation
holidays
language
Flexible= standard price list+
External designers

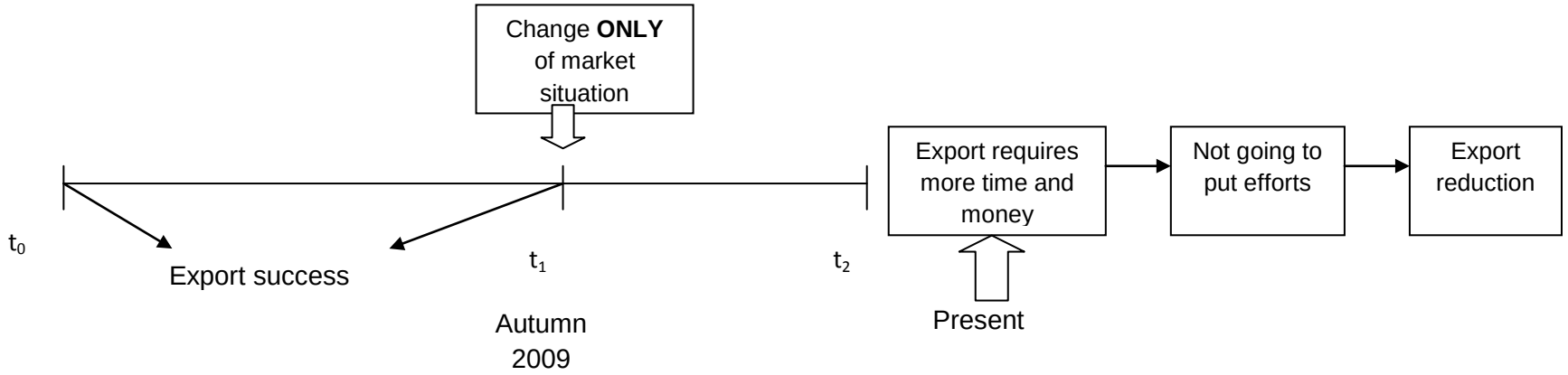

Good relationships
Trust
Good service
Personal contacts
Success
Failure
Environmental factors
Cultural (language, buying behavior)
Technological (new inventions)
NO personal contacts
More risk
Lack of confidence

Export objectives	**Export development**	**Decisions**	**Export initial costs**	**Export success**	**Environmental factors**
To increase turnover, volume	Started from personal contacts=> trust No personal contacts=> risk	Product range, product adaptation	Find distributors, find pictures, shipping cost, designers, rights for repro pictures, print a stock, samples All of this needs time as well	If managed to sell (sales), Meet targets (based on sales)	**Cultural factors** But: both these countries speak English, which helps Germans like practical things (calendars only with numbers) **Technological factors** New inventions (ex. calendar in the phone) **Economic factors** Currency fluctuations Credit Crunch
Environment	**Short-term decisions (day-to-day decisions)**	**Long-term decisions**	**Innovations**	**Competitive advantage**	**Future**
Competition is high 3 competitors in the UK (2 main ones) Environment is changing Market has shrunk (because of the recession)	An emergency order, send goods, printing	Development of the calendar 2012, Calendars with different holidays	Spontaneous ideas People in the company+ external designers	=Quality, Image and Design To improve: good service (don't upset customers) + Innovative designs	Don't think about long-term future, 'can just sell the company'

Company N8

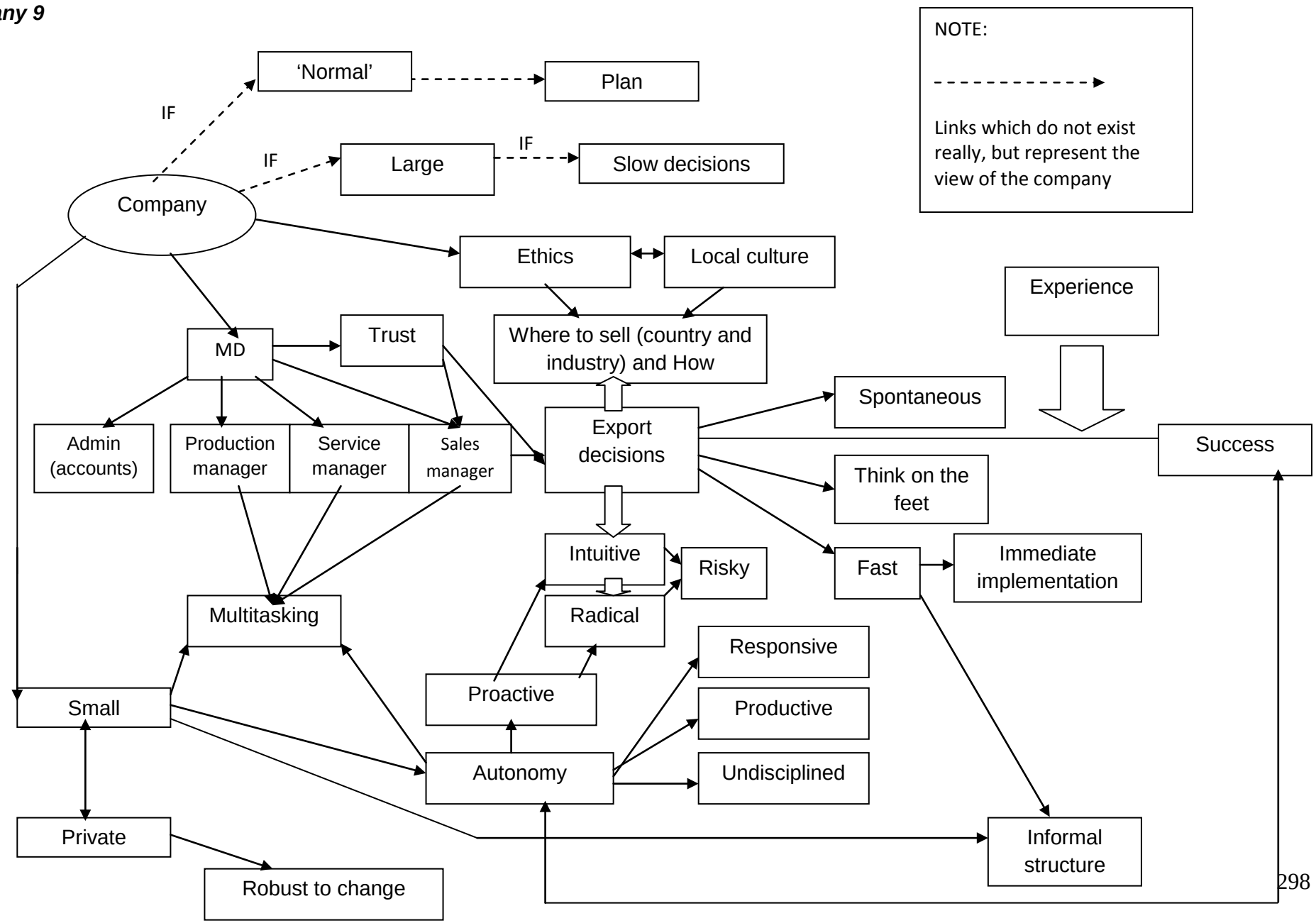

Company
Small
Easy to manage
MD=export manager
A lot of experience
Export decisions
Day-to-day
Spontaneous
Think on the feet
Success
Failure
Lon-term
Discussion
Note
Plan in a head
Design
Production
Price
Delivery
Flexibility
Implementation straight away
Competitive advantage
Speed of response
Low fixed costs
Innovation


Internal factors (in control of the company)
Infrastructure
Quality of the agent
Visits
Time
Money
External factors
Globalization=>
Success
Failure


Change ONLY of market situation
t_0
Export success
t_1
Autumn 2009
t_2
Present
Export requires more time and money
Not going to put efforts
Export reduction

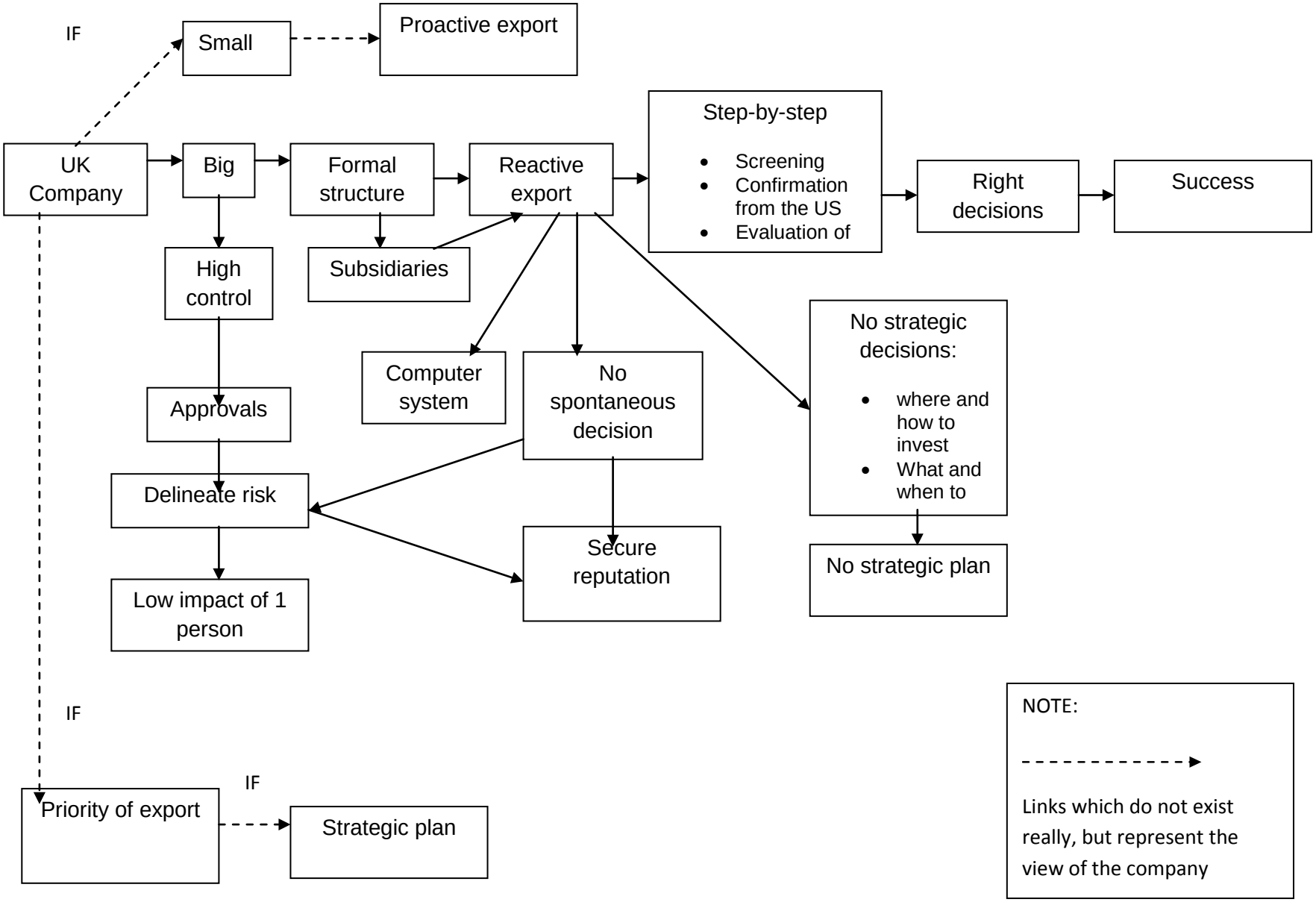
Main types of export	**Reasons for export**	**Future intentions**	**Long-term decisions**	**Day-to-day decisions**
Sell to the company thru an agent Sell to the company in the UK, and then they produce in other countries Sometimes customers contact directly	Decided to stop supplying some big companies in the UK=> loose turnover so to increase the turnover => export + had an experience before	Exporting requires a lot of money and time=> the risk is high, potential return is low=> Not to do a lot of export Not put extra effort Not going to be proactive Orientation on UK customers, especially who imported a lot before (they struggle now)	Plan is in a head Discussions Talk about export all the time Analysing in the head Based on experience Very general notes Choice of the country based o the experience	Costs, changing developments, doing new developments Instinctive Think on the feet Implementation straight away
Strategy	**Organisational memory**	**Environment**	**Export success**	**Product adaptation**
Decide on the strategy twice a year Overall strategy is driven by finance, costs, figures at the end of the yea	Costing is on the computer	Unstable, uncertain Shift in the last few years Market problems: cheap production places Environmental problems (floods etc.) => affect the price of cotton=> Prices of production=> cloths prices	Turnover	Only design if customers ask to change something, in general don't adapt

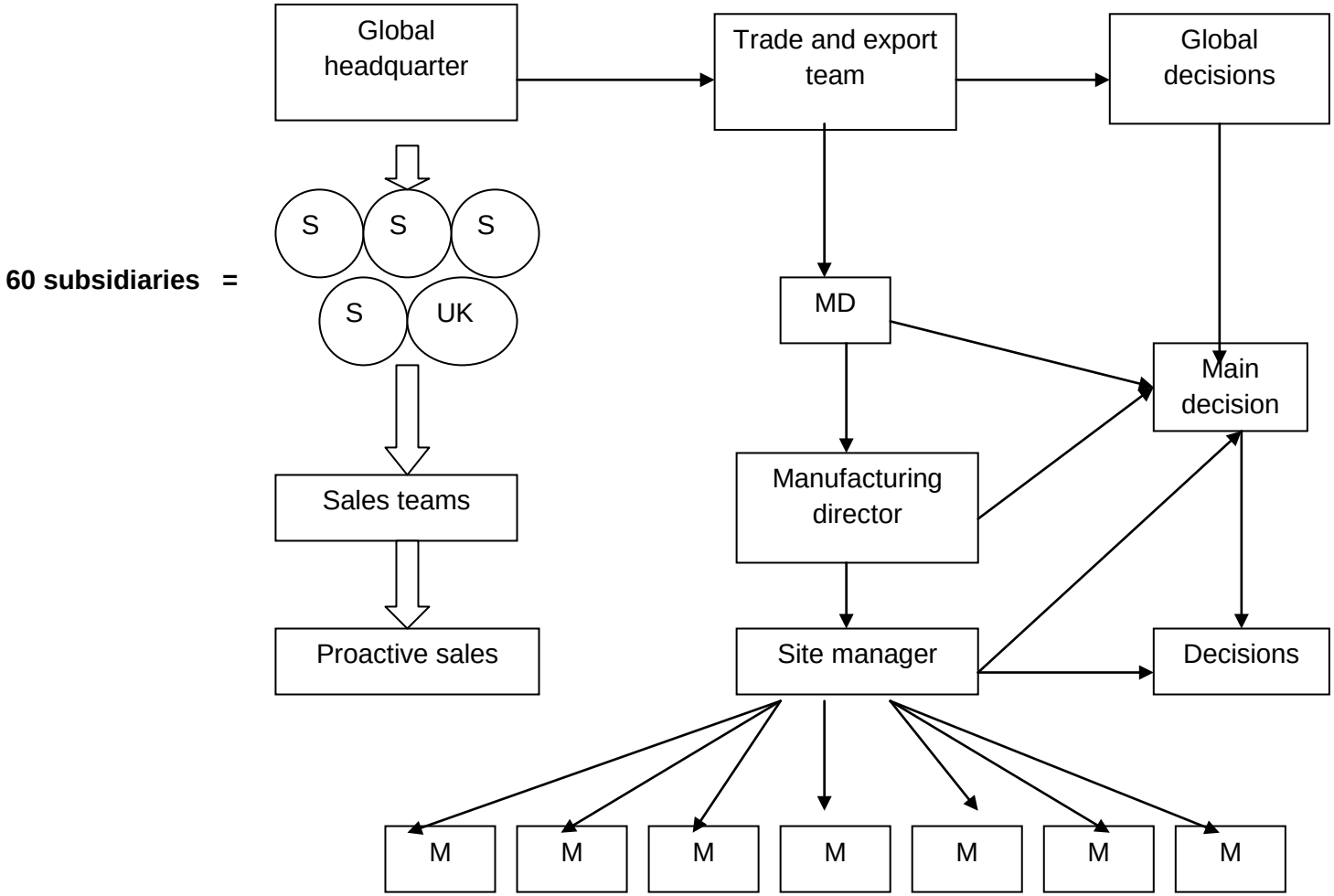
Company 9


NOTE:
Links which do not exist really, but represent the view of the company
'Normal'
Plan
IF
IF
Large
IF
Slow decisions
Company
Ethics
Local culture
Experience
MD
Trust
Where to sell (country and industry) and How
Spontaneous
Admin (accounts)
Production manager
Service manager
Sales manager
Export decisions
Success
Think on the feet
Intuitive
Risky
Fast
Immediate implementation
Multitasking
Radical
Responsive
Proactive
Small
Productive
Autonomy
Undisciplined
Private
Informal structure
Robust to change

Positioning of the company	**Environment**	**Strategy**	**Channels of export**
Expensive (70-100% higher)medium to medium value adds company, Provide expertise and consultancy as well Sell analyser system for measuring parameters (water) Ethical company Stand for safety and Quality Niche market	Market place – commercially everybody is struggling, but they are not => have free choice, balance it with ethics and morals Recession=> a lot of 'hungry' companies=> the temptation to do unethical increases UK companies from manufacturing basis shrunk dramatically=> Do now a lot more exporting then before Rapidly changing High expectations (higher than achievable)=> Industry is pushing itself into a corner	Many little issues that change the strategy on the daily basis Difficult to have a firm strategy in a rapidly changing environment Strategy is ongoing integrative process New locations, which are technically behind -- the strategy is to do seminars, technical presentations to a large audience (explanations, demonstrations)	Two channels of export: thru agents Agents: initial contact, definition of the problem, then refer to the company=> visit, discussions=> quote to the agent=>sale And directly
Innovation	**Drivers of export strategy**	**Aim of the company**	**Competitors**
Inventors of the product Solely develop everything from the beginning Doing new things now, 30% of the revenue goes into development Product=competitive advantage	The driver of the export strategy is the core person who is driving that strategy and the business he works for	Fundamentally promote good measurement in our area But don't want to do more in terms of growth, everybody is comfortable now Potential (without changing structure) 3 million, but don't have intention If increase revenue, need more people, 10 people can't do more	3 main competitors: 2 multinational and 1 smaller (American) With this level of quality are alone in the UK, but at least three companies in the UK sell competitive products => challenge commercially, but not technically

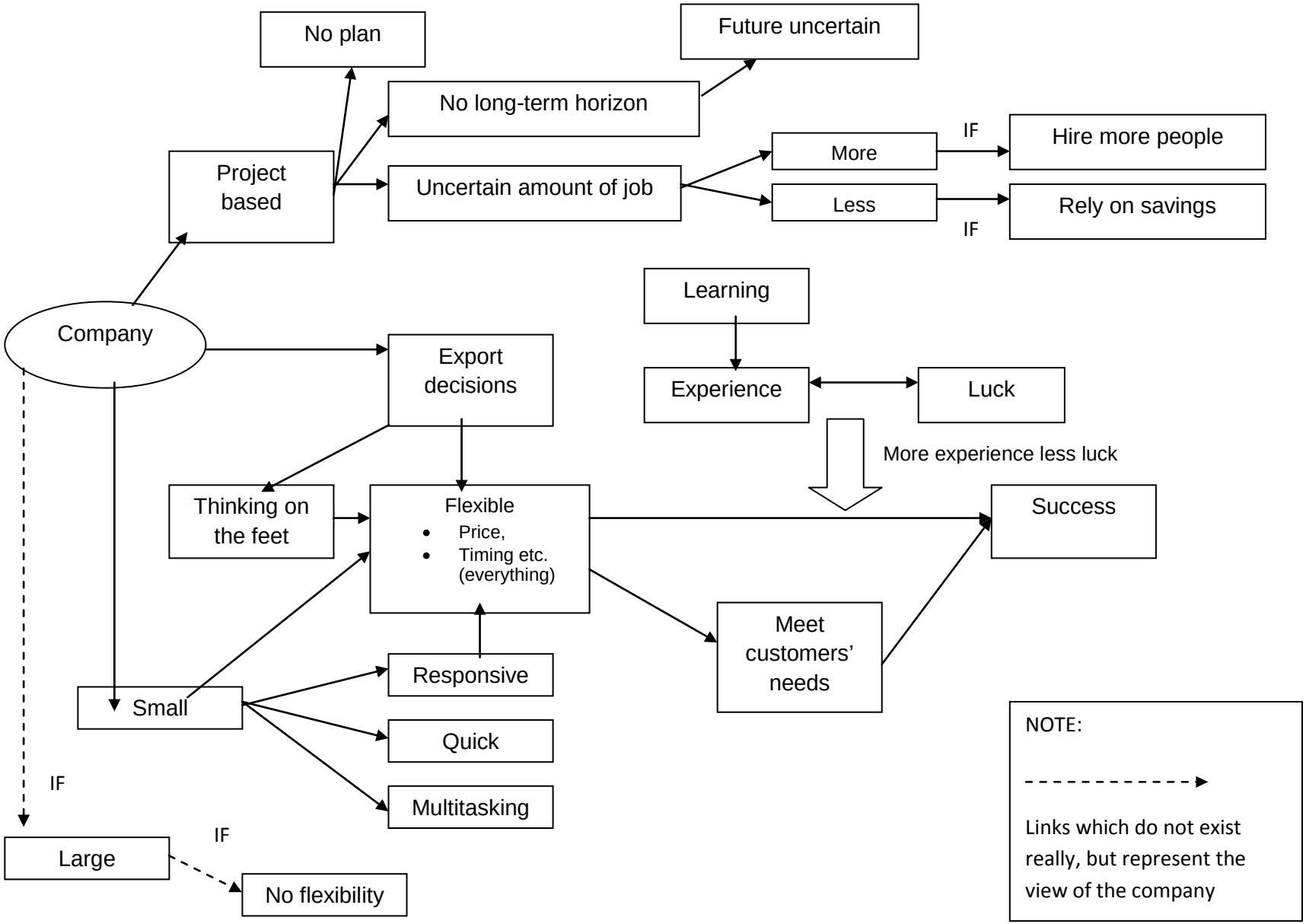
Company 10


IF
Small
Proactive export
UK Company
Big
Formal structure
Reactive export
Step-by-step
Screening
Confirmation from the US
Evaluation of
Right decisions
Success
High control
Subsidiaries
Computer system
No spontaneous decision
No strategic decisions:
where and how to invest
What and when to
Approvals
Delineate risk
Secure reputation
No strategic plan
Low impact of 1 person
IF
IF
Priority of export
Strategic plan
NOTE:
Links which do not exist really, but represent the view of the company


Global headquarter
Trade and export team
Global decisions
60 subsidiaries =
S
S
S
S
UK
MD
Main decision
Sales teams
Manufacturing director
Proactive sales
Site manager
Decisions
M
M
M
M
M
M
M

The main aim of the company	Objectives of exporting	Environment	Innovation
	No intention to grow Subsidiaries are the priority Big company is interested in export, global not so much, subsidiaries are the priority	No competitors on the global level (only in terms of size), only on the business level Generally environment is 'normal' (not uncertain or unstable)	Strategic decisions on innovations: where we are going to invest that money, how we are going to invest it, and what we are going to deliver by when 18 000 product every year (1/3) 35% of turnover is invested
Competitive advantage	**Plan**	**Objectives of the plan**	
Completive advantage is being the first to market with the most innovative products	5-year strategic plan: Objective, Priorities, Activities, Metrics, People who are responsible No flexible planning, slight changes But: updated every year➔ drive performance➔ to be sure to meet target in 5 years 1 page plan (X-matrix), supported by A3 clarifications	Set clear priorities Track people's progress Save management time Linking everybody to the main aim	

Company 11


No plan
Future uncertain
No long-term horizon
Project based
Uncertain amount of job
More
Less
IF
Hire more people
Rely on savings
IF
Learning
Company
Export decisions
Experience
Luck
More experience less luck
Thinking on the feet
Flexible
Price,
Timing etc. (everything)
Success
Meet customers' needs
Responsive
Small
Quick
Multitasking
IF
Large
IF
No flexibility
NOTE:
Links which do not exist really, but represent the view of the company

The main objective	Environment	Uniqueness	Product innovation	Customers find the company thru:	Product adaptation
The main objective is to keep it expanding in a way that can manage the expansion, keep business as it is, Intention for limited growth	4-5 main competitors Environment is pleasant now, but financial crisis was the worst thing Environmental legislations affect the choice of countries	Unique in the UK, Can go anywhere, anytime	No new products, mainly reproduce but with some technological advantages	Internet, Word of mouth	Can adapt the product within certain parameters (engineering parameters)

Appendix 5.1 Coded Online Questionnaire

MAKING SUCCESSFUL EXPORT DECISIONS

Thank you so much for agreeing to participate in this study. Its success rests upon completed questions, so please do not miss any out. There are no right or wrong answers. You may notice that some questions are very similar; this is deliberate, and helps with statistical analysis.

Also, please click "Next" at the bottom of each page to move to the next section (there are 12 pages, which should take between 20 and 30 minutes to complete). Please be advised to complete the questionnaire in one session, as it cannot be saved.

The questionnaire is about your export function. By "EXPORT FUNCTION", we mean all people involved in, and activities relating to, EXPORT-SPECIFIC SALES & MARKETING within your firm.

Once again, we are extremely grateful that you should take the time to take part in this study.

Ekaterina Nemkova,
Anne Souchon & Paul Hughes

VARIABLES	CODES
PLANNING	
Please indicate your agreement/disagreement with the following statements: *Strongly disagree, Disagree, Slightly disagree, Neutral, Slightly agree, Agree, Strongly agree*	
Our export decisions are always made explicit in the form of precise plans	V11.1
When we formulate an export decision it is usually planned in detail	V11.2
We usually have precise procedures for achieving export objectives	V11.3
We have well-defined planning procedures to search for solutions to exporting problems	V11.4
We usually assess many alternatives when deciding on an export decision	V11.5
We always evaluate potential export-market options against explicit export-market objectives	V11.6
We generally develop definite and precise exporting objectives	V11.7
We make our export decisions based on a systematic analysis of our business environment	V11.8
We have a systematic formal procedure to follow for export decision-making	V11.9
We use formal analysis of export information	V11.10
SPONTANEITY	
Please indicate your agreement/disagreement with the following statements *Strongly disagree, Disagree, Slightly disagree, Neutral, Slightly agree, Agree, Strongly agree*	
We are always able to deal with unanticipated export events on the spot	V12.1
In our export function we are good at thinking on our feet all the time	V12.2
We have a great ability to respond 'in the moment' to unexpected export problems	V12.3
We often make ad-libbed export actions	V12.4
We usually make export decisions spontaneously	V12.5
When necessary, we make export decisions out of the blue	V12.6
In our export function, decisions are often made and implemented at the same time	V12.7
We often figure out export action as we go along	V12.8
We often implement export decisions straight away/ instantaneously	V12.9
When it is called for, we will make export decisions 'on the hoof'	V12.10
CREATIVITY	
Please indicate your agreement/disagreement with the following statements *Strongly disagree, Disagree, Slightly disagree, Neutral, Slightly agree, Agree, Strongly agree*	
Our export staff are very inventive	V13.1
In our export function, we are very good at 'thinking outside the box'	V13.2
We always try new approaches to export problems	V13.3
Our export work is very original	V13.4
We are very good at finding new solutions to export problems	V13.5
We often produce new ideas for doing exporting	V13.6
In our export function, we serve as good role models for creativity	V13.7

ACTION-ORIENTATION	
Please indicate your agreement/disagreement with the following statements *Strongly disagree, Disagree, Slightly disagree, Neutral, Slightly agree, Agree, Strongly agree*	
Nothing is more important for us than actioning on our export decisions	V14.1
We are very persistent in seeing through our export decisions	V14.2
We do not tend to be distracted when actioning an export decision	V14.3
In our export function we are always action-oriented	V14.4
We never engage in irrelevant actions for achieving export goals	V14.5
We always ensure we implement improvised export decisions	V14.6
We are always focused on actioning our export decisions	V14.7
Getting bogged down in details is not an option when export decisions have to be made	V14.8
RESPONSIVENESS	
Please indicate your agreement/disagreement with the following statements: *Strongly disagree, Disagree, Slightly disagree, Neutral, Slightly agree, Agree, Strongly agree*	
Our whole export function is very adaptable to change	V27.1
We are able to adapt to market changes in our export market(s) quickly	V27.2
We are very quick to adapt to shifts in our export market(s) (e.g. competition, technology, regulations)	V27.3
We are very good at adapting to change in our export market(s)	V27.4
When we come up with a great solution to an export problem, we can implement it very quickly	V27.5
When export market opportunities arise, we can react extremely quickly	V27.6
ENVIRONMENTAL TURBULENCE	
To what extent do you agree or disagree with the following: *Strongly disagree, Disagree, Slightly disagree, Neutral, Slightly agree, Agree, Strongly agree*	
The technology in our export market(s) is changing rapidly	V31.1
Technological changes provide big opportunities for our export operations	V31.2
There are many promotion wars in our export markets	V31.3
There are too many similar products in the export-market; it is can be difficult to differentiate our products	V31.4
Our export customers' product preferences change quite a bit over time	V31.5
Competition in the majority of our export-market is cut-throat	V31.6
Most of our export customers tend to look for new product all the time	V31.7
A large number of new export product ideas have been made possible through technological breakthroughs in our industry	V31.8
Our export competitors are relatively weak	V31.9
When we have new export customers, they tend to have product related requirements that are different from those of our existing export customers	V31.10
Anything that one export competitor can offer, others can match readily	V31.11
We are witnessing demand for our products from export customers who never bought them before	V31.12
Price competition is hallmark in our export-markets	V31.13
We often hear of new export competitive moves	V31.14
Technological developments in our export market(s) are rather minor	V31.15
This export-market is competitive; price wars often occur	V31.16
We cater to many of the same export customers than we used to in the past	V31.17

EXPORT EXPERIENCE	
How long has your firm been exporting? (YEARS)	V32
EXPORT SPECIFICITY	
Do you have a specific export department? Yes No	V33
COMPANY SIZE (STAFF)	
How many full-time staff are employed by your company? (Only consider those on your UK payroll)	V34
EXPORT STAFF	
Of these, how many are directly involved in exporting matters (including yourself)?	V35
EXPORT COMPLEXITY	
How many countries does your firm export to (approximately)?	V36
SATISFACTION WITH PERFORMANCE	
How satisfied are you with your export market performance over the past year in terms of: Dissatisfied, Slightly dissatisfied, Neutral, Slightly satisfied, Satisfied, Very satisfied, Extremely satisfied	
Export sales volume (in unit terms)	V37.1
Export market share	V37.2
Export customer satisfaction	V37.3
Retention of export customers	V37.4
New referrals from existing export customers	V37.5
Acquiring new export customers	V37.6
Company reputation among export customers	V37.7
How satisfied are you with your financial export performance over the past year in terms of: Dissatisfied, Slightly dissatisfied, Neutral, Slightly satisfied, Satisfied, Very satisfied, Extremely satisfied, Don't know	
Overall export profitability	V38.1
Reaching financial goals	V38.2
Return on investment made on exports	V38.3
Export profit margin	V38.4
Export profit growth	V38.5
Absolute export sales revenue	V38.6
Growth in export sales revenue	V38.7
COMPANY SIZE (FINANCIAL)	
40. In the last year, what was your annual SALES turnover (approximately, in Pound Sterling)?	V40
EXPORT DEPENDENCE	
42. Approximately what percentage of your annual SALES turnover is derived from exports (%)?	V42
43. Approximately, what percentage of your annual PROFIT figure is derived from exports (%)?	V43

RESPONDENT KNOWLEDGE	
48. To what extent do you possess the knowledge to have answered the above questions adequately? Strongly disagree, Disagree, Slightly disagree, Neutral, Slightly agree, Agree, Strongly agree	
My job role qualifies me to answer questions about export sales and marketing in my company	V48.1
I am competent to answer the above questions	V48.2
I am confident that my answers reflect the company's situation	V48.3
50. Thank you so much for your participation in the survey. If you would like to receive a summary of the results, please enter your email address below	V50

Appendix 5.2 Full Version of the Online Questionnaire

VARIABLES	CODES
1. Please enter the code we supplied you in the email:	V1
STRATEGICALITY	
2. The export decisions we make are: Mostly short-term Rather more short-term Half and half Rather more long-term Mostly long-term	V2
3. The export decisions we make are: Mostly reactive Rather more reactive Half and half Rather more proactive Mostly proactive	V3
4. The export decisions we make are: Mostly low-risk Rather more low-risk Half and half Rather more high-risk Mostly high-risk	V4
5. The export decisions we make are: Mostly stability-oriented Rather more stability-oriented Half and half Rather more growth-oriented Mostly growth-oriented	V5
6. The export decisions we make are concerned with: Mostly day-to-day tasks Rather more day-to-day tasks An equal measure of both Rather more big picture strategies Mostly big picture strategies	V6
7. Please indicate the extent to which you agree or disagree with this statement: "The majority of our export decisions require a huge amount of financial resources" Strongly disagree Disagree Neutral Agree Strongly agree	V7
8. How often do you make export decisions based on instinct: Never Rarely Sometimes Often Always	V8
9. When making export decisions how often do you look for new Information about your export markets? Never Rarely Sometimes Often Always	V9

10. The export decisions we make are: Mostly tactical Rather more tactical Half and half Rather more strategic Mostly strategic	V10
PLANNING	
11. *Please indicate your agreement/disagreement with the following statements: Strongly disagree, Disagree, Slightly disagree, Neutral, Slightly agree, Agree, Strongly agree*	
Our export decisions are always made explicit in the form of precise plans	V11.1
When we formulate an export decision it is usually planned in detail	V11.2
We usually have precise procedures for achieving export objectives	V11.3
We have well-defined planning procedures to search for solutions to exporting problems	V11.4
We usually assess many alternatives when deciding on an export decision	V11.5
We always evaluate potential export-market options against explicit export-market objectives	V11.6
We generally develop definite and precise exporting objectives	V11.7
We make our export decisions based on a systematic analysis of our business environment	V11.8
We have a systematic formal procedure to follow for export decision-making	V11.9
We use formal analysis of export information	V11.10
SPONTANEITY	
12. *Please indicate your agreement/disagreement with the following statements: Strongly disagree, Disagree, Slightly disagree, Neutral, Slightly agree, Agree, Strongly agree*	
We are always able to deal with unanticipated export events on the spot	V12.1
In our export function we are good at thinking on our feet all the time	V12.2
We have a great ability to respond 'in the moment' to unexpected export problems	V12.3
We often make ad-libbed export actions	V12.4
We usually make export decisions spontaneously	V12.5
When necessary, we make export decisions out of the blue	V12.6
In our export function, decisions are often made and implemented at the same time	V12.7
We often figure out export action as we go along	V12.8
We often implement export decisions straight away/ instantaneously	V12.9
When it is called for, we will make export decisions 'on the hoof'	V12.10
CREATIVITY	
13. *Please indicate your agreement/disagreement with the following statements: Strongly disagree, Disagree, Slightly disagree, Neutral, Slightly agree, Agree, Strongly agree*	
Our export staff are very inventive	V13.1
In our export function, we are very good at 'thinking outside the box'	V13.2
We always try new approaches to export problems	V13.3
Our export work is very original	V13.4
We are very good at finding new solutions to export problems	V13.5
We often produce new ideas for doing exporting	V13.6
In our export function, we serve as good role models for creativity	V13.7

ACTION-ORIENTATION	
14. *Please indicate your agreement/disagreement with the following statements: Strongly disagree, Disagree, Slightly disagree, Neutral, Slightly agree, Agree, Strongly agree*	
Nothing is more important for us than actioning on our export decisions	V14.1
We are very persistent in seeing through our export decisions	V14.2
We do not tend to be distracted when actioning an export decision	V14.3
In our export function we are always action-oriented	V14.4
We never engage in irrelevant actions for achieving export goals	V14.5
We always ensure we implement improvised export decisions	V14.6
We are always focused on actioning our export decisions	V14.7
Getting bogged down in details is not an option when export decisions have to be made	V14.8
IMPROVISATION	
15. *Please indicate your agreement/disagreement with the following statements: Strongly disagree, Disagree, Slightly disagree, Neutral, Slightly agree, Agree, Strongly agree*	
We often improvise in carrying out export actions	V15.1
Improvisation is vital for export decision success	V15.2
We can improvise most of our export decisions	V15.3
Our export staff are fairly comfortable improvising decisions	V15.4
We sometimes improvise while making export decisions	V15.5
FORMALISATION	
16. *Please indicate your agreement/disagreement with the following statements: Strongly disagree, Disagree, Slightly disagree, Neutral, Slightly agree, Agree, Strongly agree*	
There are regulations and procedures for most things in our export function	V16.1
While making an export decision, we always have to use formal communication channels	V16.2
In our export function, we follow strict procedures at all time	V16.3
Most of our export employees follow written work rules for their job	V16.4
There is a high bureaucracy level in our export function	V16.5
CENTRALISATION	
17. *To what extent do you agree or disagree with the following statements? Strongly disagree, Disagree, Slightly disagree, Neutral, Slightly agree, Agree, Strongly agree*	
There is usually little exporting action until top management approves a decision	V17.1
If we wanted to make our own export decisions we would be put off by top management	V17.2
Most export matters have to be referred to top management for a final answer	V17.3
We have to ask top management before we do things concerning exporting	V17.4
Most of the export decisions we make have to be approved by top management	V17.5
NON-SPECIALISATION	
18. Please indicate your agreement/disagreement with the following statements:	
Every single one of our export employees also deals with activities outside the scope of exporting	V18.1
All our export employees are generalists who perform a wide variety of exporting as well as non-exporting tasks	V18.2
Export employees always work across different functions within the firm	V18.3

All our export employees in this firm multitask, doing jobs in other departments (e.g. service and support, marketing, sales, finance etc.)	V18.4
Export staff are never confined to dealing only with export matters	V18.5
All our export staff have multifunctional responsibilities across different departments	V18.6
MANAGERIAL RESOURCES	
19. *To what extent do the following exist within your export function?* *Not at all, Very slightly, A little, Moderately, Fairly, Considerably, Extremely*	
Management experience in export markets	V19.1
Special managerial interest in exporting	V19.2
Top management commitment to exporting	V19.3
Specialized managerial skills/competence in exporting	V19.4
Favourable managerial attitude toward exports	V19.5
Allocation of sufficient number of personnel to exporting	V19.6
Personnel specially trained in export activities	V19.7
INDUSTRY	
20. Do you export mostly physical goods or services (or both)? 100% physical goods mainly physical goods half and half mainly services 100% services	V20
PRODUCTION AND R&D RESOURCES	
21. *Please indicate the extent to which the following manufacturing resources exist within your export function:* *Not at all, Very slightly, A little, Moderately, Fairly, Considerably, Extremely*	
Up to date production technology and equipment for exporting	V21.1
Availability of production capacity for any export	V21.2
Possession of unique/patented products for export markets	V21.3
Possession of extensive technical knowledge for exports	V21.4
Amount of money spent on R&D for exports	V21.5
INTELLECTUAL RESOURCES	
22. *To what extent are your export staff knowledgeable about:* *Not at all, Very slightly, A little, Moderately, Fairly, Considerably, Extremely*	
Export market demand	V22.1
Export business practices	V22.2
Export regulations and paperwork	V22.3
Export logistical requirements	V22.4
Foreign languages	V22.5
FINANCIAL RESOURCES	
23. *Please indicate your agreement/disagreement with the following statements:* *Strongly disagree, Disagree, Slightly disagree, Neutral, Slightly agree, Agree, Strongly agree*	
Our export function has easy access to financial resources to support its export operations	V23.1
If we need more financial assistance for our export operations, we could get it	V23.2
We have good financial resources at the discretion of export staff for funding export initiatives	V23.3
We are usually able to obtain financial resources at short notice to support export operations	V23.4

INFORMATIONAL RESOURCES	
24. *Please indicate your agreement/disagreement with the following statements: Strongly disagree, Disagree, Slightly disagree, Neutral, Slightly agree, Agree, Strongly agree*	
We are perfectly able to identify our prospective customers	V24.1
We have the capacity to capture all important export market information	V24.2
We have the necessary skills to acquire excellent export market information	V24.3
Our ability to make contacts in our export markets is outstanding	V24.4
INNOVATION CAPABILITY	
25. *To what extent do you agree or disagree with the following statements? Strongly disagree, Disagree, Slightly disagree, Neutral, Slightly agree, Agree, Strongly agree*	
We have developed excellent skills for monitoring all competitive export products.	V25.1
We are very able at using new methods and ideas in our export production process	V25.2
We are very good at identifying trends and competitors' movements in export markets	V25.3
We often develop new/innovative products for export markets	V25.4
We are very good at adopting innovative export marketing techniques	V25.5.
RELATIONSHIP BUILDING CAPABILITY	
26. *Please indicate your agreement/disagreement with the following statements: Strongly disagree, Disagree, Slightly disagree, Neutral, Slightly agree, Agree, Strongly agree*	
Our understanding of our export customer requirements is outstanding	V26.1
We are very skilled at obtaining a reliable representation in export markets	V26.2
We have the ability to establish excellent business ties with other organisations in export markets	V26.3
One of our strengths is our competence at establishing and maintaining close export supplier relationships	V26.4
RESPONSIOVENESS	
27. *Please indicate your agreement/disagreement with the following statements: Strongly disagree, Disagree, Slightly disagree, Neutral, Slightly agree, Agree, Strongly agree*	
Our whole export function is very adaptable to change	V27.1
We are able to adapt to market changes in our export market(s) quickly	V27.2
We are very quick to adapt to shifts in our export market(s) (e.g. competition, technology, regulations)	V27.3
We are very good at adapting to change in our export market(s)	V27.4
When we come up with a great solution to an export problem, we can implement it very quickly	V27.5
When export market opportunities arise, we can react extremely quickly	V27.6
If a major competitor were to launch an intensive campaign targeted at our foreign customers, we would adapt immediately	V27.7
We are very quick to adapt to significant changes in our competitors price structures in foreign markets	V27.8
We can easily adapt to competitive actions which threaten us in our export markets	V27.9

INNOVATION-ORIENTATION	
28. *To what extent do you agree or disagree with the following: Strongly disagree, Disagree, Slightly disagree, Neutral, Slightly agree, Agree, Strongly agree*	
We actively seek innovative ideas for our export markets	V28.1
Innovations are readily accepted in export management	V28.2
Export employees are always rewarded coming up with new export ideas	V28.3
Commercialising innovations to our export customers is never perceived as too risky or resisted	V28.4
Innovations are readily marketed to our export customers	V28.5
UNPREDICTABILITY	
29. *To what extent do you agree or disagree with the following? Strongly disagree, Disagree, Slightly disagree, Neutral, Slightly agree, Agree, Strongly agree*	
Most of our export competitors find it very hard to predict what we are going to do next	V29.1
We have been known to surprise our export competition with the unusualness of our products	V29.2
One of our strengths is that we produce unexpected export ideas	V29.3
Our export competitive actions are unforeseeable	V29.4
Our competitors can seldom guess what our export decisions will be	V29.5
It is difficult for our competitors to forecast our export strategies and tactics	V29.6
COMPETITIVE ADVANTAGE	
30. *Please assess the position of your export function in comparison to your main competitors in exporting:* *Much worse, Worse, A little bit worse, About the same, A little bit better, Better, Much better, Don't know*	
Cost of raw materials	V30.1
Production unit cost	V30.2
Distribution cost	V30.3
Cost of sales	V30.4
Product differentiation	V30.5
New product introduction	V30.6
Product line breadth/depth	V30.7
Brand awareness/identification	V30.8
Product availability	V30.9
Speedy and reliable delivery	V30.10
Pre- and post-sales service	V30.11
Product accessibility	V30.12
ENVIRONMENTAL TURBULENCE	
31. *To what extent do you agree or disagree with the following:* *Strongly disagree, Disagree, Slightly disagree, Neutral, Slightly agree, Agree, Strongly agree*	
The technology in our export market(s) is changing rapidly	V31.1
Technological changes provide big opportunities for our export operations	V31.2
There are many promotion wars in our export markets	V31.3
There are too many similar products in the export-market; it is can be difficult to differentiate our products	V31.4
Our export customers' product preferences change quite a bit over time	V31.5
Competition in the majority of our export-market is cut-throat	V31.6
Most of our export customers tend to look for new product all the time	V31.7
A large number of new export product ideas have been made possible through	V31.8

technological breakthroughs in our industry	
Our export competitors are relatively weak	V31.9
When we have new export customers, they tend to have product related requirements that are different from those of our existing export customers	V31.10
Anything that one export competitor can offer, others can match readily	V31.11
We are witnessing demand for our products from export customers who never bought them before	V31.12
Price competition is hallmark in our export-markets	V31.13
We often hear of new export competitive moves	V31.14
Technological developments in our export market(s) are rather minor	V31.15
This export-market is competitive; price wars often occur	V31.16
We cater to many of the same export customers than we used to in the past	V31.17
EXPORT EXPERIENCE	
32. How long has your firm been exporting? (YEARS)	V32
EXPORT SPECIFICITY	
33. Do you have a specific export department? Yes No	V33
COMPANY SIZE (STAFF)	
34. How many full-time staff are employed by your company? (Only consider those on your UK payroll)	V34
EXPORT STAFF	
35. Of these, how many are directly involved in exporting matters (including yourself)?	V35
EXPORT COMPLEXITY	
36. How many countries does your firm export to (approximately)?	V36
SATISFACTION WITH PERFORMANCE	
37. How satisfied are you with your export market performance over the past year in terms of: Dissatisfied, Slightly dissatisfied, Neutral, Slightly satisfied, Satisfied, Very satisfied, Extremely satisfied	
Export sales volume (in unit terms)	V37.1
Export market share	V37.2
Export customer satisfaction	V37.3
Retention of export customers	V37.4
New referrals from existing export customers	V37.5
Acquiring new export customers	V37.6
Company reputation among export customers	V37.7
38. *How satisfied are you with your financial export performance over the past year in terms of:* *Dissatisfied, Slightly dissatisfied, Neutral, Slightly satisfied, Satisfied, Very satisfied, Extremely satisfied, Don't know*	
Overall export profitability	V38.1
Reaching financial goals	V38.2
Return on investment made on exports	V38.3
Export profit margin	V38.4
Export profit growth	V38.5
Absolute export sales revenue	V38.6

Growth in export sales revenue	V38.7
OVERALL EXPORT PERFORMANCE	
39. *Please indicate your agreement/disagreement with the following statements:* *Strongly disagree, Disagree, Slightly disagree, Neutral, Slightly agree, Agree, Strongly agree*	
Overall, the export function is very successful	V39.1
The performance of our export function is outstanding	V39.2
Export operations fully meet our expectations	V39.3
COMPANY SIZE (FINANCIAL)	
40. In the last year, what was your annual SALES turnover (approximately, in Pound Sterling)?	V40
41. In the last year, what was your annual PROFIT figure (approximately, in Pound Sterling)?	V41
EXPORT DEPENDENCE	
42. Approximately what percentage of your annual SALES turnover is derived from exports (%)?	V42
43. Approximately, what percentage of your annual PROFIT figure is derived from exports (%)?	V43
EXPORT GROWTH	
44. In the last year, did your annual EXPORT SALES turnover: Grow Decline Remain stable	V44
45. In the last year, what was the annual (approximate) growth or decline rate of your EXPORT SALES (%)?	V45
46. In the last year, did your annual EXPORT PROFIT: Grow Decline Remain stable	V46
47. In the last year, what was the annual (approximate) growth or decline rate of your EXPORT PROFITS (%)?	V47
RESPONDENT KNOWLEDGE	
48. To what extent do you possess the knowledge to have answered the above questions adequately? Strongly disagree, Disagree, Slightly disagree, Neutral, Slightly agree, Agree, Strongly agree	
My job role qualifies me to answer questions about export sales and marketing in my company	V48.1
I am competent to answer the above questions	V48.2
I am confident that my answers reflect the company's situation	V48.3
SOCIAL DESIRABILITY	
49. To what extent do you agree or disagree with the following:	
No matter who I'm talking to, I'm always a good listener	V49.1
I am always courteous even to people who are disagreeable	V49.2
I have never taken advantage of anyone	V49.3
I would never try to get even rather than forgive and forget	V49.4
I never feel resentful when I don't get my way	V49.5
50. Thank you so much for your participation in the survey. If you would like to receive a summary of the results, please enter your email address below	V50

Appendix 5.3 Initial Information Email

Dear (Name of the person)

Following on from our conversation today, I am writing to confirm the project details.

Loughborough University Business and Economics School is undertaking a study into export decision-making and its influence on export performance. The aim of the study is to provide practical guidelines on effective decision-making under different internal and environmental conditions.

This is the second stage of the research. The first stage involved conducting interviews with export managers in the UK.

This part of the study consists of a large-scale on-line survey of UK exporters so that the initial findings can be tested quantitatively. I was therefore wondering if you would be so kind as to complete the online questionnaire (it should take no more than 30 minutes to complete).

If you decide to participate in the study and complete a questionnaire, I will provide you a report based on qualitative results of the research within 48 hours.

I would like to stress that any information given will be treated in absolute confidence, that the data will be aggregated across all companies and at no time will your company be identified in the results.

Please find below a link to the questionnaire (**YOUR CODE** to access the questionnaire is **G3**):

https://www.surveymonkey.com/s/lboroexport

This study also forms a critical part of my PhD project, so I would greatly appreciate it if you could complete all of the sections within the questionnaire.

In return for your help, all final results and recommendations will be sent to you, with follow-up clarifications, if required.

If you have any questions, please do not hesitate to
contact me.

Yours sincerely,

Ekaterina Nemkova

Appendix 5.4 First Reminder Email

Dear (Name of the person)

Recently, I wrote to you asking for your assistance with a Loughborough University School of Business and Economics study examining export performance and its influence on export performance in the UK companies.

This study is partly sponsored by British Academy and forms a critical part of my PhD project, so I would greatly appreciate it if you could complete it.

Please find below a link to the questionnaire (**YOUR CODE** to access the questionnaire is **B11**):

https://www.surveymonkey.com/s/exportresearch

In return for your help, all final results and recommendations will be sent to you, with follow-up clarifications, if required.

If you have any questions, please do not hesitate to contact me.

Yours sincerely,

Ekaterina Nemkova

Appendix 5.5 Second Reminder Email

Dear (name of the person)

Recently, I wrote to you asking for your assistance with a Loughborough University School of Business and Economics study examining export performance and its influence on export performance in the UK companies.

This study forms a critical part of my PhD project, so I would greatly appreciate it if you could complete it.

Please find below a link to the questionnaire (**YOUR CODE** to access the questionnaire is **H11**):

https://www.surveymonkey.com/s/exportresearch

In return for your help, all final results and recommendations will be sent to you, with follow-up clarifications, if required.

If you have any questions, please do not hesitate to contact me.

Yours sincerely,

Ekaterina Nemkova

Appendix 5.6 Non-Response Analysis: Early-late Respondents T-test

Constructs/Variables	Number of cases	Mean	Standard deviation	Standard error mean
Customer performance				
1	50	4.947	1.175	.166
2	50	5.047	.981	.139
Financial performance				
1	50	4.052	1.389	.196
2	50	4.361	1.430	.202
Responsiveness				
1	50	4.981	1.144	.162
2	50	5.308	.785	.111
Planning				
1	50	4.282	1.130	.195
2	50	4.556	1.291	.183
Spontaneity				
1	50	4.052	1.292	.183
2	50	3.955	1.414	.200
Creativity				
1	50	4.448	1.120	.159
2	50	4.632	.987	.140
Action-orientation				
1	50	5.070	1.028	.145
2	50	5.067	1.112	.157
Export experience				
1	50	31.82	17.497	2.474
2	50	31.40	27.403	3.875
Export specificity				
1	50	1.5800	.499	.071
2	50	1.5000	.505	.071
Number of employees				
1	50	110.000	203.662	28.802
2	50	142.284	424.5881	60.046
Export complexity				
1	50	45.980	77.619	10.977
2	50	53.180	72.975	10.320
Sales turnover				
1	50	18768498	586931333	8300462
2	50	25476704	78560332	11110108
Sales export dependence				
1	50	37.770	28.053	3.968
2	50	49.328	26.038	3.682
Profit export dependence				
1	50	37.084	28.305	4.003
2	50	49.578	24.663	3.488

Note:
1 – early respondents
2 – late respondents

Construts/ variables	Levene's Test for Equality of variances		t-test for Equality of the Means						
	F	Sig.	t	df	Sig. (2-tailed)	Mean difference	St. Error difference	95% Confidence interval of the difference	
								Lower	Upper
Customer performance	1.813	.181							
1			-.462	98	.645	-.100	.216	-.529	.329
2			-.462	94.963	.654	-.100	.216	-.523	.323
Financial performance	.608	.437							
1			-1.095	98	.276	-.309	.282	.868	.251
2			-1.095	97.917	.276	-.309	.282	.868	.251
Responsiveness	1.641	.203							
1			-.1666	98	.099	-.327	.196	-.716	.062
2			-1.666	86.739	.099	-.327	.196	-.717	.063
Planning	.217	.647							
1			-.1024	98	.309	-.274	.267	-.804	.257
2			-1.024	97.572	.309	-.274	.267	-804	.257
Spontaneity	.909	.343							
1			.356	98	.722	.095	.271	-.441	.634
2			.356	97.212	.722	.096	.271	-.441	.634
Creativity	1.511	.0222							
1			-.871	98	.386	-.184	.211	-.603	.235
2			-.871	96.449	.386	-.184	.211	-.603	.235
Action-orientation	0.94	.760							
1			0.15	98	.988	.003	.214	-.423	.428
2			0.15	97.381	.988	.003	.214	-.422	.428
Export experience	1.834	.179							
1			0.91	98	.928	.416	4.598	-8.708	9.541
2			0.91	83.259	.928	.416	4.598	-8.708	9.561
Export specificity	1.287	.259							
1			.797	98	.427	.080	.100	-.119	.279
2			.797	97.984	.427	.080	.100	-.119	.279
Number of employees	.454	.502							
1			-.485	98	.629	-32.284	66.596	-164.442	99.874
2			-.485	70.415	.629	-32.284	66.596	-165.092	100.524

Construts/ variables	Levene's Test for Equality of variances		t-test for Equality of the Means						
	F	Sig.	t	df	Sig. (2-tailed)	Mean difference	St. Error difference	95% Confidence interval of the difference	
								Lower	Upper
Export complexity	.077	.782							
1			-478	98	.634	-7.200	15.067	-37.099	22.699
2			-478	97.629	.634	-7.200	15.067	-37.100	22.701
Sales turnover	1.279	.261							
1			-.484	98	.630	-6708206	13868388	-34229571	20813159
2			-.484	90.707	.630	-6708206	13868388	-34257255	20840843
Sales export dependence	.914	.341							
1			-2.135	98	.035	-11.559	5.413	-22.300	-.817
2			-2.135	97.461	.035	-11.559	5.413	-22.301	-.816
Profit export dependence	2.564	.113							
1			-.2165	98	.033	-11.494	5.309	-22.030	-.958
2			-2.165	96.197	.033	-11.494	5.309	-22.032	-.955

Note:
1 – Equal variance assumed
2 – Equal variance is not assumed

Appendix 6.1 Assesment of Randomness of Missing Data

Variables	Number of cases	Mean	Standard deviation	Standard error mean
Export experience				
1	50	34.96	27.114	3.835
2	49	33.18	31.087	4.441
Export specificity				
1	50	1.560	.501	.0709
2	50	1.620	.490	.069
Number of employees				
1	50	108.560	152.192	21.523
2	49	62.082	71.085	10.155
Export complexity				
1	50	47.400	67.511	9.548
2	49	41.184	53.297	7.614
Sales export dependence				
1	50	53.090	30.422	4.302
2	50	45.806	29.158	5.237
Profit export dependence				
1	50	51.760	31.580	4.466
2	18	45.806	32.747	7.719

Note:
1 – complete cases
2 – incomplete cases

Variables	Levene's Test for Equality of variances		t-test for Equality of the Means						
	F	Sig.	t	df	Sig. (2-tailed)	Mean difference		95% Confidence interval of the difference	
								Lower	Upper
Export experience	.292	.590							
1			.303	97	.762	1.776	5.859	-9.853	13.405
2			.303	94.692	.763	1.776	5.867	-9.872	13.425
Export specificity	1.335	.251					.0991		
1			-.605	98	.547	-.060	.0991	-.257	.137
2			-.605	97.951	.547	-.060		-.257	.137
Number of employees	8.520	.040							
1			1.940	97	.055	46.478	23.955	-1.0655	94.022
2			1.953	69.717	.055	46.478	23.799	-.990	93.946
Export complexity	.579	.449							
1			.508	97	.613	6.216	12.241	-18.078	30.511
2			.509	92.820	.612	6.216	12.212	-18.034	30.467
Sales export dependence	.135	.714							
1			1.067	79	.291	7.284	6.846	-6.343	20.910
2			1.075	65.808	.286	7.284	6.776	-6.249	20.816
Profit export dependence	.001	.976							
1			.679	66	4.99	5.954	8.764	-11.544	23.453
2			.668	29.155	.510	5.954	8.917	-12.280	24.188

Note:
1 – Equal variance assumed
2 – Equal variance is not assumed

Appendix 6.2 Percentage of Missing Data

CODES	VARIABLES	Missing data out 200 cases	Percentage of missing data
	PLANNING		
V11.1	Our export decisions are always made explicit in the form of precise plans	0	0%
V11.2	When we formulate an export decision it is usually planned in detail	0	0%
V11.3	We usually have precise procedures for achieving export objectives	0	0%
V11.4	We have well-defined planning procedures to search for solutions to exporting problems	1	0.5%
V11.5	We usually assess many alternatives when deciding on an export decision	1	0.5%
V11.6	We always evaluate potential export-market options against explicit export-market objectives	0	0%
V11.7	We generally develop definite and precise exporting objectives	1	0.5%
V11.8	We make our export decisions based on a systematic analysis of our business environment	1	0.5%
V11.9	We have a systematic formal procedure to follow for export decision-making	0	0%
V11.10	We use formal analysis of export information	1	0.5%
	SPONTANEITY		
V12.1	We are always able to deal with unanticipated export events on the spot	0	0%
V12.2	In our export function we are good at thinking on our feet all the time	1	0.5%
V12.3	We have a great ability to respond 'in the moment' to unexpected export problems	0	0%
V12.4	We often make ad-libbed export actions	0	0%
V12.5	We usually make export decisions spontaneously	0	0%
V12.6	When necessary, we make export decisions out of the blue	1	0.5%
V12.7	In our export function, decisions are often made and implemented at the same time	0	0%
V12.8	We often figure out export action as we go along	1	0.5%
V12.9	We often implement export decisions straight away/ instantaneously	1	0.5%
V12.10	When it is called for, we will make export decisions 'on the hoof'	0	0%
	CREATIVITY		
V13.1	Our export staff are very inventive	0	0%
V13.2	In our export function, we are very good at 'thinking outside the box'	1	0.5%
V13.3	We always try new approaches to export problems	0	0%
V13.4	Our export work is very original	0	0%
V13.5	We are very good at finding new solutions to export problems	0	0%
V13.6	We often produce new ideas for doing exporting	0	0%
V13.7	In our export function, we serve as good role models for creativity	0	0%
	ACTION-ORIENTATION		

V14.1	Nothing is more important for us than actioning on our export decisions	1	0.5%
V14.2	We are very persistent in seeing through our export decisions	0	0%
V14.3	We do not tend to be distracted when actioning an export decision	1	0.5%
V14.4	In our export function we are always action-oriented	0	0%
V14.5	We never engage in irrelevant actions for achieving export goals	1	0.5%
V14.6	We always ensure we implement improvised export decisions	2	1%
V14.7	We are always focused on actioning our export decisions	1	0.5%
V14.8	Getting bogged down in details is not an option when export decisions have to be made	1	0.5%
	RESPONSIVENESS		
V27.1	Our whole export function is very adaptable to change	1	0.5%
V27.2	We are able to adapt to market changes in our export market(s) quickly	2	1%
V27.3	We are very quick to adapt to shifts in our export market(s) (e.g. competition, technology, regulations)	1	0.5%
V27.4	We are very good at adapting to change in our export market(s)	1	0.5%
V27.5	When we come up with a great solution to an export problem, we can implement it very quickly	1	0.5%
V27.6	When export market opportunities arise, we can react extremely quickly	2	1%
	ENVIRONMENTAL TURBULENCE		
V31.1	The technology in our export market(s) is changing rapidly	0	0
V31.2	Technological changes provide big opportunities for our export operations	0	0
V31.3	There are many promotion wars in our export markets	1	0.5%
V31.4	There are too many similar products in the export-market; it is can be difficult to differentiate our products	0	0
V31.5	Our export customers' product preferences change quite a bit over time	1	0.5%
V31.6	Competition in the majority of our export-market is cut-throat	0	0
V31.7	Most of our export customers tend to look for new product all the time	2	1%
V31.8	A large number of new export product ideas have been made possible through technological breakthroughs in our industry	1	0.5%
V31.9	Our export competitors are relatively weak	0	0
V31.10	When we have new export customers, they tend to have product related requirements that are different from those of our existing export customers	0	0
V31.11	Anything that one export competitor can offer, others can match readily	1	0.5%
V31.12	We are witnessing demand for our products from export customers who never bought them before	0	0
V31.13	Price competition is hallmark in our export-markets	0	0
V31.14	We often hear of new export competitive moves	3	1.5%
V31.15	Technological developments in our export market(s) are rather minor	0	0
V31.16	This export-market is competitive; price wars often occur	0	0

V31.17	We cater to many of the same export customers than we used to in the past	1	0.5%
	EXPORT EXPERIENCE		
V32	How long has your firm been exporting? (YEARS)	2	1%
	EXPORT SPECIFICITY		
V33	Do you have a specific export department? Yes No	0	0%
	COMPANY SIZE (STAFF)		
V34	How many full-time staff are employed by your company? (Only consider those on your UK payroll)	2	1%
	EXPORT STAFF		
V35	Of these, how many are directly involved in exporting matters (including yourself)?	1	0.5%
	EXPORT COMPLEXITY		
V36	How many countries does your firm export to (approximately)?	1	0.5%
	SATISFACTION WITH PERFORMANCE		
V37.1	Export sales volume (in unit terms)	0	0%
V37.2	Export market share	0	0%
V37.3	Export customer satisfaction	0	0%
V37.4	Retention of export customers	0	0%
V37.5	New referrals from existing export customers	0	0%
V37.6	Acquiring new export customers	0	0%
V37.7	Company reputation among export customers	0	0%
V38.1	Overall export profitability	4	2%
V38.2	Reaching financial goals	6	3%
V38.3	Return on investment made on exports	8	4%
V38.4	Export profit margin	4	2%
V38.5	Export profit growth	4	2%
V38.6	Absolute export sales revenue	4	2%
V38.7	Growth in export sales revenue	4	2%
	COMPANY SIZE (FINANCIAL)		
V40	In the last year, what was your annual SALES turnover (approximately, in Pound Sterling)?	89	44.5%
	EXPORT DEPENDENCE		
V42	Approximately what percentage of your annual SALES turnover is derived from exports (%)?	33	16.5%
V43	Approximately, what percentage of your annual PROFIT figure is derived from exports (%)?	61	30.5%
	RESPONDENT KNOWLEDGE		
V48.1	My job role qualifies me to answer questions about export sales and marketing in my company	3	1.5%
V48.2	I am competent to answer the above questions	2	1%
V48.3	I am confident that my answers reflect the company's situation	2	1%
Total		**255**	**1.8%**

Appendix 6.3 Normal Distribution Histograms of Company Characteristics

Figure: Nnumber of employees

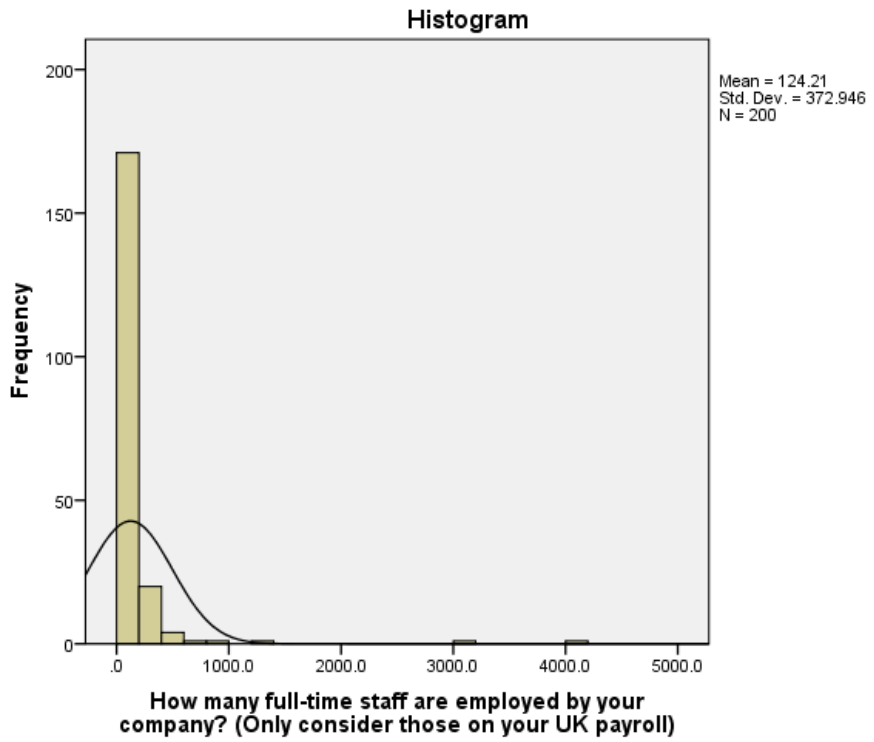


Figure: Total sales turnover

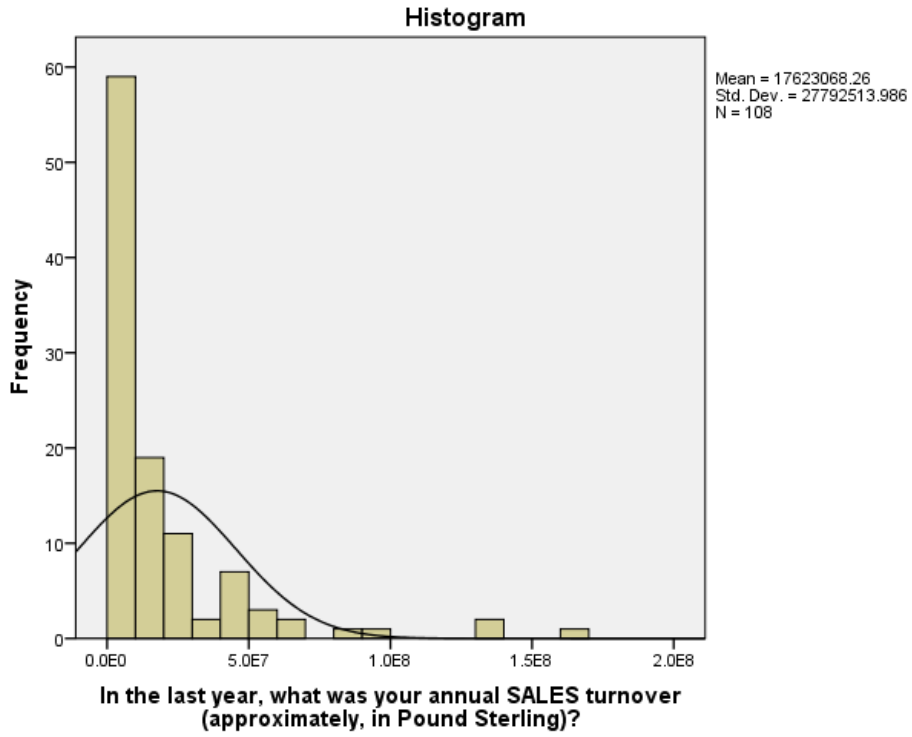


Figure: Number of export employees

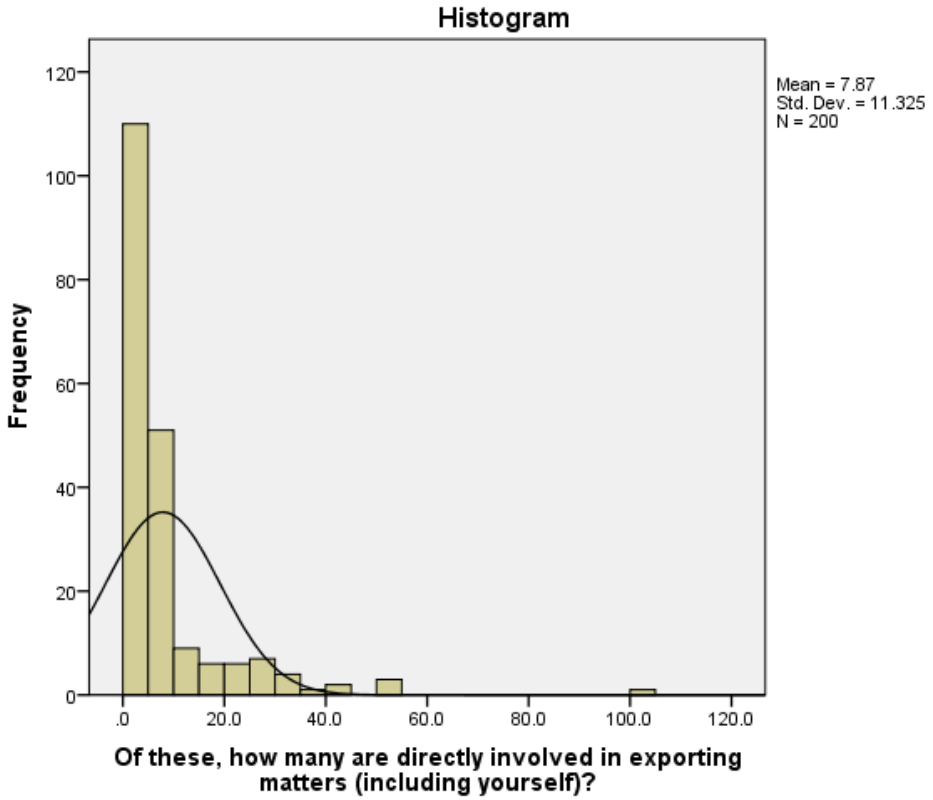


Figure: Number of countries exporting to

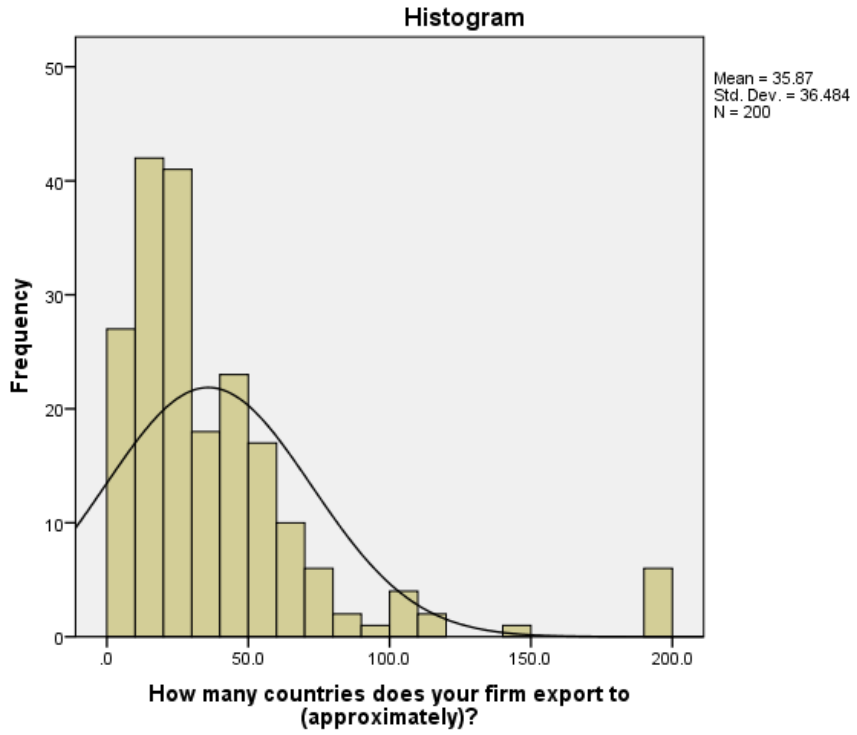


Figure: Percentage of your annual SALES turnover is derived from exports (%)

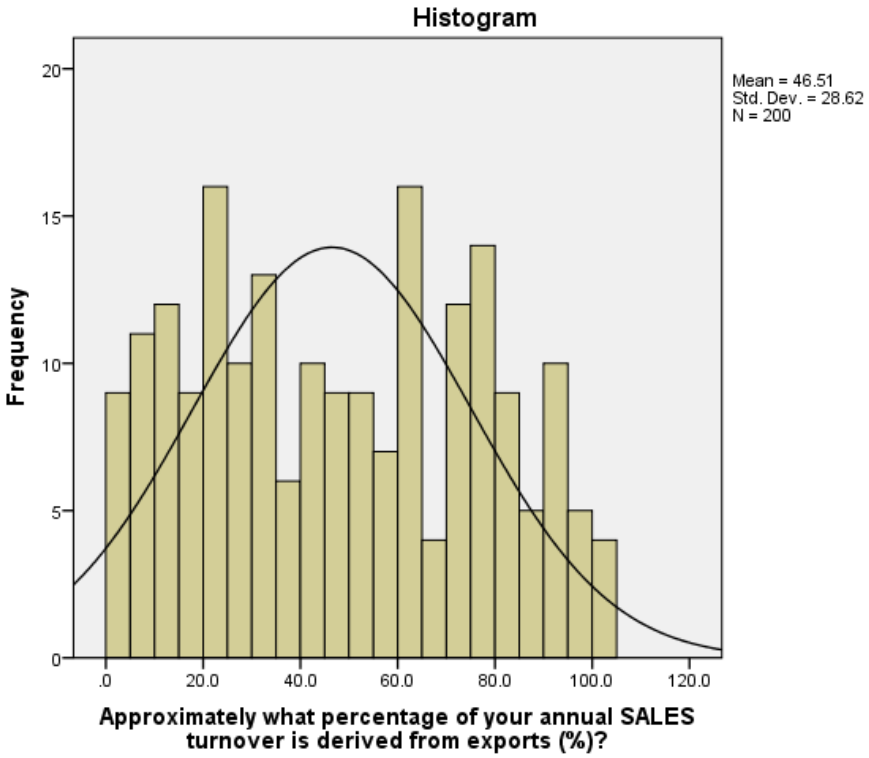
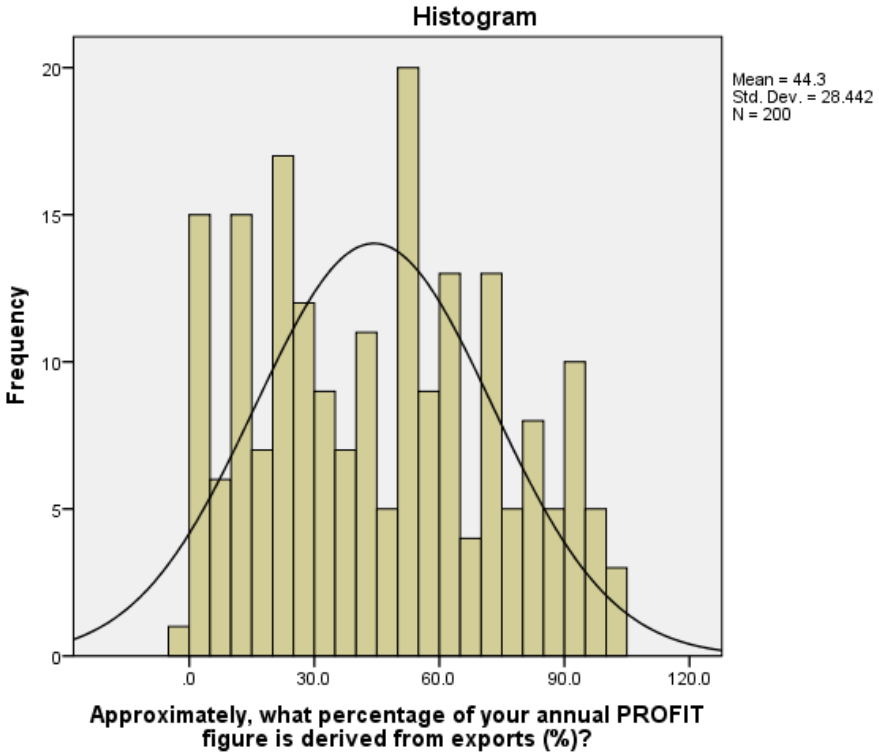


Figure: Percentage of your annual PROFIT turnover is derived from exports (%)



Appendix 6.4 Knowledgeability Assesment

Kaiser-Meyer-Olkin Measure		.708
Barlett's Test of Sphericity	Approx. Chi-Square	523.605
	df	3
	Sig.	.000

Communalities	
V48.1: My job role qualifies me to answer questions about export sales and marketing in my company	.899
V48.2: I am competent to answer the above questions	.919
V48.3: I am confident that my answers reflect the company's situation	.774

Total variance extracted: Extraction sums of squared loadings			
Component	Total	% of Variance	Cumulative %
1	2.593	86.425	86.425

Factor loadings (Component matrix)	
Variable	Component 1
V48.1	.948
V48.2	.959
V48.3	.880

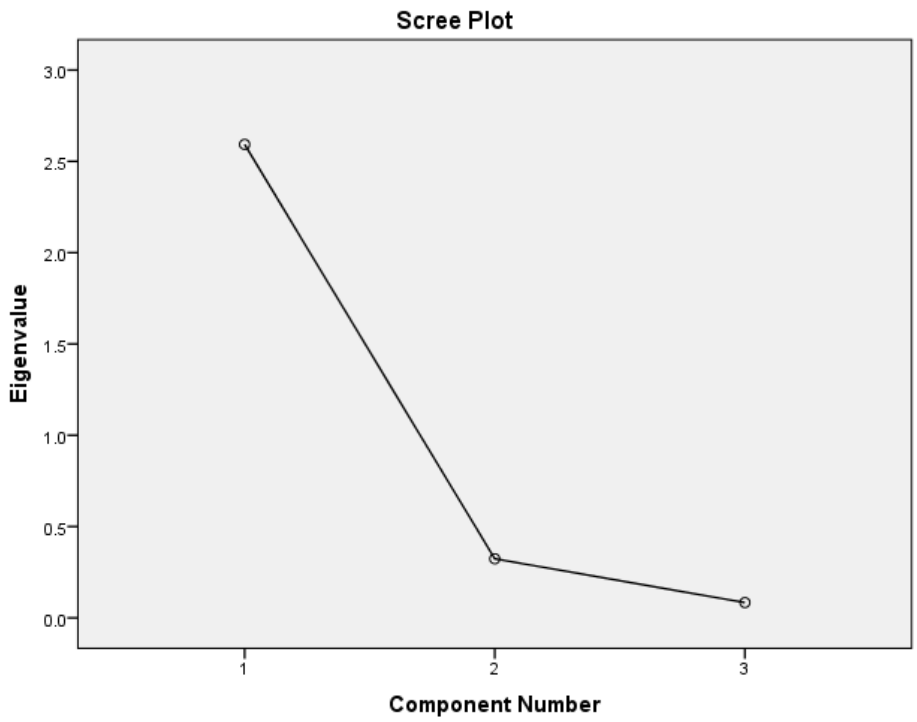


Table: Inter-Item correlation

Variables	v48.1	v48.2	v48.3
v48.1	1.000	.915	.720
v48.2	.915	1.000	.750
v48.3	.720	.750	1.000

Table: Item-total statistics

Variables	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
v48.1	.869	.839	.855
v48.2	.899	.854	.837
v48.3	.750	.569	.953

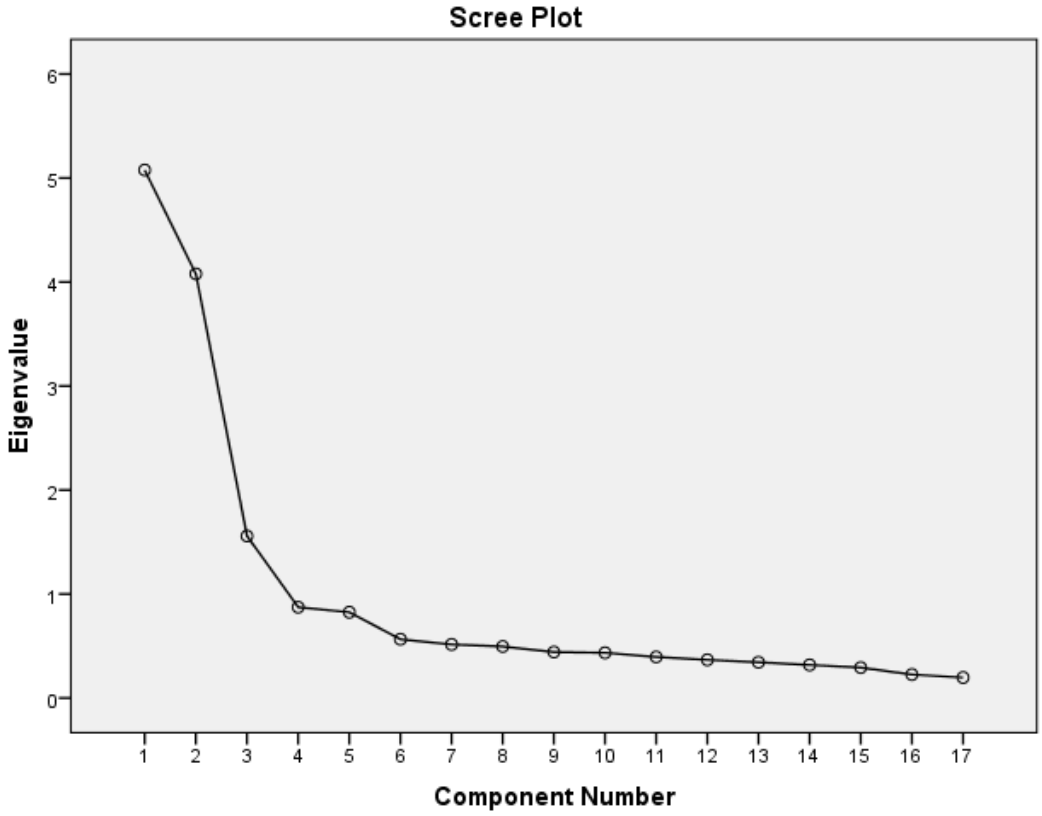
Appendix 6.5 EFA results: Improvisation

Kaiser-Meyer-Olkin Measure		.865
Barlett's Test of Sphericity	Approx. Chi-Square	1719.654
	df	136
	Sig.	.000

Communalities	
v12.4: We often make ad-libbed export actions	.548
v12.5: We usually make export decisions spontaneously	.635
v12.6: When necessary, we make export decisions out of the blue	.704
v12.7: In our export function, decisions are often made and implemented at the same time	.688
v12.8: We often figure out export action as we go along	.561
v12.9: We often implement export decisions straight away/ instantaneously	.671
v12.10: When it is called for, we will make export decisions 'on the hoof'	.635
v13.1: Our export staff are very inventive	.338
v13.3: We always try new approaches to export problems	.661
v13.4: Our export work is very original	.681
v13.5: We are very good at finding new solutions to export problems	.622
V13.6: We often produce new ideas for doing exporting	.620
v13.7: In our export function, we serve as good role models for creativity	.740
v14.2: We are very persistent in seeing through our export decisions	.666
v14.3: We do not tend to be distracted when actioning an export decision	.703
v14.4: In our export function we are always action-oriented	.628
v14.7: We are always focused on actioning our export decisions	.615

Total variance extracted: Extraction sums of squared loadings			
Component	Total	% of Variance	Cumulative %
1	5.077	29.864	29.864
2	4.079	23.992	53.856
3	1.557	9.161	63.018

Factor loadings (Pattern matrix)			
Variables	Component		
	1 (creativity)	2 (spontaneity)	3 (Action-orientation)
V12.4		.720	
V12.5		.749	
V12.6		.818	
V12.7		.828	
V12.8		.715	
V12.9		.811	
V12.10		.797	
V13.1	.530		
V13.3	.804		
V13.4	.848		
V13.5	.716		
V13.6	.770		
V13.7	.828		
V14.2			.760
V14.3			.852
V14.4			.739
V14.7			.719


Scree Plot
Eigenvalue
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2
3
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8
9
10
11
12
13
14
15
16
17
Component Number

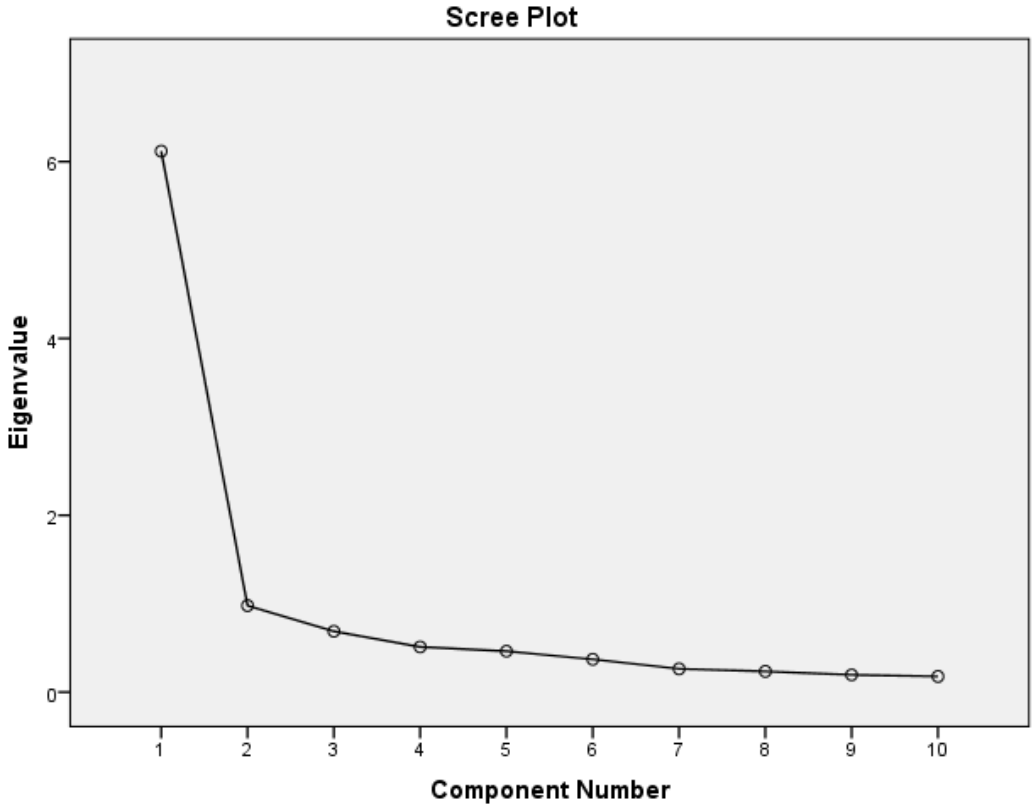
Appendix 6.6 EFA results: Planning

Kaiser-Meyer-Olkin Measure		.910
Barlett's Test of Sphericity	Approx. Chi-Square	1395.786
	df	45
	Sig.	.000

Communalities	
V11.1: Our export decisions are always made explicit in the form of precise plans	.582
V11.2: When we formulate an export decision it is usually planned in detail	.647
V11.3: We usually have precise procedures for achieving export objectives	.678
V11.4: We have well-defined planning procedures to search for solutions to exporting problems	.656
V11.5: We usually assess many alternatives when deciding on an export decision	.490
V11.6: We always evaluate potential export-market options against explicit export-market objectives	.679
V11.7: We generally develop definite and precise exporting objectives	.720
V11.8: We make our export decisions based on a systematic analysis of our business environment	.611
V11.9: We have a systematic formal procedure to follow for export decision-making	.642
V11.10: We use formal analysis of export information	.413

Total variance extracted: Extraction sums of squared loadings			
Component	Total	% of Variance	Cumulative %
1	6.118	61.183	61.183

Factor loadings (Component matrix)	
Variable	Component 1
V11.1	.763
V11.2	.805
V11.3	.824
V11.4	.810
V11.5	.700
V11.6	.824
V11.7	.848
V11.8	.782
V11.9	.801
V11.10	.643


Scree Plot
Eigenvalue
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10
Component Number

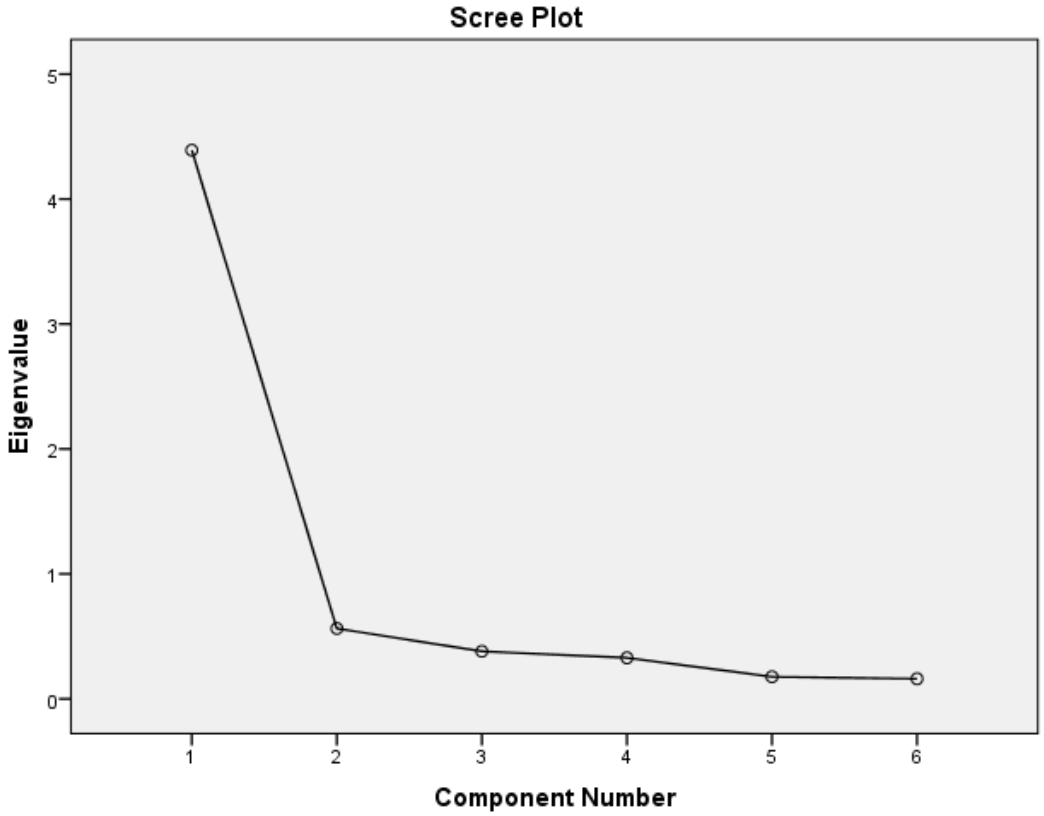
Appendix 6.7 EFA results: Responsiveness

Kaiser-Meyer-Olkin Measure		.904
Barlett's Test of Sphericity	Approx. Chi-Square	929.787
	df	15
	Sig.	.000

Communalities	
V27.1: Our whole export function is very adaptable to change	.653
V27.2: We are able to adapt to market changes in our export market(s) quickly	.823
V27.3: We are very quick to adapt to shifts in our export market(s) (e.g. competition, technology, regulations)	.801
V27.4: We are very good at adapting to change in our export market(s)	.832
V27.5: When we come up with a great solution to an export problem, we can implement it very quickly	.650
V27.6: When export market opportunities arise, we can react extremely quickly	.632

Total variance extracted: Extraction sums of squared loadings			
Component	Total	% of Variance	Cumulative %
1	4.391	73.191	73.191

Factor loadings (Component matrix)	
Variable	Component 1
V27.1	.808
V27.2	.907
V27.3	.895
V27.4	.912
V27.5	.806
V27.6	.795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Component Number

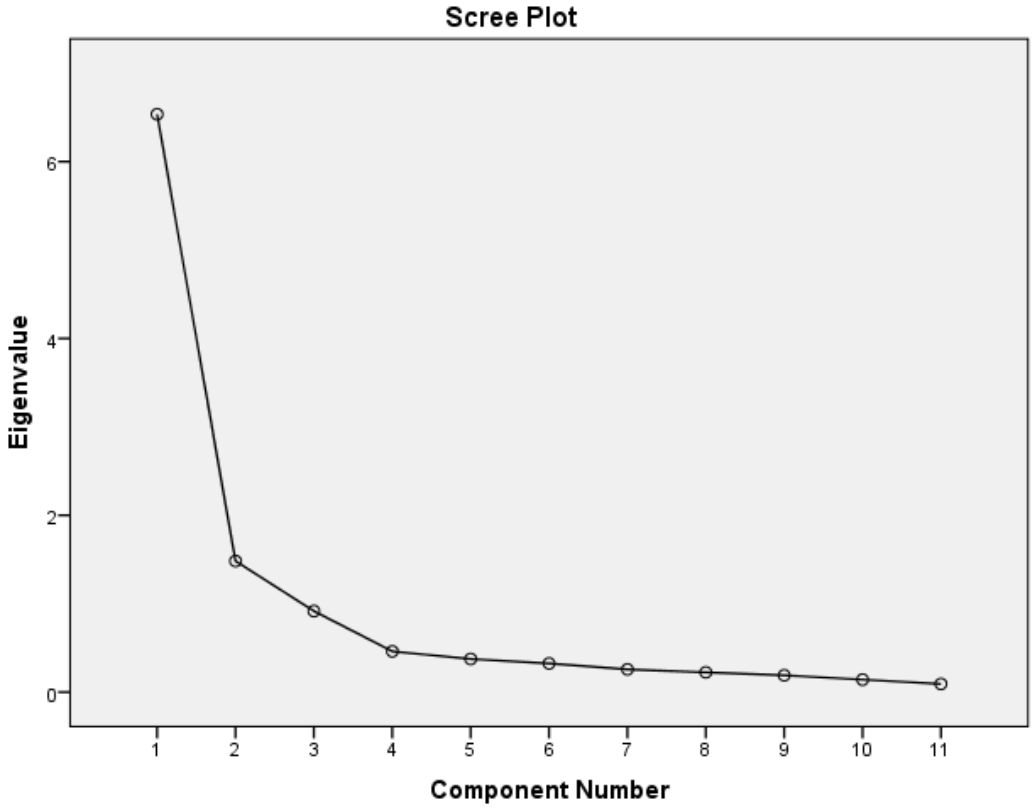
Appendix 6.8 EFA results: Export Performance

Kaiser-Meyer-Olkin Measure		.891
Barlett's Test of Sphericity	Approx. Chi-Square	1857.660
	df	55
	Sig.	.000

Communalities	
V37.1: Export sales volume (in unit terms)	.736
V37.3: Export customer satisfaction	.787
V37.4: Retention of export customers	.711
V37.7: Company reputation among export customers	.644
V38.1: Overall export profitability	.707
V38.2: Reaching financial goals	.816
V38.3: Return on investment made on exports	.711
V38.4:Export profit margin	.545
V38.5: Export profit growth	.734
V38.6: Absolute export sales revenue	.791
V38.7: Growth in export sales revenue	.837

Total variance extracted: Extraction sums of squared loadings			
Component	Total	% of Variance	Cumulative %
1	6.536	59.422	59.422
2	1.482	13.476	72.898

Factor loadings (Pattern matrix)		
Variables	Components	
	1 (Financial performance)	2 (Customer performance)
V37.1	.853	
V38.1	.596	
V38.2	.850	
V38.3	.752	
V38.4	.541	
V38.5	.868	
V38.6	.940	
V38.7	.985	
V37.3		.921
V37.4		.805
V37.7		.778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Component Number

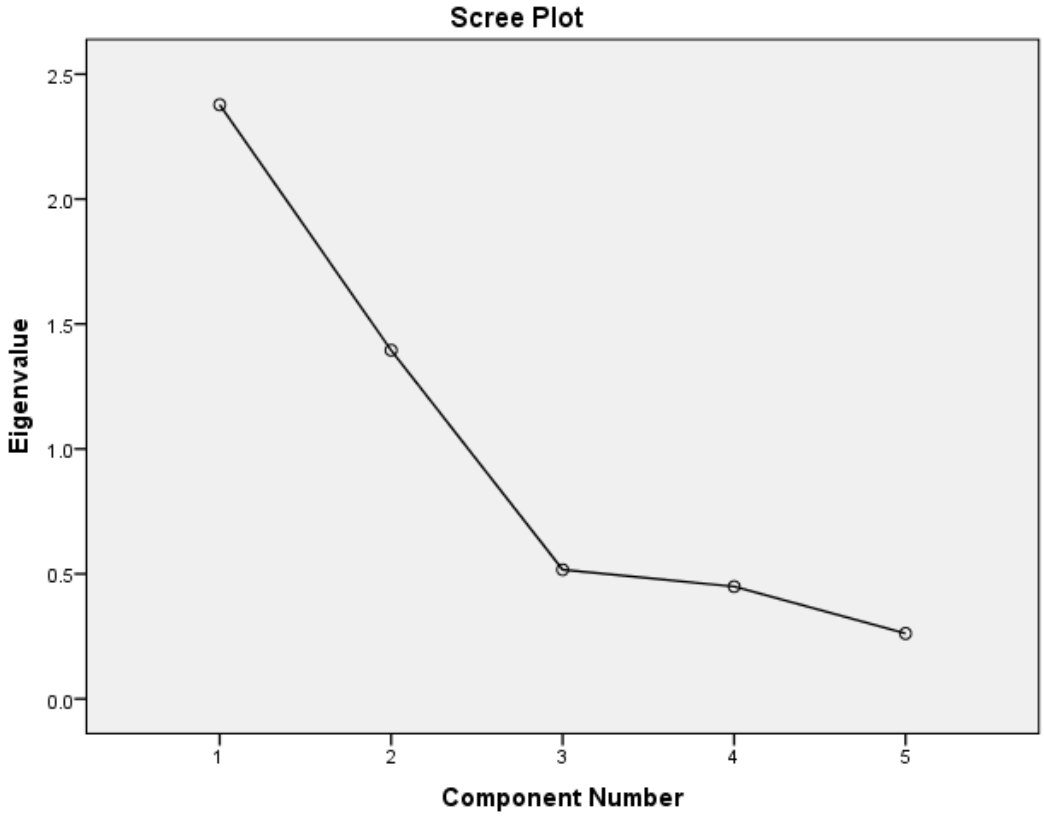
Appendix 6.9 EFA results: Environmental Turbulence

Kaiser-Meyer-Olkin Measure		.678
Barlett's Test of Sphericity	Approx. Chi-Square	314.848
	df	10
	Sig.	.000

Communalities	
V31.1: The technology in our export market(s) is changing rapidly	.813
V31.2: Technological changes provide big opportunities for our export operations	.788
V31.6: Competition in the majority of our export-market is cut-throat	.735
V31.8: A large number of new export product ideas have been made possible through technological breakthroughs in our industry	.686
V31.16: This export-market is competitive; price wars often occur	.750

Total variance extracted: Extraction sums of squared loadings			
Component	Total	% of Variance	Cumulative %
1	2.377	47.550	47.550
2	1.395	27.896	75.446

Factor loadings (Component matrix)		
Variables	Components	
	1 (Technological turbulence)	2 (Competitive intensity)
V31.1	.881	
V31.2	.860	
V31.8	.809	
V31.6		.774
V31.16		.822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Eigenvalue
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0.0
1
2
3
4
5
Component Number

Appendix 6.10 Reliability Analysis: Improvisation

SPONTANEITY

Table: Inter-Item correlation

Variables	v12.4	v12.5	v12.6	v12.7	v12.8	v12.9	v12.10
v12.4	1.000	.648	.556	.463	.487	.385	.494
v12.5	.648	1.000	.623	.498	.537	.467	.451
v12.6	.556	.623	1.000	.582	.545	.586	.613
v12.7	.463	.498	.582	1.000	.502	.758	.585
v12.8	.487	.537	.545	.502	1.000	.480	.483
v12.9	.385	.467	.586	.758	.480	1.000	.633
v12.10	.494	.451	.613	.585	.483	.633	1.000

Table: Item-total statistics

Variables	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
v12.4	.639	.499	.882
v12.5	.684	.549	.877
v12.6	.752	.575	.868
v12.7	.722	.627	.873
v12.8	.637	.412	.882
v12.9	.701	.646	.875
v12.10	.691	.523	.876

CREATIVITY

Table: Inter-Item correlation

Variables	v13.1	v13.3	v13.4	v13.5	v13.6	v13.7	v13.1
v13.1	1.000	.491	.352	.299	.239	.422	1.000
v13.3	.491	1.000	.616	.534	.561	.566	.491
v13.4	.352	.616	1.000	.576	.568	.615	.352
v13.5	.299	.534	.576	1.000	.580	.614	.299
v13.6	.239	.561	.568	.580	1.000	.681	.239
v13.7	.422	.566	.615	.614	.681	1.000	.422

Table: Item-total statistics

Variables	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
v13.1	.439	.298	.878
v13.3	.715	.534	.834
v13.4	.707	.517	.835
v13.5	.672	.477	.842
v13.6	.681	.554	.840
v13.7	.760	.606	.825

ACTION-ORIENTATION

Table: Inter-Item correlation

Variables	v14.2	v14.3	v14.4	v14.7
v14.2	1.000	.491	.352	.299
v14.3	.491	1.000	.616	.534
v14.4	.352	.616	1.000	.576
v14.7	.299	.534	.576	1.000

Table: Item-total statistics

Variables	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
v14.2	.684	.494	.773
v14.3	.687	.501	.772
v14.4	.628	.404	.797
v14.7	.632	.407	.796

Appendix 6.11 Reliability Analysis: Planning

Table: Inter-Item correlation

Variables	V11.	V11.2	V11.3	V11.4	V11.5	V11.6	V11.7	V11.8	V11.9	V.11.10
v11.1	1.000	.782	.688	.592	.432	.490	.576	.441	.540	.399
v11.2	.782	1.000	.723	.627	.473	.577	.619	.473	.590	.380
v11.3	.688	.723	1.000	.756	.480	.565	.659	.550	.585	.371
v11.4	.592	.627	.756	1.000	.497	.555	.591	.537	.648	.502
v11.5	.432	.473	.480	.497	1.000	.651	.600	.507	.472	.396
v11.6	.490	.577	.565	.555	.651	1.000	.757	.707	.595	.527
v11.7	.576	.619	.659	.591	.600	.757	1.000	.697	.604	.484
v11.8	.441	.473	.550	.537	.507	.707	.697	1.000	.666	.518
v11.9	.540	.590	.585	.648	.472	.595	.604	.666	1.000	.550
v11.10	.399	.380	.371	.502	.396	.527	.484	.518	.550	1.000

Table: Item-Total Statistics

Variables	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
v11.1	.700	.655	.922
v11.2	.747	.708	.920
v11.3	.767	.717	.918
v11.4	.757	.662	.919
v11.5	.631	.466	.925
v11.6	.773	.698	.918
v11.7	.799	.694	.917
v11.8	.723	.636	.921
v11.9	.748	.607	.920
v11.10	.575	.413	.929

Appendix 6.12 Reliability Analysis: Responsiveness

Table: Inter-Item correlation

Variables	v27.1	v27.2	v27.3	v27.4	v27.5	v27.6
v27.1	1.000	.710	.670	.676	.555	.544
v27.2	.710	1.000	.825	.818	.632	.641
v27.3	.670	.825	1.000	.834	.624	.607
v27.4	.676	.818	.834	1.000	.679	.643
v27.5	.555	.632	.624	.679	1.000	.674
v27.6	.544	.641	.607	.643	.674	1.000

Table: Item-Total Statistics

Variables	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
v27.1	.724	.545	.920
v27.2	.855	.767	.903
v27.3	.835	.761	.905
v27.4	.862	.774	.902
v27.5	.727	.564	.920
v27.6	.712	.541	.922

Appendix 6.13 Reliability Analysis: Export Performance

CUSTOMER PERFORMANCE

Table: Inter-Item correlation

Variables	v37.3	v37.4	v37.7
v37.3	1.000	.674	.611
v37.4	.674	1.000	.565
v37.7	.611	.565	1.000

Table: Item-total statistics

Variables	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
v37.3	.725	.532	.721
v37.4	.690	.492	.758
v37.7	.643	.416	.804

FINANCIAL PERFORMANCE

Table: Inter-Item correlation

Variables	v37.1	v38.1	v38.2	v38.3	v38.4	v38.5	v38.6	v38.7
v37.1	1.000	.575	.754	.606	.458	.690	.764	.806
v38.1	.575	1.000	.717	.748	.786	.600	.560	.571
v38.2	.754	.717	1.000	.782	.605	.725	.757	.730
v38.3	.606	.748	.782	1.000	.721	.635	.637	.632
v38.4	.458	.786	.605	.721	1.000	.584	.423	.455
v38.5	.690	.600	.725	.635	.584	1.000	.701	.765
v38.6	.764	.560	.757	.637	.423	.701	1.000	.884
v38.7	.806	.571	.730	.632	.455	.765	.884	1.000

Table: Item-Total Statistics

Variables	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
v37.1	.797	.711	.932
v38.1	.755	.722	.935
v38.2	.866	.782	.927
v38.3	.798	.725	.933
v38.4	.654	.695	.941
v38.5	.799	.678	.932
v38.6	.814	.813	.931
v38.7	.836	.846	.929

Appendix 6.14 Reliability Analysis: Environmental Turbulence

TECHNOLOGICAL TURBULENCE

Table: Inter-Item correlation

Variables	v31.1	v31.2	v31.8
v31.1	1.000	.735	.614
v31.2	.735	1.000	.579
v31.8	.614	.579	1.000

Table: Item-total statistics

Variables	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
v31.1	.761	.594	.733
v31.2	.734	.567	.760
v31.8	.641	.413	.847

COMPETITIVE INTENSITY

Table: Inter-Item correlation

Variables	v31.6	v31.16
v31.6	1.000	.479
v31.16	.479	1.000

Table: Item-total statistics

Variables	Corrected Item-Total Correlation	Squared Multiple Correlation
v31.6	.479	.594
v31.16	.479	.567

Appendix 6.15 CFA and SEM: Main Indices

Model	χ2(d.f.)	χ2 /(d.f.)	Sig.	RMSEA	90% CI	GFI	NNFI	CFI
CFA 1	209.094 (146)	1.32	P=.0005	.0441	.0281-.0581	.903	.982	.985
CFA 2	141.458 (125)	1.13	P=.149	.0257	.0-.0448	.927	.991	.993
CFA-ALL	691.926 (524)	1.32	P=.00	.0401	.0315-.0480	.834	.972	.975
CFA-CMV	4544.877 (568)	8.00	P=.00	.188	.183-.193	.434	.660	.675
SM	86.153 (63)	1.37	P=.0280	.0430	.00149-.0641	.952	.969	.986

Note:
CFA1 = Confirmatory Factor Analysis containing planning, spontaneity, action-orientation
CFA2 = Confirmatory Factor Analysis containing responsiveness, customer performance, financial performance, technological turbulence and competitive turbulence
CFA-ALL = Confirmatory Factor Analysis of all measures
CFA-CMV = Confirmatory Factor Analysis with Common Method Variance Factor
SM = Structural Model
RMSEA = Root Mean Square Error of Approximation
90% CI = 90% Confidence Interval for RMSEA
GFI = Goodness of Fit Index
NNFI = Non-Normed Fit Index
CFI = Comparative Fit Index

Appendix 6.16 CFA: Goodnes of Fit Statistics

Goodness of Fit Statistics

Degrees of Freedom = 524
Minimum Fit Function Chi-Square = 732.299 (P = 0.00)
Normal Theory Weighted Least Squares Chi-Square = 691.926 (P = 0.000)
Estimated Non-centrality Parameter (NCP) = 167.926
90 Percent Confidence Interval for NCP = (103.735 ; 240.213)

Minimum Fit Function Value = 3.680
Population Discrepancy Function Value (F0) = 0.844
90 Percent Confidence Interval for F0 = (0.521 ; 1.207)
Root Mean Square Error of Approximation (RMSEA) = 0.0401
90 Percent Confidence Interval for RMSEA = (0.0315 ; 0.0480)
P-Value for Test of Close Fit (RMSEA < 0.05) = 0.982

Expected Cross-Validation Index (ECVI) = 4.542
90 Percent Confidence Interval for ECVI = (4.220 ; 4.906)
ECVI for Saturated Model = 6.332
ECVI for Independence Model = 45.150

Chi-Square for Independence Model with 595 Degrees of Freedom = 8914.850
Independence AIC = 8984.850
Model AIC = 903.926
Saturated AIC = 1260.000
Independence CAIC = 9135.291
Model CAIC = 1359.547
Saturated CAIC = 3967.940

Normed Fit Index (NFI) = 0.918
Non-Normed Fit Index (NNFI) = 0.972
Parsimony Normed Fit Index (PNFI) = 0.808
Comparative Fit Index (CFI) = 0.975
Incremental Fit Index (IFI) = 0.975
Relative Fit Index (RFI) = 0.907

Critical N (CN) = 164.658

Root Mean Square Residual (RMR) = 0.116
Standardized RMR = 0.0573
Goodness of Fit Index (GFI) = 0.834
Adjusted Goodness of Fit Index (AGFI) = 0.801
Parsimony Goodness of Fit Index (PGFI) = 0.694

Appendix 6.17 CFA: PHI Matrix

N		1	2	3	4	5	6	7	8	9
1	Spontaneity	**.53**								
2	Creativity	-.111	**.59**							
3	Action-orientation	-.161	.56	**.58**						
4	Planning	-.424	.503	.616	**.62**					
5	Responsiveness	-.028	.447	.437	.38	**.71**				
6	Customer performance	-.004	.213	.228	.044	.236	**.62**			
7	Financial performance	-.179	.358	.314	.31	.274	-.564	**.73**		
8	Technological turbulence	-.17	.343	.119	.226	.143	-.072	.069	**.65**	
9	9.Competitive turbulence	-.01	.03	.07	.11	.10	-.03	-.12	.20	**.53**

Appendix 6.18 CFA: Factor Loadings and Error Variance

Variables	Completely Standardized loadings (Lambda X)	Error variance (Theta-Delta)
Export Planning		
V11.4: We have well-defined planning procedures to search for solutions to exporting problems	0.675	0.544
V11.5: We usually assess many alternatives when deciding on an export decision	0.709	0.497
V11.6: We always evaluate potential export-market options against explicit export-market objectives	0.882	0.222
V11.7: We generally develop definite and precise exporting objectives	0.860	0.260
V11.8: We make our export decisions based on a systematic analysis of our business environment	0.791	0.375
Export Improvisation: Spontaneity		
V12.4: We often make ad-libbed export actions	0.662	0.562
V12.6: When necessary, we make export decisions out of the blue	0.814	0.338
V12.7: In our export function, decisions are often made and implemented at the same time	0.725	0.475
V12.8: We often figure out export action as we go along	0.6834	0.533
V12.10: When it is called for, we will make export decisions 'on the hoof'	0.758	0.425
Export Improvisation: Creativity		
V13.3: We always try new approaches to export problems	0.722	0.479
V13.4: Our export work is very original	0.750	0.437
V13.5: We are very good at finding new solutions to export problems	0.744	0.447
V13.6: We often produce new ideas for doing exporting	0.788	0.383
V13.7: In our export function, we serve as good role models for creativity	0.837	0.299
Export Improvisation: Action-orientation		
V14.2: We are very persistent in seeing through our export decisions	0.838	0.297
V14.3: We do not tend to be distracted when actioning an export decision	0.765	0.414
V14.4: In our export function we are always action-oriented	0.664	0.559
Export Responsiveness		
V27.1: Our whole export function is very adaptable to change	0.758	0.425
V27.2: We are able to adapt to market changes in our export market(s) quickly	0.901	0.187
V27.3: We are very quick to adapt to shifts in our export market(s) (e.g. competition, technology, regulations)	0.905	0.180
V27.4: We are very good at adapting to change in our export market(s)	0.916	0.161
V27.5: When we come up with a great solution to an export problem, we can implement it very quickly	0.714	0.490
Export Customer Performance		
V37.3: Export customer satisfaction	0.826	0.318
V37.4: Retention of export customers	0.803	0.356
V37.7: Company reputation among export customers	0.733	0.462
Export Financial performance		
V37.1: Export sales volume (in unit terms)	0.867	0.249
V38.2: Reaching financial goals	0.880	0.225
V38.5: Export profit growth	0.810	0.344
V38.6: Absolute export sales revenue	0.865	0.252

Technological turbulence		
V31.1: The technology in our export market(s) is changing rapidly	0.877	0.231
V31.2: Technological changes provide big opportunities for our export operations	0.835	0.302
V31.8: A large number of new export product ideas have been made possible through technological breakthroughs in our industry	0.702	0.507
Competitive intensity		
V31.6: Competition in the majority of our export-market is cut-throat	0.875	0.249
V31.16: This export-market is competitive; price wars often occur	0.547	0.701

Appendix 6.19 Kolmogorov-Smirnov Test for Normality

Constructs	Kolmogorov-Smirnov			Shapiro-Wilk		
	Statistic	**df**	**Sig.**	**Statistic**	**df**	**Sig.**
Planning	.107	200	.000	.949	200	.000
Spontaneity	.065	200	.040	.983	200	.019
Creativity	.082	200	.002	.974	200	.001
Action-orientation	.085	200	.001	.977	200	.002
Responsiveness	.114	200	.000	.933	200	.000
Customer performance	.133	200	.000	.960	200	.000
Financial performance	.101	200	.000	.957	2000	.000
Technological turbulence	.101	200	.000	.977	200	.002
Competitive turbulence	.090	200	.000	.975	200	.001

Appendix 6.20 SEM: Goodness of Fit Statistics

Goodness of Fit Statistics

Degrees of Freedom = 63
Minimum Fit Function Chi-Square = 89.202 (P = 0.0166)
Normal Theory Weighted Least Squares Chi-Square = 86.153 (P = 0.0280)
Estimated Non-centrality Parameter (NCP) = 23.153
90 Percent Confidence Interval for NCP = (2.782 ; 51.575)

Minimum Fit Function Value = 0.448
Population Discrepancy Function Value (F0) = 0.116
90 Percent Confidence Interval for F0 = (0.0140 ; 0.259)
Root Mean Square Error of Approximation (RMSEA) = 0.0430
90 Percent Confidence Interval for RMSEA = (0.0149 ; 0.0641)
P-Value for Test of Close Fit (RMSEA < 0.05) = 0.684

Expected Cross-Validation Index (ECVI) = 1.337
90 Percent Confidence Interval for ECVI = (1.235 ; 1.480)
ECVI for Saturated Model = 1.538
ECVI for Independence Model = 10.153

Chi-Square for Independence Model with 136 Degrees of Freedom = 1986.390
Independence AIC = 2020.390
Model AIC = 266.153
Saturated AIC = 306.000
Independence CAIC = 2093.461
Model CAIC = 653.002
Saturated CAIC = 963.643

Normed Fit Index (NFI) = 0.955
Non-Normed Fit Index (NNFI) = 0.969
Parsimony Normed Fit Index (PNFI) = 0.442
Comparative Fit Index (CFI) = 0.986
Incremental Fit Index (IFI) = 0.986
Relative Fit Index (RFI) = 0.903

Critical N (CN) = 206.267

Root Mean Square Residual (RMR) = 0.0613
Standardized RMR = 0.0334
Goodness of Fit Index (GFI) = 0.952
Adjusted Goodness of Fit Index (AGFI) = 0.882
Parsimony Goodness of Fit Index (PGFI) = 0.392

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