

EXPORT PERFORMANCE OF GHANAIAN FIRMS IN THE AGRICULTURAL,
HANDICRAFT AND MANUFACTURING INDUSTRIES

By

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List of Acronyms

ACA	African Cashew Alliance
AGI	Association of Ghanaian Industries
BDSF	Business Development Services Fund
ECOWAS	Economic Cooperation of West African States
ERP	Economic Recovery Programme
EPZs	Export Processing Zones
EPPs	Export Promotion Programmes
FAGE	Federation and Association of Ghanaian Exporters
GEPA	Ghana Export Promotion Authority
GFZB	Ghana Free Zone Board
GNA	Ghana News Agency
GDP	Gross Domestic Product
GSS	Ghana Statistical Service
IMF	International Monetary Fund
MCA	Millennium Challenge Account
MCC	Millennium Challenge Corporation
MDG	Millennium Development Goal
NDPC	National Development Planning Commission
NTEs	Non-Traditional Exports
PEED	Private Enterprise of Export Development
PLS-SEM	Partial Least Squares -Structural Equation Modelling
SSA	Sub-Saharan Africa
SMEs	Small and Medium Enterprises
USAID	United States Agency for International Development
WATH	West Africa Trade Hub
WB	World Bank
WTO	World Trade Organisation
WDI	World Bank Indicators

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Key Words

1. Export Performance
2. International experience
3. Export Commitment
4. Export Promotion Programmes
5. Adaptation
6. Place
7. Product
8. Promotion
9. Price
10. Export Marketing Mix Strategy
11. Foreign Market Attractiveness
12. Ghana-Sub-Saharan Africa

List of Chapters and Publications

Chapters

Sraha, G. (2014). “Advancing Theory in Export Performance as a Strategy to Boost Export Growth in Africa”. Chapter in *Effective Marketing in Contemporary Globalism*, IGI Global Series 212. Edited by Christiansen, B., Yıldız, S., and Yıldız, E.

Sraha G. (2015). “Supply Chain System and Barriers of Exporting: Evidence from Ghana in Sub-Saharan Africa” Chapter in *Handbook of Research on Global Supply Chain Management*, Edited by Christiansen, B (Business Science Reference –IGI Global 2015 in press).

Journal

Sraha G. (2015). “Public Policy Makers: Improving export promotion programmes and entrepreneurial development in a lower emerging economy” *African Journal of Economics and Management Studies*. Volume 6, No. 1. pp. 55-71.

Conference Papers

Sraha, G; Raman, R. and Crick, D., “International Experience and Export Performance of Ghanaian Exporters: The Mediating Role of Export Commitment”. *Australia and New Zealand International Business Academy Conference*, February 11 – 13, 2015. Melbourne Business School, Australia. Published in *Journal of Strategic Marketing* 2016.

Sraha, G; Crick, D. and Raman, R., “Export Promotion Programmes: The Mediating Role of Distribution and Foreign Market Attractiveness”. *42nd Academy of International Business- UK and Ireland Chapter Annual Conference*, April 16 –18, 2015. Manchester Metropolitan Business School, United Kingdom (In review with *International Marketing Review*, Special Issue).

Abstract

Studies involving the export performance of firms in emerging economies, particularly in Sub-Saharan African countries, are underrepresented in the existing literature which takes a typically developed country perspective. The objective of this study is to investigate how the interplay between certain internal resources and capabilities and their interaction with the external environment contribute to export performance of internationalising firms in the agricultural, handicraft and manufacturing industries in Ghana. The study contributes specifically to the export performance literature that has featured in international business, international entrepreneurship and international marketing.

This research employed the resource-based view as the underpinning theory to examine the internal and external characteristics of the firm to identify what determines export success for firms in these industries. The study applied a mixed method approach using quantitative and qualitative techniques. The data for this study consists of 116 questionnaire survey and 18 semi-structured interviews conducted with key informants in the three industries in Ghana. Quantitative data analysis applied PLS-SEM and content analysis was undertaken to develop interview themes for the qualitative study. The study found that product and place (distribution) were the most adapted export marketing mix strategies (out of the 4Ps that are a fundamental aspect of the marketing literature) for the firms, with promotion and price highlighted as the least adapted strategies. The relationship between international experience, export commitment, export marketing mix strategy (4Ps), and export performance were supported across the models. Export commitment, place, product and foreign market attractiveness emerged as strong antecedents of export performance in the study.

Drawing from resource based view of the firm, the study makes three key contribution to the export performance literature. First, it explains how exports market mix strategy transforms the impact of international experience, export commitment and export promotion programs on export performance. Secondly, it establishes moderating effects of foreign market attractiveness on the association between export marketing mix strategy and export performance. Lastly, the study provides enhanced understanding of key determinants of export performance for exporting firms in Ghana. This research responds to the call for advancing theory in Africa. The study further provides recommendations for public policy makers and managers to improve their export development programmes in Ghana and Sub-Saharan Africa.

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CHAPTER 1 INTRODUCTION

1.0 Introduction

This chapter introduces the study and outlines the research contents. It begins by discussing the background and rationale for the study. In addition, the research question, objectives, methodology, and the value of this study are presented. The last section concludes with an overview of the organisation of the thesis.

1.1 Background and Rationale for the Study

This study investigates the determinants of export performance of firms to enhance their foreign operations in the agricultural, handicraft, and manufacturing industries in Ghana. Exporting brings many benefits to companies. Exporting constitutes an attractive foreign market entry and expansion approach for firms, especially firms who face economic conditions in their local markets (Hultman et al., 2009). At the firm level, earnings from exports assist in raising sales and productivity to improve profitability (Lages and Montgomery, 2004). International exposure can be used to improve competitiveness at home through enhanced managerial skills and capabilities gained from participating in export markets (Griffith and Hoppner, 2013). Firms performing efficiently in exporting are more likely to withstand the intensified worldwide competition generated by the increasing integration of regional and world markets as well as trade liberalisation (Sousa et al., 2008). Exporting offers companies realistic opportunities for growth because of stagnant domestic market competition, as the increase in exports can lead to an enlarged customer base (Katsikeas et al., 2006). It is in this context that an increasing number of firms are expanding internationally, using exporting as a means to penetrate foreign markets (Ibeh et al., 2012; Leonidou, 2004). However, with the steady rise of competition in export markets, firms' export survival depends heavily on better understanding the determinants of export performance (Sousa et al., 2008).

Export performance is one of the most widely researched and least understood areas of international business (Lages and Sousa, 2010; Sousa et al., 2008). Moreover, the literature is fragmented, and so hinders scholarly and practical advancement in the field (Katsikeas et al., 2000). Some scholars believe findings are vague (Maurel, 2009), difficult to grasp (Solberg and Durrieu, 2008), and not always validated (Julian, 2003). Lack of a comprehensive theory base explaining export performance makes it difficult to integrate findings from different studies into

a coherent body of knowledge (Morgan et al., 2004). In addition, the majority of empirical studies on export performance have focused on developed countries (Griffith and Hoppner, 2013; Katsikeas and Leonidou, 2010; Lages and Sousa, 2010) leaving a lacuna of literature on the African front. In the literature, most studies have investigated and analysed possible direct relationships of different variables with export performance (Lages and Sousa, 2010). The export performance literature has matured; accordingly, Lages and Sousa (2010) called for examining the complex interplays between determinants of export performance and their impact on mediating and moderating effects.

Some studies have attempted to identify key variables that influence export performance and have presented noteworthy efforts to review export performance literature (Aaby and Slater, 1989; Katsikeas et al., 2000; Leonidou and Katsikeas, 2010; Leonidou et al., 2002; Madsen, 1987; Sousa et al., 2008; Zou and Stan, 1998). In these reviews, internal determinants of export performance include the export marketing mix strategy (4Ps-Place, Product, Promotion and Price), export commitment, and international experience (Katsikeas et al., 2006), among others. These internal resource advantages empower the firm to create a competitive advantage with their own capabilities making it difficult for other competitors in the industry to overtake the market leader (Wernerfelt 1984). International experience and export commitment of the manager are strategic intangible capabilities linked to decision-making in terms of resource allocation for performance enhancement (Lages and Sousa, 2010). On the other hand, adaptation of the export marketing mix strategies (4Ps) are internal capabilities leading to enhanced export operations based on market conditions to create a strategic fit in export operations (Morgan et al., 2012). These internal resource advantages empower firms to create a competitive advantage using their own capabilities, making it difficult for other competitors in the industry to overtake the market leader (Wernerfelt 1984). The study draws on the resource-based view, which focuses on how firms enhance their export performance by generating unique bundles of resources stocks, and capabilities (Barney, 2001).

Other external determinants of export performance also examined include foreign market attractiveness and export promotion programmes (Leonidou et al., 2011). Export performance tends to be conditioned by foreign market attractiveness which poses both threats and opportunities for firms. Political interventions undertaken by the host government can enforce changes in the firm's operations, policies, and strategies (Katsikeas et al., 2006). Therefore, firms operating in foreign markets need to keep a close track of changes in policies and

regulations to remain competitive (Ogunmokun and Ng, 2004). Moreover, the skills acquired from participating in export promotion programmes can be the driving force behind a firm's export success. Participation in trade shows, exhibitions and training programmes empower managers to enhance their resources and the skills required to handle export operations effectively (Leonidou et al., 2011).

Export performance research at the firm level in emerging economies in Africa is sparse as studies have largely focused on the country level. Rankin et al. (2006) contend that in Sub-Saharan Africa, (SSA) without export involvement the domestic market will remain weak and unlikely to boost firms' output in the region into growth. The overall internal domestic market of Africa is too small to propel growth if firms are not encouraged to internationalise outside their borders to enhance economic growth (Kuada, 2007; Wolf, 2007). Therefore, the export involvement of African firms represents one of the most important policy initiatives to lead the African continent to socio-economic development (Ibeh et al., 2012; Kuada, 2007; Rankin et al., 2006; Wolf, 2007). Understanding the determinants of export performance of African firms is paramount to their survival in foreign markets for gaining experiential knowledge to improve operations (Wolf, 2007) and enhance international competition (Adbullahi et al., 2010). Moreover, contributions towards meeting key Millennium Development Goals, including poverty reduction and enhanced global trade participation, are expected (Ibeh and Young, 2001). Thus, it is paramount for African firms to understand the idiosyncrasies and competition in export markets, as this has become a matter of survival rather than choice for many firms that encounter economic setbacks in their local markets (O'Cass and Julian, 2003). Countries that compete successfully in international markets are able to control their external debts and maintain a satisfactory balance of trade to reflect their economic growth (Adbullahi et al., 2010).

Wolf (2004) argued that sparse research on export activities and insufficient details on firm characteristics has limited the effectiveness of business transactions in African developing countries. The review of Ibeh et al. (2012) revealed a limited depth of international involvement among African firms. Therefore, advancing theory in Africa is paramount to export development as the globalisation of markets has recently increased opportunities for growth-oriented domestic firms around the world (Cavusgil and Zou, 1994). Also, Ghana has given prominence to export-led growth policies, especially regarding the manufacturing of value added export products (Adjasi, 2006). The government of Ghana has been paying attention to

its export manufacturing industries for two main reasons: 1) Ghana's initial unprocessed primary export commodities contributes poorly to the national economy with regards to (i) foreign exchange earnings and (ii) firm-level learning; 2) Ghana intends to make its value-added export sector the main focus of its socio-economic development (Kastner, 2005). This focus is influenced by the argument that the economic success achieved by most industrialised countries (e.g. United States (US) and Japan-tiger nations) in the past three decades was driven by the contribution of value-added exports (Teal, 2008).

Against this background, the current study examines how exporting firms in the agricultural, handicraft, and manufacturing industries in Ghana can enhance their export performance. Based on extant literature, the study develops a conceptual model that brings additional insights into the mechanism of how selected key determinants influence export performance in Ghanaian firms. Mainly, the model demonstrates how export marketing mix strategy (4Ps) mediates export commitment, export promotion programmes and international experience to explain the mechanisms between their associations with export performance. Furthermore, foreign market attractiveness moderates export marketing mix strategy (4Ps) and export performance to explain whether the foreign market attractiveness weakens or strengthens the firms' adaptation strategy (4Ps) and export performance relationships. The proposed conceptual model deepens our understanding of how the interplay and mechanisms of selected key determinants enhance export performance in an emerging economy. The study further addresses the recent calls to advance theoretical development in export performance literature in Africa (Mysen, 2013; Sousa et al., 2008). Additionally, factors influencing export performance have been less examined and received little attention in emerging economies like Ghana (Mysen, 2013; Zaiem and Zghidi, 2011).

1.2 Research Question and Objectives

The key research question for this study is: How can the export performance of firms in the agricultural, handicraft and manufacturing industries in Ghana be enhanced?

To answer this research question the study will address the following specific objectives:

- To examine mediating effects of export marketing mix strategy (4Ps) on the association between international experience, export commitment, export promotion programmes and export performance.
- To examine the moderating effect of foreign market attractiveness on the association between export marketing mix strategy (4Ps) and export performance.

- To investigate the determinants of export performance of firms in the agricultural, handicraft and manufacturing industries in Ghana.

1.3 The Research Methodology

The study adopts a mixed method approach to address the research question, which is related to the determinants of export performance of firms in Ghana. A mixed method approach comprising quantitative and qualitative techniques using a complementarity design was employed for data collection. PLS-SEM techniques were applied to validate the model and examine the relationship between hypothesised variables, including mediation and moderation. The conceptual model was probed for its validity and statistical significance based on established benchmarks of PLS-SEM. A survey approach using the “drop and pick” method to collect data in Ghana was used with telephone and email follow ups from January to June 2014 (Ibeh et al., 2004). One hundred and sixteen exporting firms from the agricultural, handicraft, and manufacturing industries in Ghana formed the sample, with a 35% response rate similar to other studies (Acquaah, 2007; Adu-Gyamfi and Korneliussen, 2013). The unit of analysis was at the firm level. As part of the complementary study to the quantitative component, the qualitative study provided 18 interviews with key respondents in the three industries, conducted at the firms’ premises for 60 minutes and audio recorded. Findings from the quantitative study were analysed and evaluated with the qualitative interviews to draw theoretical, managerial and public policy makers’ implications for theory development and practice.

1.4 Research Contribution

The development of a comprehensive model testing mediating and moderating effects of selected key determinants of export performance in this thesis has significance in broadening research and theory development. The study adds empirical and new exploratory knowledge to the export performance literature and provide additional insight into how firms can improve their export performance in international business. The theoretical contributions are expanded on in the last chapter of this thesis.

This study makes the following key contributions. First, this research contributes to export performance literature in international business by investigating how the interplay between certain internal resources and capabilities and their interaction with the external environment contribute to export performance. This deepens our understanding of how the interplay between firms’ resources and capabilities and their interaction with the external environment enhances export performance. The study suggests that both export commitment and export promotion

programmes transform international experience into effective export market mix strategy which then enhances export performance. Moreover, the impact of export marketing mix strategy on export performance is found to depend upon the attractiveness of foreign markets. From the resource-based view, the findings of the study have established that the influence of the firm's internal resources can create a competitive advantage for enhancing export performance. Therefore, this research used the tenets of the resource-based view to identify key resources including export adaptation strategies (4Ps), export commitment and international experience as factors relevant to export success in an emerging economy.

Two export marketing mix strategies (place and product) contributed to the competitive strategy of the firms resulting in varied performance improvement. Therefore, this study extends the adaptation debate to an emerging country context in Ghana to reflect Sub-Saharan Africa increasing the generalisability of the debate. The study identified word of mouth, participation in foreign trade shows and shipment of samples as different forms of promotional strategies applied by Ghanaian firms. Price fluctuation, price reduction and price mechanisms emerged as pricing strategies applied by Ghanaian firms in foreign markets to remain competitive, bring new insights into the export performance literature.

Second, most of the theoretical development and empirical studies in export performance have largely been conducted in developed countries and there have been several calls to develop literature to build theory in Africa. This study has addressed this and extended the literature to an under-researched context - Ghana (Ibeh et al., 2012; Mysen, 2013; Sousa et al., 2008). Therefore, this study fills a gap in international business literature on export performance.

Third, the findings of this research have relevant theoretical implications for overseas market development in terms of resource advantages and its relationship with competitive strategy. Acquisition of internal resources of the firm and competitive strategy have been identified as most important factors to be considered when a firm intends to enhance its export performance. The findings relating to the role of international experience, export commitment, export promotion programmes, and adaptation strategies (4Ps) will provide guidance to managers wishing to leverage their internal resources to enhance export performance.

This study also provides recommendations for improving the design of export promotion programmes by public policymakers in Ghana. Specific challenges encountered by Ghanaian

exporters are highlighted to enable public policymakers to design appropriate export promotion programmes to the advantage of exporters. This research suggested to public policymakers to concentrate on providing export promotion programmes highlighted as critical and beneficial to influence export performance. Finally, additional insights are provided for public policymakers to improve their export capacity development programmes to accelerate export growth in Ghana and beyond.

1.5 Organisation of the Study

The thesis comprises seven chapters.

Chapter One presents the background, rationale and justification for the study. The research question and objectives are presented along with the methodology and an overview of research contributions. In this chapter, the reason for focusing on Ghana is explained.

Chapter Two reviews the literature on concepts of export performance and presents the resource-based view as the theoretical foundation of the study. In this chapter, based on the theoretical framework, an integrated screening of the literature is undertaken to guide the thesis. Determinants of export performance are presented focusing on the internal and external environment of the firm with other factors of export performance.

Chapter Three presents the conceptual framework of the research by building a theoretical mediated-moderated model for the study. Hypotheses are developed to establish the relationships between the independent, mediation, and moderation variables and export performance.

Chapter Four presents the study context and research methodology of the thesis. The reasons for targeting the agricultural, handicraft, and manufacturing industries in Ghana are highlighted in this chapter. Performance indicators of Ghana and other Sub-Saharan African countries are presented briefly, signposting export earnings from the three industries in Ghana.

The second section of the chapter presents the research methodology including the population, sample frame, data collection, and the research design using the complementarity design in mixed method approach. The survey process and the statistical techniques using PLS-SEM for data analysis are discussed, and the interview process is described. The operationalisation of the variables with their sources of literature is provided.

Chapters Five and Six present data analysis and findings of the quantitative and qualitative studies based on a survey and 18 interviews conducted with key informants in Ghana. Data collection methods, data analysis processes, an overview of the sample characteristics and common method bias are presented and discussed.

Chapter Seven presents the discussion of the study for development of theoretical and managerial implications, overall contribution, and recommendations for public policy makers. Finally, the conclusion and limitations of the study are presented with future research direction.

CHAPTER TWO LITERATURE REVIEW

2.0 Introduction

This chapter reviews the literature on firm-level determinants of export performance. The next section presents the theoretical foundation of the study comprising the resource-based view of the firm. Thereafter, different objective and subjective export performance measurements are discussed. Thereafter, various determinants of export performance at the firm level are discussed and the chapter concludes with a summary.

2.1 Theoretical Foundation

Export performance research has mostly based its conceptualisation on the resource-based view (Francis and Collins-Dodd, 2000). This study applies the resource-based view as the main theoretical underpinning to examine how firms utilise their resources and capabilities to create a competitive advantage to influence export performance (Barney et al., 2011).

2.1.1 The Resource-based View of the Firm

The resource-based view (RBV) is based on the early economic theory of Penrose (1959), which has since been extended by other scholars (Ansoff, 1965; Barney, 1991; Grant, 1991; Helfat and Peteraf, 2003; Prahalad and Hamel, 1990; Teece et al., 1997; Wernerfelt, 1984). Several versions of the RBV framework have also been developed in the literature that include but are not limited to: (1) dynamic capability theory (Teece et al., 1997); (2) resource scarcity theory (Castrogiovanni et al., 2006); (3) the resource dependency theory (Pfeffer and Salancik, 1978); (4) resource exchange theory (Zacharakis, 1997); and (5) the resource-based view of the firm (Barney, 1991). However, although these versions derive their roots and inspirations from the writings of Penrose (1959), many (e.g. the dynamic capability theory and the resource scarcity theory) also build their tenets on Barney's (1991) framework, which has achieved extensive recognition.

The resource-based view provides a theoretical underpinning associated with the export activity based on different aspects of the firm's resources and capabilities (Morgan et al., 2004). The resource-based view sees a firm as a unique bundle of tangible and intangible resources (assets, capabilities, processes, managerial attributes, information and knowledge) that enable the firm to conceive and execute strategies aimed at improving its efficiency and effectiveness (Barney, 1991; Wernerfelt, 1984). The resource-based view contends that the principal determinants of a firm's export performance are its internal organisational resources that are superior in use and

difficult to imitate or supplant (Barney, 2001; Collis, 1991). Porter (1985) argued that competitive strategy involves developing a broad formula for how a business is going to compete, what its goal should be, and what policies will be needed to carry out those goals. The goal of a firm's competitive strategy is accomplishing exceptional and sustainable organisational performance exhibited to create competitive advantage in its operations (Hofer and Schendel, 1978). On the other hand, Wernerfelt, (1984) argued that a resource is anything that can be considered as a strength including tangible and intangible assets tied to the operations of a firm. Examples of these resources include brand names, in-house knowledge of technology, employing skilled personnel, trade contracts, machinery and capital. On resource position, Wernerfelt, (1984) maintained that a holder of a resource in a firm is able to sustain that position through other holders and third parties as long as these resources are realistic. Furthermore, the holder of the resource can enjoy protection of the resource position for an extended long duration.

Other scholars have argued from the resource-based view perspective that a resource is any asset that can be described as a strength of a firm at a particular time (Hamel, 1990; Collis, 1991). Categories of resources can be identified for which resource position barriers can be developed. Therefore, it is the properties of the resources and their mode of acquisition that enhance the operation of the firm (Wernerfelt 1984). These resource advantages empower a firm to create a competitive advantage with their own resource position making it difficult for other competitors in the industry to emulate or catch up with the market leader. Therefore, management of the firm has to focus on their strong resource positions in order to influence their operations to create a competitive advantage for export performance enhancement (Barney, 2001; Wernerfelt, 1984). Expanding the basic assumption of the resource-based view, Barney, (1991) maintained that resource bundles and capabilities underlying production are heterogeneous across firms and consist of different resource stocks that are immobile, valuable, rare, non-imitable and non-substitutable from one firm to another. The causality between these covariates (i.e. resources that are valuable, rare, non-imitable and non-substitutable) and the performance of a firm or a group of firms is highly ambiguous and not clear even to the beneficiary firms themselves (Barney, 1991). Firms' resources include assets, capabilities, firm attributes, information, knowledge, etc., controlled by a firm in a way that enables it to conceive of and implement strategies that improve its efficiency and effectiveness (Celec et al., 2014; Wernerfelt, 2014).

Barney (2001) argued that resources and capabilities are available to firms to enable them to apply and generate competitive advantage making the routines and capabilities virtually homogeneous (Helfat and Peteraf, 2003; Wernerfelt, 1984). Barney (2001) categorised a firm's resources in terms of physical capital (for example; equipment and land of the firm), and human capital (training and experience of individual managers in a firm/organisation) and capital (export planning and reporting systems). In doing so, management of the firm exploits internal strengths through responding to environmental opportunities while neutralising external threats and avoiding internal weaknesses (Dhanaraj and Beamish, 2003). The capabilities generated by management help develop new strategies, as these resources are transformed into value, helping to create sustained competitive advantage (Barney et al., 2011). Moreover, a firm's success or failure can be envisaged from the specific resources available and capabilities developed in the market in which the firm is operating (Freeman et al., 2012). The resource-based view further argues that it will take competitors in the same industry longer to discover the secrets behind the leading firm's success because the beneficiary firm holds intangible and imperfectly imitable resources (Barney, 1991). Therefore, while the possession of such resources will accrue competitive advantage to the industry leader(s) in the short term, the industry leader(s) can still sustain competitive advantage in the long run because rival firms usually take longer to catch up; as a result leading firms can achieve long-term sustainable competitive advantage (Barney et al., 2011).

The resource-based view in international business has lately become a burgeoning perspective, with contributions from a wide variety of authors and institutions around the world. Firms can be conceptualised under the resource-based view as possessing unique bundles of accumulated tangible and intangible resource stocks (Roth, 1995). Tangible resources include financial resources and physical resources such as plant, equipment, and raw materials. Intangible resources include reputation, technology, human resources, culture, training, and employee expertise together with their commitment and loyalty (Ruzo et al., 2011). Roth (1995) further argued that intangible resources could be understood to be characterised by those assets, know-how skills that are difficult to formalise and be reproduced by competitors. Thus, these intangible assets become strategic assets and generate benefits and competitive advantage for the firm (Delgado-Gómez et al., 2004). Among these intangible resources owned by firms, managerial capabilities occupy a key place (Barney, 2001). Referring to the assumption that the resources of the firm are heterogeneous and immobile, this study argues that management teams that exploit their resource advantages are simply behaving efficiently and effectively (Lado et

al., 2004). The resource-based view further explains how a firm can utilise its superior tangible and intangible resources to formulate and implement strategies for enhanced firm performance in international operations. However, the resource-based view fails to recognise that such resources could be acquired and enriched by some firms through collaborative arrangements with other firms and corporate government partnerships (Eisenhardt and Schoonhoven, 1996; Perlmutter and Heenan, 1986). Managers committed to exporting tend to find such arrangements that can fill their firms' resource gaps through strategic alliances with other domestic or foreign firms. Therefore, managers with a favourable attitude towards exporting outsource some of these resources from private research organisations or government agencies providing export market information. This implies that managers do not just utilise their firms' internal resources for export performance enhancement but sometimes seek opportunities to acquire and enrich their resources through collaborative arrangements to exploit international markets to achieve export success. Failure to exploit these resource advantages is inefficient and does not maximise welfare to achieve higher levels of performance (Barney et al., 2011). Efficient management teams will accrue resource advantages by exploiting their internal resources rather than creating an imperfect competitive condition in a way that fails to maximise export success (Sousa et al., 2008). The resource-based view suggests that firm-level activities are determinants of a firm's export success.

Drawing from the resource-based view, top managers' skills may represent some of the most valuable, unique and difficult to imitate resources (Peng, 2001). Indeed, the role played by management of the firm in the typical firm setting becomes of utmost importance, as decision making and consequently the firm's activities and commitment to exporting are likely to be determined by the management team (Crick and Chaudhry, 1997; Hutchinson et al., 2006; Lloyd-Reason and Mughan, 2002). Therefore, the skills of management teams represent a key factor in driving the effectiveness of the export activity through the outcomes produced in terms of market share, sales revenues and sales of new product(s) lines (Katsikeas et al., 2007). The management of the firm's success in generating results is dependent on export performance and the extent to which they accomplish tasks and responsibilities (Roth, 1995). Furthermore, human capital or personal factors may help overcome inadequacies in resource stocks and, thus constitute a potential source of differential advantage for the internationalised firm (Manolova et al., 2002).

For exporting firms' characteristics, the resource-based view argues that a firm consists of resource stocks that are immobile, rare, non-substitutable and non-imitable. These unique resource determine distinctions between a firm's export involvement and performance. Based on the resource-based view, the decision on export involvement, entry mode and the choice of the export market to be selected are all based solely on the internal resource capability of the manager (Griffith and Hoppner, 2013). The resource-based view assumes that resources needed by the management of the firm for its export development are solely achieved by their own efforts without consideration of the impact of network resources (Barney et al., 2011). Similarly, the resource-based view posits that a firm's export success is determined wholly by how the management of the firm generate internal factors to create competitive advantage in operations (Barney, 2001). The resource-based view argues that ownership of unique resources explains why one firm will respond positively to export stimuli, initiate an export business and put up high performance and others will put up low performance, although they operate in the same industry and location and face the same market conditions (Ibeh and Wheeler, 2005).

Hall and Cook, (2009) and Westhead et al., (2001) argued that whereas the basic assumption of the resource-based view theory remains unchanged in relation to ownership of key stock of resources, the assumption about its core characteristics (i.e. the immobile, rare, non-substitutable and non-imitable) is relaxed in its statistical application and cannot be tested empirically. This is referred as the weak version of the resource-based view which is applied in this study (Westhead et al., 2001). This study argues that internal resources of the firm create competitive advantage in the internal environment to strengthen external factors to create a strategic fit in foreign operations (Barney 1991). The resource-based view is incorporated into this study as a theoretical foundation as it is widely applied in studies examining internal resources to enhance export performance of a firm in different dimensions (Francis and Collins-Dodd, 2000; Lado et al., 2004; Ruzo et al., 2011; Sousa and Bradley, 2008a; Westhead et al., 2001). These streams of research have examined the influence of firm size, international experience, export commitment and export marketing mix strategies and how these resources influence export performance (Aaby and Slater, 1989; Cavusgil and Zou, 1994; Zou and Stan, 1998). The resource-based view further considers the firm as well as the influence of the manager in accessing export performance to create a competitive advantage for operations (Ibeh, 2004; Ibeh and Wheeler 2005, Westhead et al., 2001). The resource-based view argues that a firm's unique resources are immobile, rare, non-substitutable and non-imitable and cannot

be tested empirically as the relationships among these covariates are causally ambiguous (Barney, 1991).

2.1.2 The Influence of the External Environment

There cannot be an independent emergent and/or strategic approach by a firm because the structure of the environment and its conditions directly or indirectly shapes a firm's strategy (Lages and Montgomery, 2004). As a result, the firm adapts either directly or indirectly to the changing trends of the environment, popularly called organisational adaptation and/or strategic fit (Hultman et al., 2009). Lages et al. (2008b) argue that the export performance of a firm can be improved in more than one way; however these performance variations are not unplanned since either way might be more or less effective depending on the situation (Zeithaml et al., 1988). Some scholars have also argued that variables such as industry and market conditions are expected to mediate the influence of the firms' various characteristics, strategies and competencies with regard to export performance (Cavusgil and Zou, 1994; Lado et al., 2004). The literature argues that no strategy can be effective in any particular condition, but the strategy is dependent mainly on the importance of a particular internal or external factor (Wang, 1996). The firm's export performance is diverse and dynamic because it is partly dependent on a firm's capacity, the environmental conditions, industry structure, strategy, and demand conditions in various export markets (Ibeh, 2003). Again, this shapes the firm's strategy to react to a number of potentially unforeseen conditions and internationalisation can take place through planned and unplanned strategies depending on how these opportunities are exploited (Crick and Spence, 2005).

This study seeks to examine the ability of firms to adapt their internal environment to their external environment as no single strategy is the best in different situations at a particular time (Lages and Montgomery, 2004). This distinguishes firms with high and low performance regardless of the fact that they operate in the same industry and face the same market conditions. Moreover, export performance review studies carried out so far indicate that insufficient research has been carried out on the influence of the external environment in the export performance literature (Lages and Sousa, 2010). This revelation is in line with the call from Sousa et al. (2008) for researchers to advance knowledge in that area; therefore, examination of the external environment increases the robustness of the conceptual framework in this study.

2.2 Measurements of Export Performance

Shoham (1998) broadly defines export performance as a firm's outcomes achieved in international sales. There is neither an established definition of export performance nor agreement on establishing acceptable performance levels, leading to the use of various measurement dimensions (Lages and Sousa, 2010). Literature reviews over the period 2000 to 2008 on export performance measurements indicated conceptualisation and methodological limitations hindering theory development and application (Lages and Sousa, 2010; Morgan et al., 2004; Sousa et al., 2008). Export performance measurements may be problem driven rather than theory driven, as studies on export performance differ in definitions and address different problems (Sousa, 2004). The use of different levels of analysis leads to different and sometimes conflicting comprehension of export performance of a firm (Lages and Sousa, 2010).

Export performance can be measured at different levels: product, export venture, or firm level (Katsikeas et al., 2000). This study examines export performance at the firm level. Analysis at the product level involves an individual product investigation (Matthyssens and Pauwels, 1996). Export venture level analysis investigates the success or failure of a particular product in an overseas market (Cavusgil and Zou, 1994). It has been argued that analysis at the export venture level does not give complete insights into the long-term performance of a firm, as it examines a particular venture instead of the overall export business (Oliveira et al., 2012). Analysis at the firm level examines the overall export activity of the firm. One strength of investigating export performance at the firm level is that it provides an overall view of the activity of the firm resulting in an in-depth understanding of export operations (Oliveira et al., 2012). Broadly, export performance measurements can be classified into two categories, namely objective and subjective measurements. See Table 2.1 for details.

2.2.1 Objective Measures

Objective measures are widely used to assess export performance. Madsen (1987) specified the conceptual definition of export performance following three sub-dimensions: sales, profits and change. Each of the three sub-dimensions can be divided into objective and subjective satisfaction-based measures (Madsen, 1987). Shoham (1998) argued that the three sub-dimensions, although related, offer different views of export performance as demonstrated by their distinctiveness, as a firm may have high profitability and be disappointed with profit or sales growth. Five objective measures commonly used are export intensity, export profitability, export sales growth, export sales volume and sales efficiency (Sousa, 2004). Export intensity is

the commonly used measure, although there are criticisms regarding its use in assessing export performance (Cooper and Kleinschmidt, 1985). In referring to Cooper and Kleinschmidt's (1985) paper, Sousa (2004) argued that a firm underperforming with a new product having a large foreign market share might appear to be an outstanding performer to another firm with a large market share of a relatively small foreign market. Export profitability can be measured by objective items such as return on assets, return on investments and export market share (Lages et al., 2008b). The advantages of using financial measurements are their objectivity and comparisons across firms; however it is difficult in many developing countries to obtain objective financial data such as export sales and profitability (Crick et al., 2011). Objective measures are considered more reliable for assessing short term export performance (Sousa, 2004).

2.2.2 Subjective Measures

Subjective measurements involve achievements in certain strategic goals like improvement in competitiveness and an increase in market share (Das, 1994; Morgan et al., 2004; Solberg, 2002). Other measures include the perceived export success or satisfaction with export performance (Lages et al., 2008b). Satisfaction with export performance can be measured by point scales ranging from “*very unsatisfied*” to “*very satisfied*” (Lages et al., 2008b). Satisfaction-based measures provide a richer assessment of each sub-dimension, rather than additional independent sub-dimensions (Lages et al., 2008a). The usefulness of applying perceived export success can be evaluated while taking into consideration the reference groups of the firm in terms of industry, stage of export involvement, and strategic direction (Lages and Sousa, 2010). Applying subjective measures has been recommended in cases where managers are unwilling or unable to produce financial data or have difficulty in reconciling accounting figures (Robertson and Chetty, 2000). Subjective measures are proven valid in measuring long-term performance (Lages and Sousa, 2010). Zou et al. (1998) proposed the EXPERF scale, composed of three dimensions: financial export performance (export profits, export sales, and export growth), strategic export performance (contribution of the export venture to firm's competitiveness, strategic position, and market share), and satisfaction with export performance (perceived success of the venture, satisfaction with the venture and degree to which the venture is meeting expectations). The use of such a combination of items to capture the performance sub-dimension has the advantage of overcoming any fluctuations and improving performance (Shoham et al., 2002).

Table 2.1 Summary of Export Performance Measurements

Performance Measure	Type of Measure	Literature
Export Sales Growth and Intensity	Objective	Alvarez, (2004); Hultman et al., (2011); Lages et al., (2008b); Lages and Lages (2004); Morgan (2012); Morgan, (2004) and Ogunmokun and Wong (2004).
Export Profitability/ Increase in Market Share	Objective	Das (1994); Hultman et al., (2011); Katsikeas et al (2007); Lages and Lages, (2004); Morgan et al., (2004); Morgan et al., (2012); Moen (1999); Ogunmokun and Solberg, (2002) and Wong, (2004).
Achievement of Strategic Goals	Subjective	Cavusgil and Zou (1994); Das (1994); Francis and Collins-Dodd (2004); Lages and Lages (2004); Styles (1998) and Zou, Taylor and Osland (1998).
Management's Perception about Export Success	Subjective	Cavusgil and Zou (1994); Evangelist (1994); Ling-Yee and Ogunmokun (2001); Haatti, Madupu, Yavas and Babakus (2005); Katsikeas et al., (1996)and Wilkinson and Brouthers (2006);
Satisfaction with Export Performance	Subjective	Lages et al., (2008); Lages and Montgomery (2004); and Lages and Jap (2002).
The Combination of Measurements	Subjective	Julian (2003); Katsikeas et al., (2000); Morgan et al., (2004); Shoham (2002); Sousa and Bradley (2008) and Zou, Taylor and Osland (1998).

Source: Developed from the literature.

2.3 Determinants of Export Performance

The determinants of export performance can be classified into two categories: (a) internal determinants and (b) external determinants (Lages and Sousa, 2010). The following sections present a literature review on key internal and external determinants of export performance.

2.3.1 Internal Determinants

The resource-based view argues that a firm has a unique bundle of tangible and intangible “resources” (assets, capabilities, processes, managerial attributes, information and knowledge) that are controlled by the management (Barney, 1991). The central role management teams play in the internal environment to influence export performance effectively is acknowledged in export marketing literature (Griffith and Hoppner, 2013; Lages and Sousa, 2010; Sousa et al., 2010). Internal determinants of export performance include size, age, international experience, export commitment, managerial perception, export marketing mix strategies, and product characteristics (Sousa et al., 2008). These resources enable the management of the firm to

conceive and implement strategies aimed at improving the firm's effectiveness and efficiency in exporting (Dhanaraj and Beamish, 2003).

2.3.1.1 Size of the firm

A large body of literature exists documenting the relationship between firm size and export performance (Baldauf et al., 2000; Lages and Sousa, 2010; Sousa et al., 2008). The number of employees has been mainly used to measure the size of the firm followed by sales volume (Julian, 2003; Ogunmokun and Ng, 2004). It is argued that firms should be large enough to compete in foreign markets as different strategies are required to be implemented to achieve export success (Dijk, 2002; Lages and Jap, 2002). Larger firms are more likely to have substantial resources to adapt their export marketing mix strategy because of economies of scale in production, benefits from bulk purchasing, and the opportunity to raise financing at lower cost (Lages and Sousa, 2010). These internal resources can generate competitive advantage for the firm based on the tenets of the resource-based view (Barney, 2011). Firms owning marketing departments plus their own sales forcefully utilise their professional executives and have a high capacity for taking risks (Katsikeas et al., 1996; Wagner, 1995). These size-related properties, in turn, facilitate export success (Sousa et al., 2008). Limited internal resources available to small firms prevent them from achieving a stable presence in a large number of foreign markets (Ogunmokun and Ng, 2004). Consequently small firms might implement weak export marketing strategies that require low levels of sunk costs to survive in stagnant foreign markets (Bonaccorsi, 1992). Firm size is used as a proxy for resource availability as the number of employees is assumed to impact performance directly and indirectly through behaviour (Prasad et al., 2001).

Some studies found that having more employees increased export planning and information, leading to higher export sales (Baldauf et al., 2000; Kaynak and Kuan, 1993). Wagner (1995) maintained that the positive impact of firm size decreases with size and that a positive relationship exists only to a point. The works of Bonaccorsi (1992) found that firm size measured by annual sales or number of employees increases the probability of exporting. Entry barriers to export activity were not as high as assumed and information on foreign markets was relatively readily available to small firms (Bonaccorsi, 1992). Calof (1994) discovered that firm size was not a barrier to exporting as small firms could perform well in international markets as long as they implemented strategies consistent with their resources. Small exporting firms were as successful and competitive in foreign markets as larger firms. Small firms are usually integrated into a system of firms that use common external resources and show outstanding

imitative characteristics when a similar firm becomes successful in exporting (Bonaccorsi, 1992). Other studies discovered a non-significant relationship between firm size and performance (Contractor et al., 2005; Diamantopoulos and Inglis, 1988; Katsikeas et al., 1996; Wolff and Pett, 2000). The impact of having more employees on export intensity is inconclusive as Wolff and Pett, (2000) found a negative relationship between the two constructs. Small exporting firms play to their particular strengths and capabilities in export markets, which implies that it is not the number of resources but the type of resources available to the firm that determines their competitive advantage in exporting (Wolff and Pett, 2000). Contractor et al. (2005) did not find a positive relationship between export performance and firm size, which indicates that the relationship between firm size and export performance is still a controversial issue. Brouthers and Nakos (2005) found a negative relationship between firm size and export performance using a Greek sample. Brouthers and Nakos (2005) argued that although some scholars have asserted large companies perform better internationally, this suggestion has not been supported by previous research (Calof, 1994; Contractor et al., 2005; Diamantopoulos and Inglis, 1988). One possible explanation of the negative finding is that larger firms may provide a resource advantage to generate, disseminate and respond to export market intelligence (Brouthers and Nakos, 2005). Therefore, notwithstanding the popularity of firm size as an antecedent of export performance, some of the results are fragmented and not validated in the literature.

2.3.1.2 Age of the Firm

Business experience assessed as firm age has emerged as a determinant of export performance in some studies (Sousa et al., 2008). From the resource-based view perspective, years in exporting can be considered as proxies for the management of the firm's knowledge in international markets (Forsgren, 2002). Experiential knowledge about foreign market operations is a driving force for business internationalisation (Stoian et al., 2011). Age of the firm is associated with the accumulation of experience in the international market, which enables a firm to develop the relevant capabilities required to adapt export marketing strategies to create competitive advantage in foreign markets (Ruzo et al., 2011; Sui and Baum, 2014). The age of the firm is generally used as a proxy to measure the amount of learning a firm has acquired over a period about the idiosyncrasies of export market operations (Majocchi et al., 2005). Older firms are regarded as holding financial and human resources and higher economies of scale and these resource advantages facilitate their acceleration into international markets (Javalgi et al., 2000). Age is related to a number of export barriers and the level of risk in foreign

markets (Arteaga-Ortiz and Fernández-Ortiz, 2010). Theoretical projections suggest a positive relationship exists between firm age and export intensity (Majocchi et al., 2005). Majocchi et al. (2005) found that the positive relationship between age of the firm and export intensity is crucial, as study results confirmed that small firms need time to develop necessary market experience in order to export successfully.

Others scholars found no association between the firms' foundation year and export intensity (Moen and Servais, 2002) or reported that younger firms obtained better results in terms of export intensity and sales (Baldauf et al., 2000). Brouthers and Nakos (2005) revealed the two decision-maker characteristics, age and education, were not related to export performance. Brouthers and Nakos (2005) argued that personal characteristics such as the age of the firm and education may play a less important role in export performance as owners of these firms may have accumulated substantial informal education and experience that compensate for their lack of education and length of time in exporting.

2.3.1.3 International Experience

The resource-based view argues that firms' intangible resources include capabilities, firm attributes, information, experience and knowledge that enables the manager to run operations more efficiently and effectively (Barney, 2001). Enhanced understanding of foreign business practices facilitates effective planning and control of export activities (Griffith and Hoppner, 2013). Foreign language proficiency may help to establish social and business contacts abroad and improve communication with overseas customers (Leonidou et al., 1998). Managers who possess linguistic skills are more likely to assess new markets and pull out of existing ones than non-linguists (Williams and Chaston, 2004). Some scholars have argued that firms run by decision-makers who speak foreign languages reach higher levels of export performance than firms led by monolingual managers (Suarez-Ortega and Alamo-Vera, 2005). Decision makers with international experience are better prepared to study the international market, identify foreign business opportunities and encounter potential overseas clients (Leonidou et al., 2007). International experience has emerged as one of the determinants of export performance (Sousa et al., 2008).

Knowledge acquired by managers mainly through export operations abroad can be challenged by a substantial amount of uncertainty (Hultman et al., 2011). Managers of firms with international experience can identify the differences in environmental conditions and are more likely to select attractive markets and adapt export marketing strategies to suit the specific needs

of those markets (Diamantopoulos and Kakkos, 2007). The international experience of a manager constitutes a source of sustainable competitive advantage (Julian and Douglas, 2001; Lages and Montgomery, 2001). Lack of knowledge of foreign market operations is an obstruction to the decision-making process in export activity (Cavusgil and Zou, 1994). The decision maker's role in exporting is crucial, as the understanding of strategic issues in exporting is usually seen as a multifaceted process by less experienced managers (Lages et al., 2005; Stoian et al., 2011). The time the manager has spent abroad, living, working or studying, allows for the accumulation of greater experiential knowledge in export market characteristics (Leonidou et al., 2007). Many studies have examined the international experience of the firm either in general or in export business (Baldauf et al., 2000; Brouthers and Nakos, 2005; Lado et al., 2004; Lages et al., 2008b) although some of the direct relationships hypothesised turn out to be non-significant. A study by Cadogan et al. (2002) revealed a positive relationship between export experience and performance of US firms.

Francis and Collins-Dodd (2000) found a positive result for export sales in the study of high-tech firms in Canada and argued that the more experienced the managers are, the better their understanding of foreign operations compared to managers without experiential knowledge in international markets. Firms employing untrained and inexperienced staff in international business tend to exhibit lower levels of performance because of lack of information on environmental opportunities and threats (Francis and Collins-Dodd, 2000). Leonidou and Kaleka (1998) uncovered a strong positive effect of export market knowledge on overall export performance and attributed this to export experience. Alshammari and Islam (2014) found a positive relationship between international experience and export performance with the study of Malaysian exporters and explained that managers with international experience have an extra advantage in understanding different market conditions in foreign markets.

The evidence of these studies is not conclusive, as other researchers have identified a negative association between the two constructs (Baldauf et al., 2000; Brouthers and Nakos, 2005; Lages et al., 2008b; Naidu and Prasad, 1994). Naidu and Prasad (1994) found inexperienced exporters performed better although experienced exporters were more regular exporters. Naidu and Prasad (1994) argued that more experienced exporters become realistic about the profit impact of exporting and temper their profitability expectations. The negative relationship between international experience and export performance in the literature is attributed to limited access to resources for young firms, which forces them to go abroad (Brouthers and Nakos, 2005). The less experienced managers experience greater pressure concerning achieving of higher export

performance and view international sales as more essential to the long-term profitability of the firm (Baldauf et al., 2000). However, Lages et al. (2008b) did not discover a positive relationship between international experience and export intensity, although successful export marketing management is facilitated by international experience to a larger extent (Madsen, 1989).

2.3.1.4 Managerial Perception

Managerial perceptions regarding export stimuli are considered to be good determinants of export success (Robertson and Chetty, 2000; Wheeler et al., 2008). The extent to which the management of a firm is motivated to export by sales/profit goals is largely contingent upon the decision-maker's perception of various export markets (Leonidou et al., 2007). Perceived similarities and differences between the domestic and host market may determine a firm's export behaviour and influence its export performance (Sousa et al., 2008). Such similarities have often been underscored as an important determinant of export performance (Sousa et al., 2008). Cavusgil (1984) argued that the development of export activities is related to the goals of the firm; however, once the firm reaches a certain export involvement the most important export motivation is presented by the perceived profits. Theodosiou and Katsikeas (2007) asserted export executives are more capable of advising export sales managers to perform assigned duties in foreign markets that are perceived to be closer to the home market.

2.3.1.5 Export Commitment

The commitment by the organisation to exports has been referred to as export commitment, top management commitment or managerial commitment (Lages and Montgomery, 2001; Navarro et al., 2010a; Stump et al., 1998). This signifies how important a firm considers exporting and the number of resource allocations made towards the export activity. The attitudes and commitment of management are frequently cited as important determinants of export performance irrespective of performance dimensions (Navarro et al., 2010a; Stoian et al., 2011). This outcome tallies with previous scholarly reviews and confirms the conclusion that highly committed managers consistently go after export market opportunities and pursue effective export marketing mix strategies to improve performance (Cavusgil and Zou, 1994). Once commitment uncertainty is reduced, export marketing strategies can be implemented effectively to enhance performance (Julian, 2003). Management teams committed to exporting allocate more human and financial resources to the export activity (Navarro et al., 2010a). This enables them to improve the depth of planning procedures in terms of market analysis needed by managers to implement export marketing strategies that are suitable to the needs of different

markets (Cavusgil and Zou, 1994; Lages and Montgomery, 2001). Management's perceived export advantage predicted well with export sales, profits and growth whereas management's export barriers ended up in low exports sales, slow export growth and low perceived export success (Zou and Stan, 1998). It is paramount for the management of the firm to concentrate on the advantages of exporting rather than barriers and have a positive attitude towards the export activity (Awan, 2011). Proactive managers are motivated and prove themselves in wanting to pursue export opportunities and show commitment (Zou and Stan, 1998). Low commitment towards exporting manifests itself in negative stimuli which supports the conclusion that low attitudinal commitment does not increase export performance (Milanzi, 2012). Julian (2003) found that Thailand exporters allocated resources to the export activity to maintain their product's level of exposure to the export market in order to enhance export performance.

2.3.1.6 Export Marketing Mix Strategy

Export marketing strategy is the means by which the firm responds to the interplay of internal and external forces to meet the objectives of the export venture involving aspects of the conventional marketing plan; i.e. - product, price, promotion and distribution (4Ps) (Cavusgil and Zou 1994). Export marketing strategy is concerned with the creation of a marketing mix that enables the firm to achieve its objectives in a target market and react to competitive market forces in the environment (Lee and Griffith, 2004; Slater et al., 2010). Export marketing strategies have a major impact on the efficiency and cost structure of a firm and are argued to be the road map to how firms respond to internal and external forces by using the marketing mix elements (Hill and Jones, 2007). Lages et al. (2008b) added that the utilisation side of organisational learning is aligned with the prevailing opinion in the export marketing strategy literature that marketing mix strategies incorporate differences in the political-legal, economic, and socio-cultural characteristics of any host country (Cavusgil and Zou, 1994; Lee and Griffith, 2004).

Implementation of planned marketing strategy is widely seen as a problematic managerial task that consumes extensive time and effort but often ends in disappointment (Morgan et al., 2012; Thorpe and Morgan, 2007). Moreover, effectively accomplishing a planned export marketing strategy is a more demanding and risky task for managers involved in exporting due to the characteristics of the export market (Morgan et al., 2004). Operating in export markets involves dealing with geographical distance, business practices, a disparity in export markets, legal systems, channel structure, and communication infrastructure (Sousa and Bradley, 2006),

which makes understanding future marketing forecasting particularly difficult (Morgan et al., 2012).

Traditionally, the debate on international marketing has been polarised around the adoption of a standardised strategy worldwide versus adaptation to specific local market conditions (Douglas and Wind, 1987). The adoption of a standardised strategy worldwide enables a firm to take advantage of the potential synergies from multi-country operations which constitute a competitive advantage in international markets (Levitt, 1983). On the other hand, others have argued that adaptation of strategies to characterise specific foreign markets is crucial to success (Douglas and Wind, 1987). International marketing literature identifies three perspectives related to the standardisation versus adaptation debate: the two extreme opposites of complete standardisation versus complete adaptation and the “middle of the road” (Birnik and Bowman, 2007; Jain, 1989; Solberg, 2002). The standardisation concept argues that the export marketing mix elements (4Ps) can be standardised across all international markets (Birnik and Bowman, 2007; Solberg, 2002). This means selling identified products at the same price through similar distribution systems and supported by the same promotion programmes across foreign markets. In support of standardisation, Levitt (1983) strongly argued that selling a line of products individually tailored to each nation is inconsiderate as customers have an overwhelming desire for dependable world standard modernity in all things at aggressively low prices.

In contrast, the adaptation approach points out that despite increasing globalisation tendencies, differences between countries in terms of customer needs, purchasing power, culture and traditions, and laws and regulations necessitates the adaptation of the firm’s marketing strategy to suit foreign markets (Douglas and Wind, 1987; Solberg, 2002; Theodosiou and Leonidou, 2003). The concept of standardisation explains that the firm is be able to sell a low- cost product which is advanced, functional, reliable and of high quality which enables the firm to enjoy competitive advantage of scale economies, scope economies, learning efficiency and cost advantages (Levitt, 1983). The globalisation of markets is based on technological drivers, and this strategy is based on standardised products that will further strengthen increasingly homogenous customer preferences globally (Birnik and Bowman, 2007). Douglas and Wind (1987), in disagreement, espouse that changes in the global business environment demand a global perspective on strategy and describe the proposition of global standardisation as “naive and over-simplistic”. This may result in major strategic blunders for firms who follow that prescription, as planning marketing strategically has become increasingly imperative (Solberg

and Durrieu, 2008). In contrast to the proposition of “standardisation” as the one best way, Douglas and Wind (1987) advocate a contingency solution approach based on mixed strategies. Ohmae (1989) advocates a similar contingency solution where the quest for universal products is not a general prescription, but argues that the prescribed global standardisation by Levitt (1983) makes sense for segments and certain product categories.

Standardisation reduces costs and provides a globally identifiable brand image; however, adaptation is necessary because of the numerous differences between local and foreign consumers (Solberg and Durrieu, 2008). The decision concerned with standardisation versus adaptation of the export marketing mix strategy (4Ps) in enhancing export performance has been a research area of immense interest for both academics and practitioners (Viswanathan and Dickson, 2007). The potential association between the adaptation of the export marketing mix strategy (4Ps) and export performance is characterised by unresolved findings that attract further investigation (Katsikeas et al., 2006; Lages, 2000; Leonidou et al., 2002). Export marketing strategy is associated with managing of all components of the marketing mix (Lages et al., 2008b). Moreover, many studies have focused on the influence of the adaptation strategy of a particular marketing mix element, commonly product or promotion on export performance, while price and place adaptation have been relatively ignored (Lages, 2000; Theodosiou and Leonidou, 2003). There is evidence in the literature that internal coherence should exist between the export marketing mix elements and policy, revealing the importance of investigating the overall export marketing mix strategy (4Ps) with export performance (Lages et al., 2008b). Performance is a function of the strategic co-alignment between export strategy, organisational resources, and the capabilities of the environment (Cavusgil and Zou 1994). The key elements of the export marketing mix strategies (4Ps) and their associations with export performance are discussed in the next section.

2.3.1.6.1 Place (Distribution) Adaptation

Export channel or distribution strategy is the degree to which a firm applies direct instead of indirect channels in distributing its export products, and this is evaluated by gathering the ratio of direct exports to local distributors and retailers in the export market (Lee and Griffith, 2004). Distribution decisions concerning the export marketing mix strategy are long-term decisions, which cannot readily be changed (Eusebio et al., 2007b). This makes choice of channel structure crucial as firm and market factors influence export task in various ways (Czinkota et al., 2011). An experienced exporter may decide to control the channel, perform tasks and incur the

information-collection and adaptation cost, whereas an infrequent exporter may be quite dependent on experienced intermediaries to get products to the markets (Lado et al., 2004). Whether the task is self-performed or assigned to export intermediaries, the distribution channel should be planned to enable the channel function as one rather than a collection of different or independent units (Eusebio et al., 2007a). Channel distribution should be adapted to suit the customer characteristics, culture, and competition in the export market (Lee and Griffith, 2004). Place (distribution) is one of the important export marketing mix strategies, as customers need to have their products in the export market effortlessly and on time (Cavusgil and Zou, 1994). Place (distribution) is also one of the “4Ps” where limited research has been conducted particularly in the standardisation and adaptation debate (Myers and Cavusgil, 1996; Sousa et al., 2008; Zou and Stan, 1998). Distribution channel performance or the effectiveness of channel intermediaries has also been linked to export performance (Cavusgil and Zou, 1994; Lado et al., 2004; Lages and Jap, 2002). Zou and Stan (1998) found the type of channel adaptation’s influence on export performance was mixed, although channel relationship expressed as dealer/distributor support, motivation, and involvement emerged as key determinants of export sales, which is consistent with the findings of Madsen (1987).

Support given to a distributor can lead to a long-term relationship with the exporter, build mutual trust and a smooth export channel, where strong distribution channels can assist the exporter to implement the export marketing strategy effectively (Eusebio et al., 2007a). Aaby and Slater (1989) found distribution to be important to export performance and Cavusgil and Zou (1994) provided evidence that foreign distribution channels influence export performance as customers in the foreign market need to get their products on time. Lages et al. (2005) in their investigation of perceptions of Portuguese and British export managers revealed distribution network/availability as a determinant of export performance. Lee and Griffith (2004) concluded that a direct exporting channel has a positive effect on export performance if there is a distribution strategy in place. Active and advanced exporters have more control of distribution activities and product delivery plans in the export market (Eusebio et al., 2007b). Dealer support correlated with export performance positively and Leonidou et al. (2002) concluded that one of the marketing mix strategy variables that hardly appeared in studies is transportation cost (Leonidou et al., 2002).

2.3.1.6.2 Product Adaptation

The core of a firm's international operations is its product or service (Hollensen, 2007). Product adaptation has been defined as the firm's consistent and planned activity to meet local consumers' preferences and values (Lages et al., 2008b; Leonidou et al., 2002). A product can be defined as the complex of tangible elements or a collection of physical, service, and symbolic attributes that distinguishes it from the other entities in the marketplace (Czinkota et al., 2011). Products can be differentiated by three components: (1) the physical core product, (2) the product package and (3) the auxiliary services (Hollensen, 2007). The tangible features are the design, colour, size, style and presentation. Elements of the product packaging include the brand name, labels, and trademark, while the auxiliary services include the warranties, after sales service, delivery, installation and user manual.

In export marketing, product strategy translates into a policy of whether to standardise or adapt. A firm has four basic alternatives in approaching international markets: (1) selling the product as it is in the export market, (2) modifying products for different markets/regions, (3) designing new products for foreign markets, and (4) incorporating all the differences into one product design and introducing an export product (Czinkota et al., 2011). The standardisation or adaptation of the product can be in an element of the physical core product, package, or auxiliary as consumer goods generally require adaptation because of their higher degree of cultural grounding (Czinkota et al., 2011). The degree of change introduced in consumer goods not only depends on cultural differences but also on economic conditions in the target market, as low incomes in certain countries may cause pressure to simplify the product to make it affordable (Harding et al., 2001).

Products for the international market may be designed and introduced specifically for foreign markets in addition to the firm's relatively standardised or adapted products and brand (Calantone et al., 2002). For example, although Colgate toothpaste is available worldwide, the company markets some products locally such as a spicy toothpaste formulated exclusively for the Middle East. McDonald's serves abroad the same menu of hamburgers and soft drinks, but has tried to tailor its products to local style; adjustments are made for drinks which include beer in Germany and wine in France. Marketers may have to apply similar adaptation needs in their domestic operations; for instance, fast food restaurants in South America serve iced tea, whereas those in the Northeast do not (Czinkota et al., 2011). Ghanaian exports including seafood and vegetables were rejected at entry points in the European and US markets because

of non-adaptation to suit the rules and regulations of health and safety, packaging and quality standards in those foreign markets (Kunateh, 2013). Adaptation in product styling, colour, size and other appearance features is more common in consumer marketing than in industrial marketing. Colour plays an important role in how consumers perceive a product and marketers must be aware of the signal being sent by the product colour (Sousa and Bradley, 2008c). One way export firms can protect themselves against incidents of this kind is through thorough on-site testing in the international market (Hollensen, 2007).

Recent literature supports different strategies of international marketing (Czinkota et al., 2011). Instead of total standardisation or total adaptation, this perspective seeks a balance between the two, where the degree of standardisation or adaptation is determined by the external environment and internal organisational factors (Douglas and Wind, 1987; Hultman et al., 2009). These may include government rules, the cultural similarity of markets, and legal and regulatory frameworks pertaining to the export market (Lages and Sousa, 2010). Mixed results have emerged empirically with product adaptation and performance although many works have tried to bring the dilemma to a close (Cavusgil et al., 1993; Cavusgil and Zou, 1994; Christensen et al., 1987; Lages et al., 2008b). A non-significant relationship was found between the adaptation mix and export performance using a sample of 202 firms in the United Kingdom (Ambler and Styles, 1996).

A cross-continent study of 110 firms by Fraser and Hite (1990) found that product adaptation to country-specific needs had no significant effect on market share and the study concluded a country specific design is unprofitable. Conversely, many empirical studies have found a positive relationship between product adaptation and export performance (Cavusgil and Zou, 1994; Leonidou et al., 2002; Shoham, 1999; Zou et al., 1997). Lages et al. (2008b) in a study of 519 Portuguese exporters found export intensity exerted a positive significant effect on product adaptation in the preceding year and product adaptation negatively influenced current-year export performance. Lee and Griffith (2004) found support for the strategy-performance relationship in Korea and argued that product adaptation influenced their export performance positively. The study concluded that whether there is standardisation/adaptation or not, products designated for export markets should be of high quality with low pricing strategies (Lee and Griffith, 2004).

2.3.1.6.3 Promotion Adaptation

Promotion strategy is a collection of integrated activities planned, coordinated, and built around a single major theme or idea designed to achieve predetermined communication activities (Lado et al., 2004; Lages and Jap, 2002). Effective promotion is particularly important in the international market as geographical and psychological distances separate exporting firms from their intermediaries and customers (Czinkota et al., 2011). The elements of a promotional programme include advertising, personal selling; sales aids, and a wide range of promotional activities. Factors that affect the promotional programme design include the extent of the market, customer preference, buying behaviour, competitive circumstances, product characteristics and price (Belch and Belch, 2007). An export promotional programme may either be a standardised approach or adapted. The standardised approach assumes that basic human needs, wants, and expectations transcend geographical, national, and cultural boundaries. This means a standardised promotional programme is designed in such a way that it keeps sufficient common elements across various markets in order to minimise resources and time management (Chung et al., 2012).

An adapted promotional programme considers differences among countries, including culture, stage of economic and industrial development, product life cycle and legal restrictions (Hollensen, 2007). Another view holds that neither complete standardisation nor adaptation is necessary and a more effective advertising strategy using the combination of the two approaches can be developed after careful evaluation of possible factors to improve effective advertising in the countries involved (Leonidou et al., 2002). Promotion adaptation is particularly relevant to exporting because the implementation of an appropriate promotion strategy is largely beneficial in achieving positive performance (Hultman et al., 2011). Arguments for standardised promotional programmes are based on the low cost of preparing advertising material that helps reduce message confusion, especially where there is an overlap of media (Papavassiliou and Stathakopoulos, 1997).

A standardised promotional approach recognises human nature is the same everywhere although different cultures create different needs; therefore, various promotional programmes may have different appeals across markets (Czinkota et al., 2011). When an advertisement is run, the cultural background of the advertiser affects the message form whereas the cultural background of the recipient determines the message perception (Hollensen, 2007). The conceptualisation of moving from one polar end of standardisation to the other polar end of

adaptation indicates a strategy continuum (Czinkota et al., 2011). The firm needs to consider specific elements of international advertising strategies to be adapted or standardised to suit the foreign market (Sousa et al., 2008). Leonidou et al. (2002)'s review supported promotion adaptation, which was positively associated with overall performance; they argued that although the effect of promotion adaptation on export profit contribution was limited, it had a strong influence on export intensity and sales growth.

Other studies did not identify any significant relationship between promotion adaptation and export performance (Lages and Jap, 2002; O'Cass and Julian, 2003). Singh (2009) found advertising expenditure had a negative impact on export sales and concluded that promotion adaptation is driven by the competitive pressure in emerging markets. Lee and Griffith (2004) in their study of 58 Korean exporters revealed that overseas advertising expenditures did not influence export performance and concluded this could be attributed to the sample which comprised different business-to-business markets. Lee and Griffith (2004) argued that advertising efforts were generally focused on a specific part of the export market because of limited resources of firms in emerging markets, as the managers might not target overseas customers in an advertising campaign.

2.3.1.6.4 Price Adaptation

Price is a variable used to exchange value with customers (Lages and Montgomery, 2001). Greater value in relation to price creates significant demand for a product, hence appropriate pricing can influence the success of the export marketing programme (Kotler, 2008). Three general price-setting strategies in international marketing are: a standard worldwide price; dual pricing, which differentiates between domestic and export prices; and market-differentiated pricing (Czinkota et al., 2011). The first two methods are cost-oriented pricing methods and the third strategy is based on demand orientation. Standard worldwide pricing may be the same regardless of the buyer, or may be based on average units of fixed, variable and export related cost.

Export pricing strategy may also be determined by costs, demand conditions, competition, legal and political issues and general company policies. In dual pricing, domestic and export prices are differentiated where two approaches to pricing products for export are available: cost-plus method and marginal cost method (Hollensen, 2007). Under a cost-based pricing strategy, an exporter will usually attempt to cover true costs, fully allocating domestic and foreign cost to the product. This type of pricing uses margins, as the final price may be too high and

compromise competitiveness in the export market. The marginal cost method considers the direct costs of producing and selling products for the export market. An exporter may choose a standardised pricing strategy in which the domestic price is applied in the foreign market (Czinkota and Ronkainen, 1993; Hollensen, 2007; Lado et al., 2004; Lages and Jap, 2002). This approach is dictated by costs and experience in the domestic market and while this pricing strategy is easy to implement, it ignores the objectives of a firm as market conditions differ across markets (Czinkota et al., 2011). An alternative export pricing strategy is one that adapts or differentiates price for the main exported product or line of products according to the main foreign market, based on the market conditions and level of competition (Lages and Montgomery, 2001). Under this strategy, pricing analysis in international markets is explored by the level of value the target segment places on the product category and how the differences in the product add or subtract value (Czinkota et al., 2011; Sousa and Bradley, 2009).

Price adaptation can be limited by the grey-market problem, which could result in unauthorised dealers buying goods at low prices in one country and re-selling in another country at higher prices (Hollensen, 2007). Price adaptation can also be affected by dumping activities, whereby goods are sold overseas for less than in the export market. Pricing strategies might be difficult to adapt to foreign markets due to resource allocation and export market competition (Lages and Montgomery, 2001). The advantage of a differential pricing strategy is that it enables the exporter to consider the differences across markets. For example, a group of customers in diverse markets may have different evaluations of products depending on factors like political, legal, economic, and socio-cultural characteristics of the host country (Leonidou et al., 2002). Although empirical studies have examined the relationship between price adaptation and export performance, this area of research has received little attention and produced mixed results (Lages, 2000; Shoham, 1995; Sousa and Bradley, 2009).

Some studies identified a positive relationship between price adaptation and export performance (Das, 1994; Lee and Griffith, 2004; Shoham, 1996). Das (1994) revealed that Indian firms with higher export performance were more likely to have adapted their product prices in foreign markets. Cavusgil and Zou (1994) found a positive link between price competitiveness and export performance and Eusebio et al. (2007b) found confidence in product price had a positive impact on export performance in the study of 133 Italian and Spanish exporters. Madsen's (1989) study of Danish exporters explained that the result of using standardised price was that their market displayed lower prices than those receiving the exports.

Therefore, Denmark firms benefited from a standardised pricing strategy indicating a lower competitive price was usually linked to export performance (Madsen, 1989). Leonidou et al. (2002) discovered a positive relationship between price adjustment and export performance with the exception of export sales volume. Other studies reported that price adaptation was negatively related to export performance (Sousa et al., 2008). Lages and Montgomery (2001) reported price adaptation was insignificant and negatively related to export performance among Portuguese firms. Sousa and Bradley (2008a) found a negative relationship between price adaptation and export performance, indicating the smaller the degree of price adaptation, the higher the export performance of the firm. Other studies reported a negative link between price adaptation and export performance and demonstrated the presentation of a consistent price image across markets led to enhanced performance (Lages and Montgomery, 2005; Shoham, 1999; Zou et al., 1997).

2.3.1.7 Product Characteristics

Product characteristics are the inherent features of the product offering, whether actual or perceived (Czinkota et al., 2011). These include the benefits they provide to consumers in the international market. Consumer nondurables, such as food products, generally show the highest degree of sensitivity towards differences in national tastes and habits. Consumer durables like cameras and home electronics are subject to similar demands and the success of these goods are predicted by a particular different adjustment technology (Hollensen, 2007). Industrial products tend to be more shielded from cultural influences; however modifications may sometimes be necessary as a result of government regulations and restraints, for example in the telecommunications industry in certain countries (McGuinness and Little, 1981).

The exporter must adhere to legal, social or religious requirements of the product by ensuring the items do not contain ingredients that might violate these rules in the international market (Sousa and Bradley, 2008c). For example, in Islamic countries, animal fats have to be replaced by ingredients such as vegetable shortening (DeLuz, 1993). Product characteristics are utilised to explain marketing policies and methods. Each distinguishing characteristic must be reasonably stable during the period of time (Sethi, 2000). The explanation of the product characteristics has to be valid and must be universal in the sense that it is to some degree a feature of all the products. McGuinness and Little (1981) maintained that product characteristics can influence managers in two categories: those characteristics that highlight or depress a sense of opportunity in managers towards foreign markets, and those characteristics

that create a sense of need in managers for additional sales in foreign markets. Managers are pulled into exporting by the ability of their products to spread independently into foreign markets and this can relate to the diffusion characteristics of the product, which indirectly stimulate managers to export (Harding et al., 2001). Tangible evidence of this motivation is reported where the development of unique product qualities was cited as key motivators for managers who began exporting for internal reasons (McGuinness and Little, 1981).

2.3.1.7.1 Packaging/Labelling

Packaging is one of the important features of product characteristics in the international market and provides three major functions: protection, promotion, and user convenience (Czinkota et al., 2011). Of utmost concern for the exporter is making sure the product reaches the ultimate user in the form intended. Packaging can vary as a function of transportation mode, transit conditions and length of time in transit. Many firms in international marketing, especially those exporting food products, tend to use more expensive packaging materials and/or more expensive transportation modes because of the longer time those products spend in distribution channels (Hollensen, 2007). The promotion aspect of packaging relates to labelling and a major adjustment legally required is the language in the case of countries, like Canada with two languages. Other government requirements call for more informative labelling on products for adequate identification and failure to comply may cause rejection at the entry point. Companies have to make a prudent choice of colours and package shapes. African nations often prefer bold colours, although flag colours may be either preferred or disallowed and colours like red and black are associated with death or witchcraft (Czinkota et al., 2011). Package size may also vary according to purchasing patterns and market conditions across countries with modest or low incomes and purchasing power, where customers buy smaller sizes or single units. There is growing belief that innovative new products have a better than average chance of developing strong export sales with a marketing strategy that stresses that these products might effectively build greater international sales (Hollensen, 2007).

2.3.1.7.2 Product Quality

Product quality is defined as perceived superiority or excellence in a product as compared with competing alternatives from the perspective of the marketplace (Hollensen, 2007). It is important to understand how specific dimensions of the superiority of a product should be evaluated (Sethi, 2000). Garvin (1984) presented many dimensions of product quality; five of these dimensions would be useful in developing a definition of product quality applicable to durable and nondurable products. These five dimensions are aesthetics, performance,

durability, workmanship and perceived quality. Aesthetics is the extent to which the new product is attractive in appearance in matters of personal judgement. Performance refers to the primary operating characteristics of a product and how well it performs its intended functions. Durability is the period the product remains usable before it deteriorates and needs to be disposed of. Workmanship refers to how well manufactured the product appears to be. Perceived quality refers to how subjective consumers possess complete information about a product's attributes. In these circumstances, products will be evaluated less on their objective characteristics than on their image (Garvin, 1984; Sethi, 2000).

Improved product quality might lead to profitability (Christensen et al., 1987). Garvin (1984) argued that improvements in performance, features or other dimensions of quality lead to increased sales and large market share. Quality improvement may affect profitability on the cost side as increased market share leads to experience-based cost savings and further gains in profitability (Sethi, 2000). Field failures result in lower manufacturing and service costs, which can be reserved if defect prevention is reduced in the product. Managers have to assess how their approach to quality changes as the product moves from design to market. The right approach adopted could lead to cost savings, market share gains and profitability improvement (Garvin, 1984). On quality, Christensen et al. (1987) found successful exporters had strong quality control systems.

2.3.2 External Determinants

No company operates in a vacuum but must deal with the external environment. Foreign markets pose both threats and opportunities for firms which are argued to affect export performance significantly (Sousa et al., 2008). Often exporting constitutes a complicated operation for managers, moreover, when the firm is operating outside the domestic market. Czinkota et al. (2011) posit that no manager can afford to ignore the policies and regulations of the country from which their firm conducts international business as they are more likely to be affected by government regulations and the socio-cultural, legal, and political situation in a country. A firm's decision to export may depend on either the domestic or foreign market environment, although limited research has been carried out on the external environment as a determinant of export performance (Lages and Sousa, 2010; Sousa et al., 2008). The three key factors highlighted in the literature include foreign market attractiveness, export market competition and export promotion programmes (Sousa et al., 2008).

2.3.2.1 Foreign Market Attractiveness

Foreign market attractiveness variables that appear to influence export performance include political/legal environment, cultural similarity and local business conventions (Lages, 2000; Sousa et al., 2008; Styles and Ambler, 1994; Wheeler et al., 2008).

2.3.2.1.1 Political/Legal Environment

External environment factors like the political and legal environment are also associated with export performance (Lages and Jap, 2002). The perspective of the political environment of a country might result in interference in the affairs of foreign businesses (Madsen, 1989). Political intervention can be defined as a decision on the part of the host government that enforces changes in operations, policies, and strategies of a foreign firm (Jain, 1989). These may act to undermine the effectiveness and competitiveness of the activities of the exporting firm. It is necessary for firms operating in foreign markets to keep a close track of changes in regulations, technology and customer preferences (Shoham, 1999). The export environment can have an impact on the export operations due to different customer preferences and different national and local legislation (Lages and Jap, 2002). A foreign country's government may impose exchange controls, which can have a significant impact on reinvestment, financing and repatriation decisions (Beamish, 1993). Thus, laws and pressures from the foreign government can play an important role in performance by enhancing or reducing a firm's effectiveness and capability (Beamish, 1993; Cavusgil and Zou, 1994). Ogunmokum and Ng (2004) concluded that firms faced with legal problems like the freedom to convert, or transfer their currencies performed better after the managers became aware of the problems. However, managers of high performing firms designed more appropriate strategies to overcome the challenges than those in low-performing firms (Ogunmokum and Ng, 2004).

Styles and Ambler (1994) reported that high and low performers among UK exporting firms surveyed did not differ significantly in terms of their perception of the quality of infrastructure in foreign markets. In comparing the performance of firms that export to develop and developing countries, Sriram and Manu (1995) found firms exporting to developing countries have a better performance than firms exporting to developed countries. They attributed this to the existence of less competition in developing countries. Sriram and Manu (1995) found that the exporters perceived the foreign political environment (i.e. inflation rates, exchange rates and import restrictions) to affect only export sales in a negative manner, with export ratio and export effectiveness remaining unchanged. Kaynak and Kuan (1993) argue that the suitable

foreign market environments are more industrialised places where quality control standards are more inter-acceptable and market price fluctuations are lower. High profitability is achieved through better management of organisational resources, thus creating synergistic benefits to exporting (Kaynak and Kuan, 1993). Balabanis and Katsikea (2003) found that an unstable environment induces managers to adopt an entrepreneurial posture thereby boosting export performance although it is not true for hostile and diverse environments. Baldauf et al. (2000) ascertained that perceived environmental effects do not have a strong impact on export performance in Austrian exporters.

2.3.2.1.2 Cultural Environment

The strategies to apply when entering a foreign market necessitate considering cultural factors, therefore, managers not culturally sensitive could face difficulties understanding business practices in foreign markets (Sousa et al., 2008). There is an indirect assumption that cultural similarity is positively related to export performance and the assumption behind this theory is based on similarities of firms (Shoham, 1999). It is easier for firms to manage similarities than dissimilarities thereby, making it more likely that firms will succeed in similar markets (Sousa et al., 2008). This is in line with the findings of Lado et al. (2004) who concluded that culturally similar markets reduce the perceived risk of failure and provide incentives to companies with a limited exposure to foreign markets to start trading in those markets. On the other hand, Sriram and Manu (1995) found high performing firms perceived the sociocultural environment to be associated with lower export performance.

It has been argued that the more culturally distant a market is, the more different are the product attributes and foreign consumer values (Madsen, 1989). Madsen (1989) posits that in order to export successfully, firms must choose countries with a small psychic distance rather than far distant and unusual markets. This implies choosing markets in which managers understand factors like language, culture, the level of education and the political system (Sousa and Bradley, 2008c). Conversely, Mavrogiannis et al. (2008) found that the similarity of export and domestic markets are insignificant, and neither close nor distant markets affect the export marketing mix strategy or export performance. Thus, exporters should utilise new market opportunities whether they are dissimilar to domestic and/or existing export markets. Mavrogiannis et al. (2008) concluded that psychic distance disturbs the flow of information between firms and markets, for instance, differences in language, culture, political system and industrial development, which managers need to understand. Julian (2003) suggested that it is important for export managers to know the level of complexity in the markets to understand the

degree of adaptation required for customer preferences and the extent of government interventions and regulations.

2.3.2.2 Export Market Competition

Export market competition refers to the intensity of competition and the extent to which businesses strive to outdo others to gain economic rents (Cavusgil et al., 1993). The higher the intensity of competition in a foreign market, the more a company will have to adapt their export marketing mix strategies (Jain 1989). In addition, the level of competition in the foreign market and the degree of customer familiarity with the product influence the firm's choice of export marketing mix strategy and performance (O'Cass and Julian, 2003). Competitive pressures, therefore, can force firms to reduce their prices or adapt products to meet the specific needs of a particular export market (Katsikeas et al., 2006). Cavusgil and Zou (1994) demonstrated that the level of competition affects the levels of product and promotion adaptation.

As competition increases, firms are forced to adapt strategies to distinguish their products and gain a competitive advantage over other firms (Lages and Montgomery, 2001). Firms adapt strategies in developed markets with affluent, sophisticated and educated consumers to suit their preferences (Eusebio et al., 2007b). Robertson and Chetty (2000) combined types of competition in the hostility of the domestic and foreign environments in their study of New Zealand exporters and linked this to management orientation. Their study found that an exporting firm with an entrepreneurial strategic posture will continue to operate successfully in an environment which is either hostile or benign. They further discerned that the entrepreneurial approach is desirable as it is able to perform successfully in all contextual situations using any combination of these contingency factors. Balabanis and Katsikea (2003) failed to establish the relationship between environmental hostility and the entrepreneurial posture of managers, as their study produced a negative effect on economic export performance. Overall, high competition may seem to be a threat but to overcome this challenge, proper export marketing strategies have to be implemented to suit the characteristics of the export market (Balabanis and Katsikea, 2003).

In relation to markets where a well-defined set of customer preferences is stable, competition is relatively predictable and technology advances slowly which does not warrant stringent export marketing strategies (Hultman et al., 2011). The strategic goal of firms should be to concentrate on creating a sustainable performance through a competitive advantage in the

foreign market. This requires firms applying the most appropriate strategies to achieve competitive advantage by minimising operations in less competitive export markets (Barney, 2001). Intense competition is a predictor of the decision to analyse price and product strategies of competitors in foreign markets to develop a suitable adaptation strategy to enhance performance (Katsikeas et al., 2006). Bilkey (1982) discovered the degree of competition in the export market negatively affected strategies leading to weak performance and suggested evaluating competition abroad should be a priority of foreign market analysis. Therefore, creating of an effective export marketing mix strategy may enable a firm to differentiate itself from harsh environmental conditions as the differences between the home and export market may require additional adaptation strategies to enhance performance (Sousa and Bradley, 2008b).

2.3.2.3 Export Promotion Programmes

The importance of information and knowledge to export decisions is documented in the literature (Walters, 1983). The type of export promotion programmes used by managers is perceived to play a role in their subsequent export achievement (Reid, 1984; Walters, 1983). Firms considering exporting may lack essential export information which may hinder their knowledge about the challenges and hurdles the export market may entail (Seringhaus, 1987). This is predominantly evident in small firms as the primary role of information raises management's export marketing skills and competence in the early exporting process (Cavusgil, 1984). Where the necessary information may not be available internally in the firm, government export promotion programmes that offer export marketing information could be a comprehensive and important source of information for the firm (Williamson et al., 2011).

Therefore to reduce the negative impact of export associated barriers, many governments offer assistance to private sector firms through a wide range of export promotion programmes (Leonidou et al., 2011). Although these programmes are exclusive in relation to the economic, cultural, legal and political characteristics of each country, their fundamental aim is to improve the strategic management and performance of individual firms operating in overseas markets (Lages and Montgomery, 2005; Leonidou et al., 2011). Promoting national exports is a primary concern of many governments to developing the country's full export potential (Lages and Jap, 2002). Moreover, national exports provide the means to increase employment opportunities in the domestic market, generate foreign exchange to finance imports, enrich public funds with additional tax revenues and achieve greater economic growth (Leonidou et al., 2011).

Export promotion programmes generally comprise (1) export service programmes such as seminars for potential exporters, export counselling, how-to-export handbooks and export financing and (2) market development programmes such as dissemination of sales leads to local firms, participation in foreign trade shows, preparation of market analysis and export newsletters (Gençtürk and Kotabe, 2001). Export assistance efforts can be differentiated by whether the intent is to provide informational or experiential knowledge. Informational knowledge is provided through workshops, seminars and how-to-export assistance and experiential knowledge is gained through arranging of foreign buyers of trade missions, trade and catalogue shows or participating in international marketing research (Gençtürk and Kotabe, 2001). Seringhaus (1986) argued that the role of export marketing assistance is threefold. First, it aims to place risks and opportunities for foreign market involvement into perspective. Second, it pursues a firm's interest and commitment to exporting. Third, it acts as an external resource to build the knowledge and experience necessary for successful foreign market operations.

The concept of export marketing assistance holds importance for small firms because they do not benefit from diverse resources as large firms (Seringhaus, 1986). Small firms are the most likely candidates to become new exporters, therefore promoting their interest and broadening their international scope and competitiveness seems to an important objective of public policy makers (Alvarez, 2004). However, public policy makers are faced with the challenge of understanding firms' needs in relation to export involvement to effectively assist managers with export promotion programmes. This understanding means providing the right information to the right firm at the right time. Bodur (1986) reported that the insufficiency of export information provided by the government was a regular problem for Turkish exporters.

There is a critical need for better understanding the managers' awareness of services needed and their actual perceived impact on a firm's export marketing activity (Freixanet, 2012). This increased understanding between firms and public policy makers will assist match programmes to specific needs, whereby external resources could positively contribute to exporting success (Griffith and Czinkota, 2012). Export services that provide managers with personal experience have been found to produce greater benefits than services that are primarily informational, due to their direct effect on management's expert knowledge (Leonidou et al., 2011). Export promotion programmes have been found to facilitate pre-export activities among less experienced exporters and to improve export performance among more experienced exporters (Durmuşoğlu et al., 2012). Export promotion programmes assist firms to overcome barriers in

their export operations, thereby accelerating their accomplishment of export results (Gençtürk and Kotabe, 2001). Export promotion programmes represent readily available external sources of information and experiential knowledge that provide the firm with an external capability to cope with the complications of exporting (Martincus and Carballo, 2010). Gençtürk and Kotabe (2001) argue that export promotion programmes enhance a firm's competitiveness compared to that of non-users by increasing knowledge and capability pertaining to export market development.

Export promotion programmes are generally provided to exporters free or at a nominal charge, offering a cost-efficient means of gaining knowledge and experience (Sraha, 2015). Such assistance also provides a central record for market information and sales leads, which enables firms to save time and money. Thus, the use of export promotion programmes results in a significant reduction in the investment necessary to generate and maintain in-house export expertise (Leonidou et al., 2011). Gençtürk and Kotabe (2001) empirically supported the financial benefits of export promotion programmes as direct cost savings enjoyed by users through programmes such as subsidies, below-market rates and travel fares.

2.3.2.3.1 Export Promotion Programmes and Export Performance

Research has examined export promotion programmes since the 1960s, but the works undertaken have been largely fragmented, uncoordinated and unsystematic (Leonidou et al., 2011). Export promotion programmes have been examined generally from two major perspectives: the provider and the receiver (Leonidou et al., 2011). Studies using the provider's approach have focused on the content of the specific programmes that the government agencies provide and the procedure of formulating these specific programmes (Seringhaus and Rosson, 1998), the procedures these agencies follow to properly target firms (Naidu and Rao, 1993), and the method of evaluating the effectiveness of the programmes provided (Wilkinson and Brouthers, 2000). Studies examining export promotion programmes from the receiver point of view can be classified into five major groups (Leonidou et al., 2011). The first group dealt with the awareness, usage, and usefulness of export promotion programmes by non-exporters (Kumcu et al., 1995), exporters (Kedia, 1986), or both (Albaum, 1983). The second set of studies focused on segmenting firms that were receiving export assistance programmes according to the stage they had reached in their internationalisation process (Ahmed, 2002; Crick and Czinkota, 1995). The third group of studies highlighted the link between export promotion programmes and factors that enhanced or hindered the firm's efforts to initiate and

develop export operations (Singer and Czinkota, 1994). The fourth stream of studies demonstrated export promotion programmes are instrumental in enhancing organisational and/or managerial competence in export activities (Seringhaus and Rosson, 1998). The fifth and more recent studies investigate the effect of export promotion programmes on the firm's export performance (Lages and Montgomery, 2005; Wilkinson and Brouthers, 2000) or through the intervening effects of other factors (Shamsuddoha and Ali, 2006; Shamsuddoha et al., 2009). In the latter case, these programmes enhanced managerial perceptions, knowledge and commitment which in turn assisted in designing effective export marketing strategies to improve a firm's competitive advantage (Leonidou et al., 2011). Weaver et al. (1998) in their study of Norwegian exporters discovered a significant relationship between the use of government export promotion programmes and export performance. The study concluded that governmental units face a substantial problem in allocating money and effort among firms who seek aid for their export operations.

Seringhaus (1987) found that Canadian firms differentiated between objective and experiential information services and were more familiar with the latter. The level of awareness of the government export promotion programmes is tied to a firm's perceived information needs at different stages of the export involvement process. Donthu and Kim (1993) documented in the study of 640 US firms that outside use of export assistance is positively related to export growth. Gençtürk and Kotabe (2001) used three export performance dimensions to establish a relationship with the export assistance of US firms and the study produced mixed findings. The relationship between export assistance effectiveness and export shares was non-significant, however, a positive relationship was found between export assistance and the competitive position of the firm was found. Lastly export profitability did not have a significant relationship with export assistance. Gençtürk and Kotabe (2001) attributed the mixed findings to the fact that although the use of export promotion programmes is an important factor for export success, its impact demonstrates itself differently depending on the specific performance indicator applied.

Spence (2003) found trade missions to positively impact export performance by generating incremental sales in foreign markets for small and medium-sized firms in different countries including Ghana. With the application of trade assistance at the macro-level Crick and Lindsay (2015) found that different levels of service intensity demand different types of export assistance for firms engaged in international business. Crick and Lindsay (2015) argued that

export promotion programmes in terms of trade support have concentrated on the micro level and ignored support from the macro level. Conversely, some studies discovered a negative relationship between export assistance and export performance (Alvarez, 2004; Francis and Collins-Dodd, 2004). Stottinger and Holzmüller (2001) discovered a non-significant relationship between the use of export assistance and export performance in a comparative study of the US and Austrian firms. Lages and Montgomery (2005) recorded mixed findings; their findings revealed the direct effect of export promotion programmes on export performance was positively significant, and the indirect effect highly insignificant. Lages and Montgomery (2005) argued the indirect effect means that firms receiving more export promotion make more effort to adapt their pricing strategy at a lower degree, which in turn leads to poor performance.

Research supports export promotion programmes sponsored by government and non-governmental agencies designed to assist the firms' export activities contribute positively to export performance (Leonidou et al., 2011). In a review by Zou and Stan (1998), it was found that research has received less attention regarding the domestic market characteristics which needs attention and supports Sousa et al. (2008)'s call to advance theory in the domestic environment. Therefore, this research responds to the call to develop literature in the domestic market domain of export performance.

2.3.3 Other Factors of Export Performance

2.3.3.1 Location of the Firm

A firm's location is argued to have a positive influence on export operations as the metropolitan areas provide benefits to firms that can contribute to export performance (Freeman and Styles, 2014). Location of the firm has been categorised according to external scale economies or the extent to which a location has an advantage because of export-related services, good infrastructure and supply of raw materials favourable to export operations (Mittelstaedt et al., 2006). In effect, external scale economies are the increasing benefits accrued to the firm due to its metropolitan proximity (Freeman and Styles, 2014). This finding supports the works of Berko and Damoah (2013) who found firms located in the capital city of Ghana performed better compared to those located in other provinces in the country. Passive externalities emerge from firms, being co-located near similar firms as close proximity to other firms offers access to skilled labour and specialised suppliers available (Felzensztein et al., 2014). This provides a basis for why many scholars have argued that metropolitan areas provide advantages to firms to enhance export performance (Freeman et al., 2012; Fuller-Love et al., 2006).

Freeman and Styles (2014) maintained that the economic development in remote areas brews specific setbacks because of geographic isolation and sparse resources, and difficulties in attracting investment, access to business-related services, financial institutions and government agencies. Proximity to other firms can be vital to performance and the firm's innovation capacity, irrespective of internal resources (Berko and Damoah, 2013). Location-specific advantages provide benefits such as skilled labour, low-cost labour and supply of necessary logistics, which determines how firms are organised and managed to become competitive (Mittelstaedt et al., 2006). Moreover, benefits are gained when firms are together in an industry cluster, which provides local economies of scale and creates stable markets for specialised labour for the individual firm (Felzensztein et al., 2014). Firms observe and copy the best practices of others in the industry, which creates knowledge spillovers leading to efficient production of innovative products for foreign markets (Capello and Faggian, 2005). Intense rivalry, networks, better inputs and higher standards of production create location advantages to enable competitiveness in foreign markets (Freeman et al., 2012).

Metropolitan areas provide an infrastructure-related advantage to firms from which they can increase their export activities (Berko and Damoah, 2013). Effective distribution strategies are affected by additional logistical elements such as transportation delays and adequate warehousing facilities, which are more relevant for exporters due to time and distance required to complete their export operations (Freeman et al., 2012; Leonidou, 2004). Therefore, firms located in capital cities will be advantaged due to their access to financial services, services of government agencies and departments, logistics and competition that sparks invention of innovative products (Berko and Damoah, 2013).

2.3.3.2 Export Barriers

Study on export barriers is of the utmost relevance for many reasons (Leonidou, 2000). First, it provides insights into the different types and nature of challenges that prevent domestic firms from internationalisation. Secondly, it develops a platform for understanding the setbacks that prevent exporters from sustaining successful export operation outside their national borders (Leonidou, 2000). An export barrier is a constraint that hinders the ability of a firm to initiate, develop, or withstand business in foreign markets (Leonidou, 2004). Understanding export barriers can assist establish why some exporting firms are unable to exploit the full capacity of their business and why other firms fail to achieve positive performance outcomes (Craig and Ahmed, 2005). Small firms especially are more prone to problems such as resource constraints,

organisational deficiencies, and managerial limitations than larger firms (Milanzi, 2012). Generally, export barriers can be classified as internal and external (Leonidou, 2004). Internal barriers are related to organisational resources/capabilities and the firm's approach to exporting. External barriers usually emanate from the home and host environment within which the firm operates.

Procedure barriers that fall within internal barriers refer to those factors that are critical to the efficient operation of the firm (Tesfom et al., 2006). They originate from logistics and distribution aspects including outsourcing raw materials. Procedure barriers are external to the firm and cannot be controlled directly by the organisation (Craig and Ahmed, 2005; Leonidou, 2000). Shortage of working capital and funds has been identified as an export barrier. To operate a successful export business more often than not requires an extensive expenditure in researching overseas markets, customer preferences and product adaptation to suit the idiosyncrasies of the export market (Leonidou, 2004). Clearly, this can generate excessive financial constraints and inhibit the firm's progress in exporting. Other important factors are necessary to make these dormant barriers functional, which are attributed to the characteristics of the manager and the environment within which the firm operates (Fillis, 2001; Leonidou, 2004).

Managerial factors are paramount in operationalising the type, content and effect of export barriers. Managers who are incompetent, risk averse and inexperienced are more likely to perceive export obstacles in a strong manner than managers with capability, a risk-taking attitude and foreign exposure (Leonidou, 2004). Dissimilarity in export-barrier impact can be attributed to the outcomes of differences in managerial attitudes towards cost, profit growth and other aspects of exporting (Leonidou et al., 1998). Organisation factors can have a determining effect on export-barrier perceptions. There is evidence to illustrate that young firms are generally more susceptible to export barriers, compared to large firms that have more experience in exporting (Leonidou, 2000). Small firms are usually vulnerable to export barriers related to resource constraints, operating difficulties and trade restrictions (Tesfom et al., 2006). Moreover, firms belonging to different industries appear to perceive export barriers differently depending on their operations (Freeman and Reid, 2006). Environmental factors can also affect export-barrier perceptions in two ways (Leonidou, 2004). First, they can be the source of barriers in the home market such as local government regulations, infrastructure including roads/transport and logistics systems. Second, environmental barriers shape the obstacles

derived from foreign market conditions including economic, political and sociocultural, within which the firm has to operate. The export market is coupled with legal and regulatory frameworks including high standards to protect the consumer in the import market; therefore, managers have to allocate resources to adapt their products to meet the quality standards in various export markets (Tesfom and Lutz, 2006). Therefore, the impact of barriers to exporting is largely dependent on the characteristics of the manager, and the organisational and environmental background of the firm (Pinho and Martins, 2010). Managers who adopt a proactive outlook about these barriers and prioritise these problems according to their impact on the achievement of export goals are able to overcome these challenges (Leonidou, 2004).

2.4 Characteristics of Ghanaian Exporting Firms

Sorensen and Buatsi (2002) argued that manufacturing exporters should apply superior information management capabilities driven by new technology to accelerate growth in their operations. In their study of Ghanaian firms, exporters' status and export intensity revealed exporting firms performed better than non-exporters and firms with high export intensity recorded higher performance than non-exporters. Sorensen and Buatsi (2002) found that new exporters were more proactive in increasing export performance than old exporters. This finding is consistent with export performance literature, which argues that exporting can take place through planned and unplanned strategies depending on how firms exploit their opportunities (Crick and Spence, 2005). Moreover competing in the international market exposes exporting firms to new technologies and the potential to improve performance supports the learning-by-exporting theories (Sorensen and Buatsi, 2002).

Adada (2011) investigated manufacturing exporters based on eight-year panel data and found that the cost firms incur in export commencement remains constant within two years, although it becomes prominent thereafter. Older exporting firms in Ghana have experience, have established networks and survive longer in exporting which is achieved through resource investment by the firms (Adu-Gyamfi and Korneliussen, 2013). This finding is consistent with international business literature which argues that older firms have access to resources and are more likely to develop better capabilities (Lages and Jap, 2002). Similarly large firms are more experienced and have fewer setbacks than smaller firms as size and age significantly influence the profitability of the firms (Adada, 2011). This finding supports the direct effects of firm size on export performance which proves that having more employees generates higher export sales (Baldauf et al., 2000). Firms exporting final consumer goods in Ghana have unique challenges as most developed countries have strict rules and regulations for acceptance of these products

into their countries (Addo and Marshall, 2000). Thus, exporters of final consumer goods allocate substantial financial resources to upgrade their products to meet the quality standards to improve performance. Ghanaian non-traditional exports were rejected by the European Union (EU) and the United States (US) borders because of non-compliance with international standards (Kunateh, 2013). This has called for swift measures to address the situation by adapting products to meet the quality standards and characteristics of international markets.

Export performance did not depend on whether products were exported to other African countries or to the rest of the world. Ghanaian exporters utilised different product destinations whether or not countries were dissimilar to domestic and/or existing export markets as suggested by Mavrogiannis et al. (2008). Ghana is closer to other African destinations than countries in the EU and US but Ghanaian exporters have not been able to exploit this geographic proximity due to challenges in infrastructure and technological underdevelopment in Africa (Adada, 2011). The benefits associated with exporting to other African countries, like lower entry costs, similarities, and geographic proximity are offset by benefits with trade arrangements in developed countries (Adjasi, 2006). High-performing firms in Ghana expand by selling to different foreign markets to achieve better performance than low-performing firms. High export-intensive firms enjoy better pricing strategies and perform better than non-exporting and low export-intensive firms in Ghana (Abor, 2011).

Firm productivity and capital intensity did not have a positive relationship with export survival or proximity of destination, which implies that product destination is not significant in exporting (Adada, 2011). Economic policy initiatives should be directed to encourage new firms to export in Ghana (Teal, 2002b). Exporters have to be aware of incentives provided by the government and public policy makers in international trade newsletters and export promotion in Ghana (Teal, 2002a). This is achievable through effective export promotion programmes like trade shows, export training, export financing, and credit insurance (Addo and Marshall, 2000). Ghanaian firms exporting agricultural products experience more difficulties than firms exporting manufacturing and handicraft products (Adada, 2011). Agricultural products require product quality adaptation to suit international markets and also the establishment of distribution networks to meet the needs of customers in foreign markets. Thus, costs of re-entry for agricultural products are higher and firms are more likely to cease exporting than exporters of manufacturing and handicraft products (Adjasi, 2006).

The survival of firms is not affected by whether they operate in a high capital intensive or in a less capital intensive industry (Adada, 2011). Products classified as manufactured exports in Ghana are not high technology products but require minimal levels of capital to produce. Products classified as manufactured exports include wood, furniture, cocoa paste, handicrafts, cosmetics, plastics, footwear and textiles and garments (Addo and Marshall, 2000). Therefore, it makes no significant difference in performance whether the firms export these products to the EU, US or other African countries (Adada, 2011). Although the overall level of exporting activities in African firms falls short compared to other parts of the world, some progress has been made in some countries since the 1990s in the textiles and garments, wood and furniture and the horticulture industries (Ibeh et al., 2012). Therefore, a certain minimum threshold of efficiency/resources/capabilities is required for effective internationalisation among African firms to succeed outside their local markets (Ibeh et al., 2012).

2.5 Summary

This chapter has discussed the literature on the theoretical rational, the resource-based view and determinants of export performance at the firm level. The resource-based view argues that a firm's export performance is based on firm-level activities including firm size, age of the firm, competencies, resources, and export marketing strategies. The influence of the external environment provided insights from outside the domestic and foreign environment to explain the influence of the external characteristics in exporting. Foreign market attractiveness represented the importance of the political/legal regulatory frameworks, cultural factors and the level of export competition in the host country, which could both strengthen and weaken export performance. The relevance of export promotion programmes in terms of export information, training, trade shows and exhibitions to promote the development of export leads to enhance performance was highlighted. Types of export barriers encountered in the local and export market were classified as external and internal barriers of the firm. The firms encountered logistical, environmental, marketing, and financial barriers in exporting. Benefits are associated with firms located in metropolitan cities as they become successful and enjoy access to raw materials, logistics and funding. This chapter presented the theoretical foundation and reviewed literature on key determinants of export performance of the firm to build the theoretical foundation of the study. The next chapter presents the conceptual model with hypothesis development.

CHAPTER THREE CONCEPTUAL FRAMEWORK

3.0 Introduction

This chapter presents the conceptual framework and hypothesis development drawn from export performance literature and applies the resource-based view as the underpinning theory. The conceptual model is developed theoretically on internal factors (firm characteristics and export marketing mix strategy) and external factors (foreign and domestic market) of the firm.

3.1 The Conceptual Framework and Hypotheses Development

Drawing from the resource-based view and the literature reviewed in the previous chapter, the proposed conceptual model is shown in Figure 3.1. A review of export performance literature on internal determinants suggests that export performance of the firm is likely to be associated with the key decision-makers' international experience, export commitment, knowledge and skills (Griffith and Hoppner, 2013; Lages and Sousa, 2010; Navarro et al., 2010a). On resources and capabilities, the resource-based view argues that managers with international experience and commitment are more likely to learn the characteristics of various export markets and adapt export marketing strategies for effective operations (Lages, 2000; Lages et al., 2008b). Drawing from the resource-based view, the conceptual model integrates the export marketing mix strategy, place, product, promotion and price (4Ps) as the main mediating variable connecting other independent and dependent variables in the model. Therefore, the hypothesis development starts with export marketing mix strategy (4Ps) and export performance to allow consistency in the argument of the model based on theory conceptualisation (Lages and Montgomery, 2004). A similar approach to the model development in this study can be found in the works of Raman et al. (2013).

The study argues that international experience enhances export commitment and leverages export promotion programmes to empower the management of the firm to transform export marketing mix strategy (4Ps) into effective resources to create a competitive advantage in foreign markets (Lages and Sousa, 2010; Leonidou et al., 2011). These variables are internal resources aligned to the resource-based view that empower the firm to generate a competitive advantage in foreign markets. Furthermore, the attractiveness of the foreign market environment is examined as a moderator to investigate whether its effect strengthens or weakens the relationship between export marketing mix strategy (4Ps) and export performance (Sousa et al., 2008). Figure 3.1 displays the relationships between the independent, mediating

export performance are its internal organisational resources and capabilities that are superior and difficult to imitate or copy by other competitors in the industry (Newbert, 2007).

Place adaptation is also referred to as an export channel or distribution strategy (Lado et al., 2004). Lee and Griffith (2004) defined the export channel strategy (place) as a degree to which a firm applies a direct instead of an indirect channel for exporting its products to international markets. Channel decisions concerning the export marketing mix strategy are long-term decisions, which cannot be readily changed (Lages and Sousa, 2010). Active exporters have control over distribution and delivery channels in recent times (Eusebio et al., 2007b). Distribution (place) strategy is the most adapted to the foreign market (Walters, 1989). This supports the positive effect of adaptation of the sales force and export performance when Israeli exporters used sales force as a channel strategy (Shoham, 1996). Lages et al. (2005) in their study of European exporters reported that distribution network/availability influenced performance and this finding supports the study of 434 export ventures in Australia and Britain by Styles and Ambler (2000). Perception of distributor organisations by the exporters was positive which strengthened their export performance.

Leonidou et al. (2002) argued in their review that using export sales representatives and direct purchasing had a positive effect on export sales intensity and a negative relationship between export performance and adaptation of distributors/agents. Cavusgil and Zou (1994) found a positive relationship between channel strategy and export performance and argued that channel strategy support leads to better export performance through the development of long-term business relationships. Robles (2011) concluded that channel integration decisions lead to the development of competitive advantage for performance enhancement, therefore, exporters have to consider strategic options for channels depending on different market demands. The distribution strategy needs to be adapted to individual foreign markets if the objective is to maximise export sales volume (Lado et al., 2004).

A positive relationship was established between product adaptation and export performance in a multi-country study in United States, Japan, Israel and South Korea (Calantone et al., 2002; Zou et al., 1997). This was attributed to the allocation of financial resources to product adaptation which transformed into positive export performance. The positive relationship between export intensity and product adaptation was attributed to applying effective adaptation strategies to respond to standards in the export market despite setbacks encountered by exporters in developing countries entering foreign markets (Zou et al., 1997). Korean exporters

employing product adaptation achieved better performance than exporters applying standardised adaptation strategies in the same markets as they adjusted to the needs of their foreign customers (Lee and Griffith, 2004). This finding confirms Shoham's (1999) results, which indicated that Israeli exporters who allocated substantial resources to adapt their products achieved positive performance in foreign markets. Lado et al. (2004) confirmed that product adaptation improves sales volumes if the required appropriate product elements are adapted to respect the characteristics of foreign markets. Evidence reported in the study of Swedish exporters indicated that product adaptation on its own is not related to export performance, but is dependent on other organisational resources (Hultman et al., 2009).

Studies on the relationship between promotion adaptation and export performance are sparse, although promotion has been found to an influence on export intensity and sales growth (Leonidou et al., 2002). By applying an adapted promotional strategy, managements of exporting firms do not run the risk of isolating their target audience by delivering a promotional message to suit all export markets (Hultman et al., 2011). Promotion adaptation had a positive effect on export sales and export satisfaction as promotional elements were adapted to suit the needs in different export markets (Zou and Stan, 1998). The adaptation decision is particularly relevant to exporting because the organisation of appropriate promotional strategies is widely perceived as beneficial for export performance (Hultman et al., 2011). Shoham (1999) found a positive relationship between promotion adaptation and export performance and this was attributed to high levels of advertising by Israeli exporters, which was similar to findings of Shoham (1996). Madsen (1989) discovered a positive relationship between the export marketing mix strategy and export performance and concluded that firms applying the adaptation mix strategies subsequently utilised resources efficiently in export markets.

Yet the issue of promotion adaptation and export performance remains controversial and largely unresolved in the literature as some scholars reported a negative link between the two constructs (Lages and Jap, 2002; Lee and Griffith, 2004; O'Cass and Julian, 2003; Singh, 2009). A negative relationship established between promotion adaptation and export performance was attributed to high competition among exporters which reduced the effect of promotional activities (Cavusgil and Zou, 1994). The study of 58 Korean exporters revealed that overseas advertising expenditure did not influence export performance and this finding was attributed to the diverse sample of different business-to-business markets (Lee and Griffith, 2004). Singh (2009) realised advertising expenditure did not influence export sales and argued that the advertising

efforts of the exporters might be focused on a specific part of the export market due to limited resources of firms in emerging markets.

Setting appropriate prices in export markets is crucial to export performance, although it is a difficult task because of competition, high demand and the complex plethora of foreign market characteristics. Firms having an ideal balance between environmental conditions and export pricing strategy will outperform competitors that do not reach the same threshold (Dow, 2006). Price adaptation to local conditions is an antecedent of export performance as this strategy respects the foreign market environment (Lado et al., 2004). Lee and Griffith (2004) discovered adjusting export prices to suit different foreign markets in order to remain competitive enhanced the export performance of Korean exporters. Navarro et al. (2010b) argued that when exporters adapt their prices, they are capable of meeting local consumers' needs and achieve customer satisfaction to enhance performance. Adapted prices enhance performance when adjusted to levels that are higher than domestic prices in the host market (Shoham, 1995). Cavusgil and Zou (1994) maintained price competitiveness to suit the characteristics of the export market enhances export performance.

Eusebio et al. (2007b) identified confidence in product price by foreign customers returned a positive relationship with export performance. Similarly, Shoham (1996) demonstrated a positive relationship between market-based pricing and profitability as exporters adjusted their pricing strategies to suit the demands of the export market to remain competitive. The relationship between pricing policy and export performance was positive and attributed to exporters' pricing behaviour when they were faced with the competitive intensity of the export market, although no support was found for price exchange rate and export performance (Obadia and Stöttinger, 2014). Thus competitive pricing leads to better performance because when market uncertainty increases, exporters use all price manipulations to add value to their operations (Lages et al., 2008b).

Standardisation reduces cost and provides a globally identifiable brand image; however adaptation of the export marketing mix strategy (4Ps) is necessary due to the numerous differences between local and foreign consumers in creating a competitive advantage for the firm (Solberg and Durrieu, 2008). Drawing from the resource-based view, when managers of exporting firms allocate substantial resources to the export marketing mix strategy (4Ps) they put the firm in a position to utilise internal resources to create competitive advantage in foreign operations to enhance export performance. Thus:

H1: *Adaptation of the export marketing mix strategy (place, product, promotion, and price) contributes positively to export performance.*

3.1.2 Export Commitment

3.1.2.1 Export Commitment and Export Performance

Management commitment to exporting has emerged as a determinant of export performance, irrespective of performance dimensions (Lado et al., 2004; Lages et al., 2008b; Navarro et al., 2010a; Sousa et al., 2008). Committed exporters search for business opportunities worldwide, notably in countries that have different cultures and are farther away from their home country than the firm's current export markets (Gençtürk and Kotabe, 2001). The degree of uncertainty about new markets is an important factor in the firm's tendency to commit resources to export activity (Forsgren, 2002). Possession of such resources enables an exporter to identify the characteristics of export markets and develop appropriate strategies to apply to enhance performance (Julain and O'Cass, 2002). Shamsuddoha and Ali (2006) discovered a positive relationship between export commitment and performance in the study of 203 Bangladesh exporters and attributed export commitment to allocation of resources to the export activity.

The firms' export market commitment is an important competence that facilitates the formation of managers' proactive attitude towards building commitment to enhancing performance (Madsen, 1989; Wheeler et al., 2008). Export commitment improves the efficiency and effectiveness of resource allocation by providing vital motivation to boost both export sales and managers' export satisfaction (Navarro et al., 2010b). Committed managers separate export departments and pay regular visits to the export market to enhance performance (Stoian et al., 2011). Management's perceived export commitment predicts well with export sales, profits and growth whereas management's export barriers either result in low export growth and fail to be a significant predictor of export performance (Zou and Stan, 1998). Export commitment can be aligned to the resources-based view of the firm as an internal resource advantage in creating competitive advantage in foreign markets. Thus:

H2: *Export commitment contributes positively to export performance.*

3.1.2.2. Export Commitment and Export Marketing Mix Strategy (4Ps)

The successful implementation of an adapted export marketing mix strategy depends on the firms' characteristics, including export commitment and duration of exporting (Katsikeas et al., 2006). With resource commitment, uncertainty is reduced and export marketing mix strategies

are implemented effectively (Christensen et al., 1987). Highly committed firms are able to plan and implement better export marketing mix strategies as adaptation demands greater resources (Lages et al., 2008b). Managers committed to exporting are careful in planning the allocation of appropriate resources, which reduces uncertainty and enhances the effectiveness of the export marketing mix strategy (Bloemer et al., 2013).

Export commitment empowers managers to improve the depth of planning procedures in terms of market analysis needed to implement export marketing strategies that are characteristic of different export markets (Stoian et al., 2011). Shamsuddoha and Ali (2006) argued export commitment leads to the achievement of vigorous adaptation strategies. Without appropriate resources committed to exporting, the firm is unable to engage in required levels of adaptation to meet foreign market demands (Lages et al., 2008b). Cavusgil and Zou (1994) identified management commitment as a determinant of export adaptation strategy in the study of US exporters. Committed managers allocate time and resources to research activities in foreign markets to boost performance (Stoian et al., 2011). As upsurging levels of resources are committed to the firm, managers are able to plan and implement effective export marketing mix strategies as adaptation demands greater resources (Lages et al., 2008b). Export commitment increases managers' willingness to make efforts to achieve their international objectives by applying strategic guidelines to facilitate decision making in export marketing mix adaptation strategies (Lages and Montgomery, 2004). Thus:

H2a: *Export commitment contributes positively to the adaptation of the export marketing mix strategy (place, product, promotion, and price).*

3.1.3 Export Promotion Programmes

3.1.3.1 Export Promotion Programmes and Export Performance

The study of the indirect and direct effect of export promotion programmes on export performance has received little attention in the literature (Shamsuddoha, 2006; Shamsuddoha et al., 2009). Some studies on export promotion programmes suggest that export assistance can be more effective in the export process if managers use that resource for export support (Gençtürk and Kotabe, 2001; Singer and Czinkota, 1994). Donthu and Kim (1993) documented that the use of export promotion programmes is positively related to export growth. They argued with empirical evidence that firms that used more outside export promotion programmes from government and private agencies tend to have higher export growth than those who did not. Katsikeas et al. (1996) found national export promotion policies served as an export stimuli for

managers, which positively influenced the export performance of Greek firms. Sousa et al. (2008) found the existence of programmes sponsored by government agencies designed to assist export activities contributed positively to export performance.

Wilkinson and Brouthers (2000) in their study of US firms found export promotion programmes had a positive relationship with trade shows and export performance. Another study from Wilkinson and Brouthers (2006) documented that greater use of export promotion programmes in terms of trade shows and training programmes was associated with firms reporting high export performance satisfaction. On the contrary, Francis and Collins-Dodd (2004) documented a non-significant relationship between financial performance measures and a number of export promotion programmes used in the study of US exporters. Francis and Collins-Dodd (2004) found that the achievement of export objectives was more directly linked to export promotion programmes than economic measures. Alvarez (2004) in the study of Chilean firms discovered that the use of training programmes did not affect the probability of exporting permanently indicating a non-significant relationship between export promotion programmes and export performance. Literature has acknowledged export promotion programmes positively impact performance through incremental sales in foreign markets across different countries including Ghana (Spence, 2003). Lages and Montgomery (2005) discovered Portuguese exporters who used export promotion programmes experienced better export performance in foreign markets than those who did not. Evidence of this positive relationship is also provided by Cavusgil and Naor (1987) and Lages and Montgomery (2001). Thus:

H3: *The use of export promotion programmes contributes positively to export performance.*

3.1.3.2 Export Promotion Programmes and Export Marketing Mix Strategy (4Ps)

Francis and Collins-Dodd (2004) argued that export promotion programmes providing information, training and guidance about exporting enhance export marketing competencies that are relevant to the firm's export involvement. Firms receiving export promotion programmes are expected to allocate more human and financial resources to the export marketing mix strategy. External support in terms of export training, exhibitions and export counselling advice from public policy makers place managers in a better position to enhance export strategies. This also enables managers to search for information and conduct a vigorous examination of various export markets to implement effective export marketing mix strategies (Lages and Montgomery, 2001). The use of export promotion programmes gives managers

more information on adaptation strategies to assist overcome export barriers and increase their level of pre-export activity (Shamsuddoha and Ali, 2006). Exporters gain better knowledge about the foreign market through using of export promotion programmes and this enables them to commit resources to improve export adaptation strategies (Shamsuddoha et al., 2009).

Singer and Czinkota (1994) argued that export promotion programmes stimulate managers' positive attitudes and perceptions concerning international marketing by increasing their market knowledge and commitment to marketing activities. To design and implement export marketing mix strategies, firms must have the right combination of key resources to use effectively in various strategic actions in foreign markets (Leonidou et al., 2011). Improved export knowledge acquired from using export promotion programmes significantly reduces the perceived complications in export markets and assist managers in implementing effective export marketing mix strategies (Shamsuddoha et al., 2009). The use of export promotion programmes can contribute to successful export adaptation strategies (Leonidou et al., 2011). Lages and Montgomery (2001) concluded that firms receiving export promotion programmes were better able to adapt their export marketing mix strategies, which supports Lages and Montgomery's (2005) findings that using export promotion programmes as a resource is positively related to export marketing mix strategy. Thus:

H3a: *The use of export promotion programmes contributes positively to adaptation of the export marketing mix strategy (place, product, promotion, and price).*

3.1.4 International Experience

3.1.4.1 International Experience and Export Performance

Business experience assessed in terms of its international experience has emerged as a key determinant of export performance (Lages and Jap, 2002; Stoian et al., 2011). Recent research has found that managers' understanding of opportunities becomes more practical when based on experiential learning from exporting (Chetty et al., 2006). International experience can be considered a proxy for a firm's knowledge of overseas markets, especially through experiential learning (Forsgren, 2002). Knowledge of foreign operations, which is important to the decision-making process is a source of international experience for managers' competitive advantage as this expertise can be applied to make operational adjustments (Griffith and Hoppner, 2013). Accumulation of experience in international operations promotes the manager's ability to develop certain capabilities required to achieve exporting goals (Lages and Jap, 2002). A study by Cadogan et al. (2002) revealed a positive relationship between export experience and export

performance of US firms. Managers with international experience will be familiar with the idiosyncrasies and mechanisms of the export process and have positive perceptions about exporting (Madsen, 1987). Francis and Collins-Dodd (2000) found a positive relationship between international experience and export sales in Canadian firms and argued that the more experienced the managers are, the better their understanding of foreign markets compared to managers without international experience and knowledge of international markets. Thus:

H4: *International experience contributes positively to export performance.*

On the other hand, studies on international experience and export performance are inconclusive as other researchers identified negative results between the two constructs (Adu-Gyamfi and Korneliussen, 2013; Baldauf et al., 2000; Brouthers and Nakos, 2005; Lages et al., 2008b; Naidu and Prasad, 1994). The negative relationship between international experience and export performance is attributed to limited resources of young firms, which forces them to go abroad (Brouthers and Nakos, 2005). The less experienced managers have greater pressures concerning the achievement of higher export performance (Baldauf et al., 2000). Managements' lack of experience is a barrier to export operations which prevents the effective allocation of resources (Ibeh, 2004). Lages et al. (2008b) did not discover any positive relationship between international experience and export intensity, although successful export marketing management is facilitated by international experience to a large extent (Madsen, 1989). Another reason for the mixed findings maybe the existence of mechanisms that influence the impact of international experience and export performance. This study examines some mechanisms (export commitment and export promotion programmes) that are likely to transform international experience to enhance export performance.

3.1.4.2 International Experience and Export Marketing Mix Strategy (4Ps)

Managers with international experience are more likely to utilise their internal resources to adapt the export marketing mix strategy (4Ps) to gain a competitive advantage by responding to environmental opportunities while avoiding internal weaknesses (Barney, 1991). The degree of international experience by the key decision-maker is attributed to the accumulated skills and abilities that withstand the achievement of export marketing strategy goals (Clarke et al., 2013; Lages and Jap, 2002). The level of international experience is valuable when making decisions on financial resource allocation, in particular, foreign markets to influence the adaptation of export marketing mix strategies (Hultman et al., 2011). Managers with international experience are able to explore existing opportunities in foreign markets while

reducing risks associated with inexperienced decision making concerning export adaptation strategies (Lages, 2000). Managers with international experience are likely to learn the specific characteristics and export adaptation strategies of different export markets to improve operations (Douglas and Craig, 1989; Stoian et al., 2011). The firm can better achieve its exporting goals if management's international experience promotes learning to identify opportunities and avoid threats in export adaptation strategies (Lages et al., 2008b). A firm with international experience can identify the differences in environmental conditions and is more likely to select attractive export markets and adapt export marketing mix strategies to suit the specific needs of those markets (Shamsuddoha, 2004). International experience at the combined firm level has been found to be valuable when making decisions to enter particular export markets and when evaluating export marketing strategies for country-specific markets (Lages et al., 2008b).

Shamsuddoha and Ali (2006) attained empirical support for international experience and export marketing strategy and argued that a high degree of experiential knowledge about export markets and processes tends to assist managers overcome potential barriers in adapting strategies in foreign markets. International experience of the manager plays a significant role in taking decisions on adaptation strategies on channels of distribution, product modifications, promotion and pricing strategies to suit the needs of specific export markets (Alshammari and Islam, 2014). Hence, managers are empowered by their international experience to conduct market analysis to adapt export marketing mix strategies to characterise different foreign markets (Stoian et al., 2011). Drawing from the resource-based view of the firm, international experience as a managerial resource can be described as an internal competence relevant to the development of effective export adaptation strategies (Hultman et al., 2011). Thus:

H4a: *International experience contributes positively to the adaptation of the export marketing mix strategy (place, product, promotion, and price).*

3.1.4.3 International Experience and Export Commitment

Accumulating experience in international operations promotes a manager's ability to develop certain capabilities required to achieve exporting goals (Lages and Jap, 2002). Experienced managers transfer positive inputs to operations and behaviour to enhance export commitment (Navarro et al., 2010a). Decisions related to committing resources to foreign markets will depend on the manager's level of international knowledge about opportunities and threats in various foreign markets (Cavusgil and Zou, 1994). Managers with international experience are

more likely to be committed to exporting (Lages and Jap, 2002). Silverman et al. (2004) argued that the majority of managers in US export wineries were committed to exporting and placed priority on their export performance based on their international experience. Stoian et al. (2011) concluded that international experience amongst managers is relevant for export success, whereas lack of willingness by management to commit resources to exporting has a negative influence on operations. International experience recorded a positive relationship with export commitment in the study of Spanish exporters, and the study concluded that more experienced managers are committed to exporting (Navarro et al., 2010a). The manager's international experience may have an impact on export operations through commitment as experiential knowledge empowers managers to identify and influence international opportunities while avoiding threats in exporting (Zou and Stan, 1998). Managers with international experience put in place better management systems by committing substantial resources to the export activity (Griffith and Hoppner, 2013). Thus:

H4b: *International experience contributes positively to export commitment.*

3.1.4.4 International Experience and Export Promotion Programmes

International experience influences what is perceived as realistic capabilities and subsequently shapes the choice of preferences for particular export decisions (Stoian et al., 2011). International experience is an important competence that facilitates the formation of the manager's positive attitude towards exporting by taking decisions to apply outside resources to improve the firm's export operations (Madsen, 1989; Shamsuddoha and Ali, 2006). International experience is the driving force behind the firms' use of export promotion programmes and managers who acquire knowledge from using export promotion programmes are more likely to improve the operations of the firm effectively (Shamsuddoha et al., 2009). International experienced managers have the capacity to employ export promotion programmes offered by outside agencies to acquire skills to empower their knowledge to handle export operations efficiently (Leonidou et al., 2011). These available outside resources and capabilities consequently contribute towards a robust development of export operations to achieve positive outcomes by managers with international experience (Shamsuddoha et al., 2009).

Therefore, managers could gain a competitive advantage by implementing strategies that exploit their internal resource-based strengths by using export promotion programmes to learn and acquire first-hand information about foreign markets (Leonidou et al., 2011). Thus, the knowledge gained from using export promotion programmes will empower managers with

international experience to respond to foreign characteristics to improve export operations (Robertson and Chetty, 2000). Therefore, management teams with international experience who use export promotion programmes to acquire knowledge in exporting are more likely to develop their export market operations effectively (Shamsuddoha, 2004). Thus:

H4c: *International experience contributes positively to the application of export promotion programmes.*

3.1.5 Mediation Effects

3.1.5.1 The Mediation Role of Export Marketing Mix Strategy (4Ps)

The firms' export commitment is an important competence which facilitates the formation of managers' proactive attitude to develop effective export marketing mix adaptation strategies to enhance export performance and create a competitive advantage in foreign operations (Wheeler et al., 2008). This implies that highly committed firms will allocate substantial human and financial resources to adapt their export marketing mix strategy (4Ps) to achieve positive export performance. Export commitment improves the efficacy and value of resource allocation by providing substantial resources to adapt the export marketing mix strategy (4Ps) to boost both export sales and managers' export satisfaction (Navarro et al., 2010b). Therefore, based on arguments from H2a and H1 a mediation relationship is established as the adaptation of the export marketing mix strategy (4Ps) reinforces the relationship between export commitment and export performance. Therefore, this study argues that the export marketing mix adaptation strategy (4Ps) is the mechanism that explains the relationship between export commitment and export performance relationships (Baron and Kenny, 1986). Thus:

H5: *Export marketing mix strategy (4Ps) mediates the association between export commitment and export performance.*

This study further argues that management teams using export promotion programmes as a resource to acquire knowledge and skills are more likely to allocate substantial resources to adapt their export marketing mix strategy (4Ps) for enhanced performance. The type of export promotion programmes used by managers is perceived to play a leading role in their subsequent export accomplishment (Reid, 1984). Moreover, firms considering exporting may lack essential export market information which may hinder their operations and might fall on export promotions programmes to acquire knowledge about export marketing strategies to enhance export performance (Shamsuddoha et al., 2009). Therefore, it follows that the adaptation of the

export marketing mix strategy (4Ps) reinforces the relationship between export promotion programmes and export performance. Therefore, based on the arguments from H3a and H1 a mediation relationship is proposed: Thus:

H6: Export marketing mix strategy (4Ps) mediates the association between export promotion programmes and export performance.

Managers with international experience are more likely to adapt their export marketing mix strategies (4Ps) to enhance export performance to gain a competitive edge in operations (Wheeler et al., 2008). The firms' international experience is a relevant resource which facilitates the formation of strategic decisions in exporting (Sousa et al., 2008). This implies that managers with international experience will allocate substantial resources to adapt their export marketing mix strategy (4Ps) to influence export performance. Therefore, based on arguments from H4a and H1, export marketing mix strategy (4Ps) mediates the relationship between international experience and export performance. This follows that the adaptation of the export marketing mix strategy reinforces the relationship between international experience and export performance. Thus:

H7: Export marketing mix strategy (4Ps) mediates the association between international experience and export performance.

3.1.5.2 The Mediation Role of Export Commitment

Drawing from H4b and H2b in Figure 3.1, it is argued that export commitment mediates international experience and export marketing mix strategy (4Ps). This implies that management teams with international experience are more likely to commit substantial resources to adapt the export marketing mix strategies (4Ps). Therefore, the level of international experience is valuable when making decisions on committing substantial resources to enhance the effectiveness of the export marketing mix strategies (Hultman et al., 2011). Managers with international experience will commit resources and identify environmental differences in selecting attractive export destinations to adapt export marketing mix strategies (4Ps) to suit the specific needs of those markets (Lages et al., 2008b). Therefore, it follows that export commitment reinforces the relationship between international experience and the export marketing mix strategy (4Ps). Thus:

H8: Export commitment mediates the association between international experience and export marketing mix strategy (4Ps).

3.1.5.3 The Mediating Role of Export Promotion Programmes

Drawing from H4c and H3a in Figure 3.1, the study argues that export promotion programmes mediate export marketing mix strategy (4Ps) and international experience. Managers using export promotion programmes as a resource to acquire knowledge are more likely to have international experience (Stoian et al., 2011). This study argues that managers with international experience will use export promotion programmes that provide training and export information to learn about the foreign market environment in order to adapt elements of the export marketing mix strategy (4Ps) to enhance operations (Leonidou et al., 2011). Managers with international experience will use export promotion programmes to search for information and conduct a dynamic examination of various export markets to implement effective marketing mix strategies in various export markets (Lages and Montgomery, 2001). Therefore, the application of export promotion programmes reinforces the relationship between international experience and export marketing mix strategy (4Ps). Thus:

H9: Export commitment mediates the association between international experience and export marketing mix strategy (4Ps).

3.1.6 Foreign Market Attractiveness

3.1.6.1 Moderating Role of Foreign Market Attractiveness

Environmental uncertainty can bring about change and unpredictability in customer preferences for product design and quality which can affect the export marketing mix strategy by strengthening or weakening export performance (Slater et al., 2010). Foreign market attractiveness includes factors such as the legal and regulatory frameworks, the level of consumer education, customer demand potential and preferences that exist in various export markets (Cavusgil and Zou, 1994; Madsen, 1989; Ogunmokun and Ng, 2004). Foreign market attractiveness has been argued to affect export marketing mix strategies leading to positive or negative export performance depending on the prevalent condition of various export markets (Madsen, 1989; Shoham, 1999).

Aspects of the foreign market in terms of legal and regulatory frameworks are associated with export performance and export marketing mix strategy, although these regulations can act to undermine or strengthen the effectiveness of the firm's operations (Cavusgil and Zou, 1994). Firms operating in foreign markets need to acknowledge changes in regulatory frameworks and customers' preferences and apply country-specific adaptation strategies to remain competitive

internationally (Czinkota et al., 2011). Thus, laws and pressures from the foreign government can play an important role in export performance by enhancing or reducing firm effectiveness and capability (Beamish, 1993; Cavusgil and Zou, 1994). Furthermore, the degree of customer familiarity and demand potential with the product moderates the firm's choice of export marketing mix strategy and export performance.

Evidence from Tremeche and Tremeche (2003) revealed that Japanese companies exporting to Arab markets encountered heavy legal and administrative procedures, tariff and non-tariff barriers, internal unrest and a multiplicity of technical/legal requirements, which affected their export strategies and export performance. Czinkota et al. (2011) argued that the levels of adaptation strategies and perceived quality or price vary in particular cultures and social settings. Therefore, firms may have to apply different adaptation strategies in their operations in product styling, colour, size and packaging in foreign markets to remain competitive to enhance export performance (Czinkota et al., 2011).

Studies on external forces and export performance are sparse and have produced mixed and inconsistent results (Sousa et al., 2008). In the study of Taiwan exporters, Kaynak and Kuan (1993) found that export sales thrived in a less developed market, less industrialised, with a stricter import policy and high standards. In the contribution to total profit, it emerged in the study that operations of high performers were characterised by unstable public policy, very low untapped and unexpected demand, but was very convenient for foreign exchange (Kaynak and Kuan, 1993). Therefore, foreign market attractiveness is the differences and similarities in terms of legal and regulatory frameworks, political conditions, customer preferences and demand potential which can strengthen or weaken the relationship between export marketing mix strategy (4Ps) and export performance (Katsikeas et al., 2006). Thus:

H10: *The greater the attractiveness of the foreign market, the stronger the association between export marketing mix strategy (4Ps) and export performance.*

H10a: *Foreign market attractiveness is positively related to export performance.*

3.1.7. Control Variables

Researchers are encouraged to include control variables in export performance studies as they deserve as much attention as independent and dependent variables (Lages and Sousa, 2010).

The conceptual model incorporates three control variables: firm size, the age of the firm and industry. Firm size is determined by the number of employees, which may have an influence on export performance (Wolff and Pett, 2000). Bonaccorsi (1992) reported firm size is positive with annual sales as a number of employees increases the probability of exporting. The age of the firm is attributed to years of experience of managers to develop capabilities to enhance performance (Lages and Jap, 2002). Older exporting firms have experience, established networks and survive longer in exporting as they allocate substantial resources to export activity (Adu-Gyamfi and Korneliussen, 2013). This study examines exporting firms in agricultural, handicraft and manufacturing industries in Ghana (GEPA, 2014). Export destination includes Europe, South and North America, Asia, West and South Africa and other African countries. See Table 3.1 for the summary of hypotheses developed.

Table 3.1 Summary of Hypotheses - Dependent Variable: Export Performance

Number of Hypotheses	Explanatory Latent Variable	Expected Outcome
H1	Export Marketing Mix Strategy(4Ps)/Export Performance (EP)	(+)
H2	Export Commitment/EP	(+)
H2a	Export Commitment/Export Marketing Mix Strategy (4Ps)	(+)
H3	Export Promotion Programmes/EP	(+)
H3a	Export Promotion Programmes and EMMS (4Ps)	(+)
H4	International Experience/EP	(+)
H4a	International Experience/Export Marketing Mix Strategy (4Ps)	(+)
H4b	International Experience/Export Commitment	(+)
H4c	International Experience and Export Promotion Export	(+)
H5	EMMS (4Ps) mediates Export Commitment and EP	(+)
H6	EMMS (4Ps) mediates Export Promotion Programmes and EP	(+)
H7	EMMS (4Ps) mediates International experience and EP	(+)
H8	Export Commitment mediates International experience and EP	(+)
H9	Export Promotion Programmes mediates IE and EP	(+)
H10	Foreign Market Attractiveness via EMMS (4Ps) and EP	(+)
H10a	Foreign Market Attractiveness and EP	(+)

3.1.8 Dependent Variable – Perceived Export Success

Perceived export success is the subjective export performance dependent variable for this study (Leonidou et al., 2011). The extant literature lacks a uniformity regarding accepted conceptualisation and operationalisation of export performance measurements (Lages and

Sousa, 2010). Julain and Ahmed (2005) argue that strategic indicators, such as gain in market share and attainment of a competitive position derive their theoretical justification from how firms set their strategic and economic goals in exporting (Cavusgil and Zou, 1994; Zou et al., 1998). An advantage of using perceived export success to measure performance enables managers to evaluate the performance of their organisations while taking into consideration the firms' reference groups such as industry characteristics, strategic position and stage of export involvement (Leonidou et al., 2011). Subjective export performance measures are selected for this study for three reasons (Robertson and Chetty, 2000). First, the majority of small and large firms are infamous for their inability and reluctance to provide "hard" financial data in emerging economies. Second, objective financial data on all sampled firms is not publicly available, thus, it would be impossible to check the accuracy of reported financial performance figures especially in an emerging country. Third, assuming accurate financial data was received, such data is frequently difficult to interpret (Robertson and Chetty, 2000). Therefore complete data would be attained with subjective measurements as raw financial data is considered confidential in some cases by managers in emerging markets (Crick et al., 2011). Literature supports applying subjective measures where managers may be unwilling or unable to provide objective financial data (Sousa, 2004).

3.2 Summary

The proposed model was conceptualised using the resource-based view of the firm and the influence of the external environment as discussed in Chapter two. The conceptualisation of the study was built on the review of literature on internal factors including managerial characteristics and export marketing mix strategy (4Ps) and external environment involving foreign and domestic market characteristics (foreign market attractiveness and export promotion programmes) to address the research question of the study. The proposed conceptual model presents the direct mediation and moderation effects to explain how the variables in the model lead to enhanced export performance. Control variables comprising: firm size, age and industry were discussed in relation to their significance to export performance. As a result, the study aims to bring a significant contribution to export performance literature deriving its underpinning theoretical assumptions from the resource-based view of the firm. The proposed mediated-moderated conceptual model will examine the relationships of the variables to advance theory in the field. The next chapter presents the context of the study and outlines the methodology and data collection processes with measurement definitions of the constructs under study.

CHAPTER FOUR STUDY CONTEXT AND RESEARCH METHODOLOGY

4.0 Introduction

This chapter presents the context and research methodology of the study. The economic performance of Ghana is presented along with the main sectors of the economy. Export development programmes initiated by the Ghanaian government to boost value-added exports are broadly discussed. Thereafter the research methodology, philosophies, and research design employed to answer the research question and research objectives are presented and discussed. Details of the mixed method approach in collecting data using quantitative and qualitative approaches and analytical tools are also described. The qualitative study is a complementarity design to the quantitative study. Finally, variables examined in the conceptual model are defined in operational terms with their measurement scales.

4.1 Context of the Study

4.1.1. Overview of Ghana

The proposed conceptual model is tested on exporting firms in Ghana. Ghana is located on the coast of West Africa with a population of over 24 million. It covers an area of about 92,000 square miles (GSS, 2012). Ghana was a British colony before gaining independence in 1957, with English as the official language. Ghana is a lower emerging economy in Sub-Saharan Africa (SSA) with a per capita income of \$1,850 (World Bank, 2014). An emerging country is defined as an economy with low to middle per capita income (World Bank, 2012). Countries that fall into this category vary from big to very small and are considered emerging because of their development, reforms, and fast-growing nature (World Bank, 2012). Ghana was the first West African country to gain independence (Robson and Freel, 2008). Ghana is also regarded as one of Sub-Saharan Africa's star performers as the country embarked on successful economic reforms between 1983 and 2000 to accelerate growth and development (Coulombe and Wodon, 2007). These structural adjustment reforms included the abolition of price controls, the opening of capital markets, reductions in import tariffs, and privatisation of many state-owned enterprises to shape the competitiveness of the country (Sandefur, 2010).

Ghana's significant growth in real Gross Domestic Product (GDP) from 4.0 percent in 2009 to 7.7 percent in 2010 and 13 percent in 2011 made the country one of the fastest-growing economies in the world in 2011 (Ghana Government, 2012). Ghana's economic performance depicted a steady and sustained growth as the annual Gross Domestic Product grew every year

from 2000 to 2011 (GSS, 2012). Growth accelerated after 2004, and the annual Gross Domestic Product growth rate was greater than 6 percent between 2005 and 2010 (GSS, 2012). Ghana's impressive growth performance did not just contrast with its experience in the mid-1990s when the country embarked on economic reforms, been one of the fastest-growing countries in the world was also unusual globally (Breisinger and Diao, 2008).

Ghana's total export earnings accounted for 48 percent and 42 percent of Gross Domestic Product in 2012 and 2013 respectively (World Bank, 2014). In addition, Ghana's per capita income is twice that of developing countries in Sub-Saharan Africa (World Bank, 2014). Compared to Benin, Burkina Faso, Kenya and Cameroon, in 2012 and 2013 Ghana achieved the highest per capita income of \$1,646 and \$1,850 respectively, (World Bank, 2014). Gross Domestic Product of countries released by the World Bank (WB) positioned Ghana at 82 out of 214 countries (World Bank, 2015). Furthermore, Ghana stands tall in Gross Domestic Product earnings and export trade in Sub-Saharan Africa compared to its neighbours. See Table 4.1 for details.

Table 4.1 Economic Indicators of Selected SSA Countries

Country	GDP (US\$ billion) 2012	GDP (US\$ billion) 2013	Per capita (US\$) 2012	Per capita (US\$) 2013	Export Trade % of GDP 2012	Export Trade % of GDP 2013
Benin	7.7	8.3	751	805	15.3	18.3
Cameroon	26.5	29.2	1,220	1,315	28	20.7
Burkina Faso	10.7	11.5	652	684	27	26.1
Cote d'Ivoire	24.7	30.9	1,244	1,521	55	43.5
Ghana	41.7	47.9	1,646	1,850	48	42
Kenya	40.2	44.1	933	994	28	17.9
Zambia	20.5	22.3	1,463	1,540	46	50
Zimbabwe	12.4	12.8	788	905	33	30

Source: Developed from World Bank Indicators 2014.

The executive board of the International Monetary Fund pointed out in May 2014 that Ghana had experienced solid and broadly inclusive growth over the past two decades, and its medium-term prospects were supported by rising energy production (IMF, 2014). Moreover, Ghana has outperformed regional peers in reducing poverty and the country has robust democratic credentials with a highly-rated business climate attracting Foreign Direct Investment (FDI) to contribute to economic growth (IMF, 2014). On the other hand, although Ghana has twice the per-capita output of the poorer countries in Sub-Saharan Africa, the country remains dependent

on financial and technical assistance from international donor organisations like the World Bank (WB) and International Monetary Fund (IMF) for development projects in the country (Mmieh et al., 2012). Table 4.2 presents share of Gross Domestic Product and other economic indicators of Ghana.

Table 4.2 Sector Share of Gross Domestic Product (GDP) from 2001-2013

% of GDP	2000	2001	2005	2009	2010	2011	2012	2013
GDP (US\$ billion)	5.0	5.3	10.7	26.0	32.3	39.5	41.7	47.9
GDP per capita (US\$)	260	270	495	1,090	1,319	1,594	1,646	1,850
Agriculture	35.3	35.9	37.5	31.7	30.2	24.6	22.2	21.3
Industry	34.4	34.4	26.7	25.8	25.1	23.5	29.1	28.9
Services	39.3	38.9	37.4	49.5	51.1	49.8	48.6	49.7
Source: Developed from World Development Indicators								

4.1.2 The Non-Traditional Export Sector of Ghana

Ghana two export sectors: (1) the traditional and (2) the non-traditional. Traditional exports are defined by the Ghana Import-Export Act of 1995 (Act 503) as cocoa beans, logs and lumber, timber, electricity, unprocessed gold, and other minerals. Ghana has depended on her traditional exports since independence as the major source of foreign exchange but as prices of these exports dwindled on the world market, export diversification to non-traditional products became inevitable (Buatsi, 2002). Non-traditional (value-added) exports are defined by the Ghana Export Promotion Authority (GEPA) as all products such as horticultural products, textiles, fishery products, prepared food and beverages, wood products and handicrafts (Buatsi, 2002). The Ghana Export Promotion Authority was established by Act 396 in 1969 as an agency of the Ministry of Trade and Industry with the mandate to diversify Ghana's export base from raw material exports to value added exports. The justification for export diversification to non-traditional exports emanated from the gradual increase in these exports in Ghana in recent times (GEPA, 2014).

Ghana's non-traditional exports go to about 140 countries divided into five destination categories; European Union (EU), Economic Co-operation of West African States (ECOWAS), other African countries, other developed countries, and other countries (GEPA, 2015). Over 383 different value-added export products are categorised into agricultural, manufacturing-

processed/semi-processed, and handicrafts exported to foreign markets (GEPA, 2011). The European Union and the African markets absorbed 50.18 percent and 26.41 percent respectively of non-traditional exports in 2012 (GEPA, 2013). The Netherlands is the leading market, consuming 52.2 percent, followed by France with a growth of 30.62 percent contributing to 11.2 percent of non-traditional exports in 2012. The Republic of Togo in the African region is the third largest market. Exports to Togo increased by 7.26 percent in 2009 from US\$102 million to US\$118.3 million in 2010 (GEPA, 2012). In 2014 the European Union (EU) and ECOWAS remained the major destination for non-traditional exports, accounting for 38.03 percent and 30.22 percent of exports respectively (GEPA, 2015). Other African countries, developed countries, and emerging economies hold the remaining share of value-added exports.

Kolavalli et al. (2012) argued that agriculture can play a significant role in a country's transformation into a modern economy if the expansion of agricultural products is characterised by modern technology to provide sources of productivity gains. Experiences of successfully transformed developing countries show that rapid diversification of agricultural exports accelerated growth and economic transformation in the sector (Kolavalli et al., 2012). The government of Ghana targeted the manufacturing sector to accelerate economic growth in value-added exports, which could also initiate internationalisation of firms in Ghana (Kuffour, 2008). Kuffour (2008) argued that 90 percent of the people employed in the agricultural, handicraft and manufacturing industries in Ghana are women engaged in micro to small businesses, especially in the handicraft and garment/textiles sectors. As Ghana's population is dominated by women, promotion of these industries in the non-traditional export sector became a key strategy for the government to pursue its poverty reduction objectives in addition to attaining Millennium Development Goals (Kuffour, 2008).

The non-traditional export sector has the potential to produce value added exports through modern technology for international markets to Ghana's advantage (Soderbom and Teal, 2003). Therefore, the diversification of the production of higher unit value-added exports was a strategy to diversify Ghana's exports for economic transformation (Kuffour, 2008). Moreover, successfully transformed developing countries have shown that rapid diversification to process agricultural and manufactured exports has accelerated growth in economic transformation (Breisinger and Diao, 2008). Diversification of exports to value-added products is an important component of growth and stability for African countries (Wolf, 2007). The main argument is that firms can only exploit economies of scale through exporting, given the small size of most

African markets. In recent years, market liberalisation, export diversification and export-oriented industrialisation strategies have become a primary concern of developing countries like Ghana in order for them to keep up with the shifting international trade environment (Mmieh et al., 2012). See Table 4.3 for details of non-traditional export earnings.

Non-traditional exports amounted to US\$ 2,423 billion in 2011 and US\$ 2,364 billion in 2012 (GEPA, 2013). Total earnings for non-traditional exports amounted to US\$ 2,436 in 2013 and US\$ 2,510 in 2014 recording a marginal increase from earnings in 2013 (GEPA, 2015). The marginal increase in export earnings was attributed to the depreciation of the Ghanaian Cedi, which shed about 21.29 percent of its value against the United States (US) dollar from mid-2013 to 2014 (GEPA, 2014). Value-added exports are envisaged to grow in Ghana's export expansion and are estimated to hit US\$5 billion by the year 2017 to reach the national target (GEPA, 2014). Ghana is currently facing challenges in its fiscal monetary policies in stabilising the Ghanaian Cedi against other major currencies which has affected export earnings in the country and might thwart the achievability of the export objective in 2017 (GEPA, 2015). Although Ghana has the potential to transform the development of the economy with the boost of value-added exports, to achieve long-term goals, robust policies and investment must be directed towards potential productive sectors to move the country into producing more value-added exports to earn foreign exchange reserves (GEPA, 2014).

Table 4.3 Non-Traditional Export Earnings

Non-Traditional Exports (NTEs) -Year	Total Earnings (US\$) Billions
2010	US\$1,629
2011	US\$ 2,423
2012	US\$ 2,364
2013	US\$ 2,436
2014	US\$ 2,510

Compiled from GEPA Reports 2010-2015

4.1.3 Government of Ghana Export-led Programmes

The goal of the Ghanaian government is to increase foreign exchange earnings through efficient export processing to gain comparative advantage in skilled activity in value-added exports (Teal, 2002b). High shares of non-traditional exports are protected from instability in their export earnings on the world market despite operating in competitive export markets

(Babatunde, 2009). The structure of exporting traditional exports and less non-traditional (value added) exports by African countries is associated with why the continent's exports do not accelerate as they do in other countries in the world (Babatunde, 2009). The Ghanaian government implemented various export-led programmes to facilitate the involvement of small and large firms to accelerate the development of non-traditional exports (Teal, 2008). Ghana's export-led programmes that specifically aimed to enhance the capacity of exports included the Economic Recovery Programme (ERP) and the Structure Adjustment Programme (SAP) of 1983. Both the ERP and the SAP were recommended and jointly implemented by the WB and the IMF (Kastner, 2005). Other export-led programmes implemented to boost the non-traditional export sector included: (1) the implementation of US\$41million credit in 1994 as the Private Enterprise and Export Development (PEED) programme; and (2) the creation of the Ghana Free Zones Board (GFZB) and the Export Processing Zones (EPZs) in 1995. The GFZB programme was designed to encourage processing and manufacturing of goods through the establishment of EPZs. Through the GFZB, Ghana became accessible to potential investors (locally and abroad), who had the opportunity to use the free zones as central points to produce goods for foreign markets. A further initiative introduced was (3) the restructuring of the Ghana Export Promotion Authority. The Ghana Export Promotion Authority was set up to promote exports from Ghana, but because of the import substitution policy of the government at that time, it was less resourced from the 1980s until the year 2000, when it finally became fully resourced and independent (Whitfield, 2011).

Additional programmes were: (4) the West Africa Trade Hub (WATH) - WATH is an initiative of the US government through the United States Agency for International Development (USAID), established to facilitate export business from West Africa including Ghana; (5) the implementation of the African Cashew Alliance (ACA) - ACA is an industry organisation established in 2006 comprising 24 public and private sector organisations and operating in all the major cashew producing countries in Africa e.g. Ghana, Tanzania, Mozambique, seeking to promote the competitiveness of Africa's cashew through value added processing for export; and (6) the implementation of the Business Development Services Fund (BDSF) - BDSF is the World Bank initiative in Ghana that supports micro, small and medium-sized exporting firms, paying for the cost of consultancy and/or experts' services, including technical assistance that enhances their growth in export manufacturing (Kastner, 2005). The United States of America created the Millennium Challenge Account (MCA) in 2002 as a tool for development assistance to developing countries which was administered by Millennium Challenge Corporation (MCC).

The aim of the programme was to broadly commercialise non-traditional exports with some aspects supporting agricultural exports in Ghana (Whitfield, 2011).

4.1.4 Export Diversification to Value-Added Products

The IMF and the WB have developed strategies to urge developing countries to adopt macroeconomic policies to sustain growth in the export diversification of products in order to tackle balance of payment difficulties (Addo and Marshall, 2000). Export diversification to value added products played a dominant role in powering economic growth in China, Malaysia and Vietnam (Chandra and Osorio, 2007). Over the last twenty-five years, top exports in China changed from petroleum, auto parts and garments to electronics-related parts and machines. In Vietnam, the change was from coal and natural rubber to footwear, crude petroleum oils and furniture; in Malaysia, it changed from natural rubber and timber to electronics microcircuits and machines (Chandra and Osorio, 2007).

Countries in Africa broadly export the same raw materials including raw cocoa beans, gold, timber and logs but have not become rich over the years. Sub-Saharan African countries have to export “rich country” products to become richer and accelerate export growth in the region (Hausmann and Klinger, 2006). Ghana’s export composition is dominated by raw material exports like cocoa beans and gold, making Ghana’s industry sector generally small and underdeveloped (Wolf, 2007). However, the optimal share of total value added exports in Ghana may be considerably higher than the current level (Wolf, 2007).

The next section presents the research methodology using quantitative and qualitative techniques as the mixed method approach to collect data in Ghana.

4.2 Methodology

4.2.1 Research Philosophy

Research philosophy refers to development and nature of knowledge, which in turn support the research strategy and methods applied for the study (Saunders et al., 2007). It is essential to understand philosophical issues concerning evidence required, data collection processes, and analysis from the beginning of the research process (Easterby-Smith et al., 2008). This research applied a mixed method approach using both phenomenology and positivism philosophical approaches in the research design (Harrison and Reilly, 2011).

4.2.1.1 Positivism

Malhotra (2000) described the positivist position as the central belief that research should be “scientific” in the manner of the natural sciences. The fundamentalist belief shared by positivists argues that the social and natural worlds conform to certain permanent and unchangeable laws in an everlasting series of causation (Saunders et al., 2007). An important postulation guiding the positivist research commands an objective view of reality, in which research aims to measure or explain, creating knowledge that is simplified across different people, time and place (Harrison and Reilly, 2011). The positivist approach applied in this study used a survey as a line of enquiry based on export practices to investigate managers’ knowledge and experience in their export operations (Zuber-Skerrit and Fletcher, 2007). Other scholars have used this approach to research export performance using statistical tools such as PLS-SEM for data analysis (Griffith et al., 2014; Lages et al., 2008b; Lages et al., 2009; Leonidou et al., 2011; Wolf, 2007). The researcher is interested in using statistical tools to find out what influences export success in Ghana, as research is at the nascent stage in the African context.

4.2.1.2 Phenomenology/Interpretivism

Phenomenology/Interpretivism refers to the way humans make sense of the world around them. This philosophy is regarded as effective at finding the details of a situation to understand its reality, or perhaps the hidden rationale supporting it (Saunders et al., 2007). The phenomenological/interpretivism paradigm assumes that knowledge can be created on the basis of personal and professional experience and reflection on this experience and theory can be derived through triangulation of research methods (Zuber-Skerrit and Fletcher, 2007). The phenomenologist/interpretivist assumes that the existence of multiple realities is socially fabricated and focused on comprehending behaviour rather than predicting it (Harrison and Reilly, 2011). This approach was employed by using qualitative techniques such as interviews to explore this area to gain insights into the nature of exporting practices of Ghanaian exporting firms. Eighteen semi-structured interviews were conducted to explore export practices due to sparse literature in the African context. A detailed amount of primary data was collected through interviews to facilitate the researcher’s in-depth inquiry and enhance the validity of data collected. This approach permitted exploration of research results to emerge from the frequent, foremost or significant themes inherent in raw data, without the restraint imposed by prepared statistical methodologies (Malhotra, 2000).

4.3 Research Design and Justification of Mixed Method Approach

Research design can be classified broadly into three categories; exploratory, descriptive, and causal (Saunders et al., 2007). A fundamental principles of good research design is to match the research design to your research question (Sinkovics et al., 2008). In exploratory design, questions are asked to encourage thinking and learning (Yin, 2009). Confirmatory research is designed to assist the decision-maker in determining, evaluating and selecting the best course of action to take in a given situation (Malhotra, 2000). Under the causal or confirmatory design, a study must meet a number of strict requirements such as a well-defined population, observation process, hypotheses, parameters, sampling method, probabilities and conclusions (Malhotra, 2000). This study applied the exploratory and confirmatory design to conduct a mixed method research using qualitative and quantitative methods to collect data in Ghana. Mixed method research has increased in recent times in the social sciences as researchers believe qualitative and quantitative viewpoints are useful to address research questions (Johnson et al., 2007). Johnson et al. (2007, p. 123) reads: *Mixed method research is the type of research in which a researcher or team of researchers combines elements of qualitative and quantitative research approaches (e.g. use of qualitative and quantitative viewpoints, data collection, analysis, inference techniques) for the broad purpose of breadth and depth of understanding and corroboration.*

Mixed method research uses synthesis and includes ideas from quantitative and qualitative viewpoints making an effort to recognise the wisdom of these perspectives while pursuing a workable fundamental solution for the investigation (Harrison and Reilly, 2011). There are different types of mixed method approach, namely triangulation, complementarity, expansion, and development designs (Clark and Creswell, 2008). The complementarity design was applied in this research. The purpose was to combine quantitative and qualitative methods and use the findings from the qualitative interviews to elaborate and illustrate the results from the quantitative component (Greene et al., 1989). The complementarity design was applied to increase the interpretability, relevance, and validity of constructs by examining the results from the quantitative component and integrate them with those from the qualitative findings (Bryman, 2006). This enhanced the results of the research by capitalising on the strength of the methods to respond to inherent findings in the study (Greene and McClintock, 1985). Moreover, in complementarity designs, the paradigmatic frameworks for both types of methods should be similar and interpretability is best enhanced when the methods are implemented simultaneously and collaboratively within a single study as was carried out in this study (Bryman, 2006).

By using the mixed method approach, the qualitative component was complementary to the quantitative study explaining the meanings of the findings of the empirical study and validating the results to achieve a central practicable solution to answer the research question (Harrison and Reilly, 2011). It is also argued in the literature that the merging of findings stemming from two or more methods enhances the certainty that the results are valid and not a methodological artefact (Clark and Creswell, 2008). Thus, data was used from both qualitative and quantitative viewpoints to gain deeper insights into the export performance of firms in Ghana to develop theory. The next section presents details of quantitative and qualitative techniques employed in data collection.

4.3.1 Quantitative Component

The objective of quantitative research is to test hypotheses pertaining to natural phenomena by applying statistical models (Hohenthal, 2006). The process of measurement is central to quantitative research because it provides the fundamental connection between empirical observation and mathematical expression of quantitative relationships (Saunders et al., 2007). The study applied a quantitative technique using a survey approach (Zaiem and Zghidi, 2011). The causal or confirmatory design must meet a number of strict requirements such as a well-defined population, sample frame, hypothesis, parameters, sampling method, probabilities, and conclusions (Ellis, 2010; Henson et al., 2006; Malhotra, 2000).

4.3.1.1 Questionnaire Design

A questionnaire is a form of measurement instrument containing a formal set of questions for attaining information from respondents (Malhotra, 2000). To collect quantitative primary data, a researcher must design a questionnaire that deciphers the information needed into a set of specific questions that motivates respondents to complete the questionnaire and minimise response errors (Lietz, 2010). The questionnaire was designed to collect information on managers' perceptions of the export market environment, export knowledge, export commitment, export marketing mix strategy (4Ps), and export promotion programmes, foreign and domestic market environment and export performance. The researcher selected measurement items identified as being valid and reliable from the literature (Edmondson and McManus, 2007). The scaling technique to yield the highest level of information in a given situation was used to allow a variety of statistical analyses (Lietz, 2010). The widely used Likert rating scale was applied for this research. A Likert scale necessitates a respondent to indicate a degree of agreement or disagreement with a variety of statements related to the research

investigation (Lietz, 2010). The Likert scale has several merits. It is easy to construct and administer, as respondents readily understand how to use the scale, making it suitable for surveys. The main disadvantage of the Likert scale is that potentially, it takes longer to complete than other itemised rating scales because respondents have to read each statement (Hair et al., 2000). Seven-point and five-point scales were used to capture respondents' assessment on a longer range for statistical analysis to increase the variability in the data and increase validity of the results (Bagozzi et al., 1999).

4.3.1.2 Pre-Test of Research Instrument

The questionnaire was pre-tested to determine its clarity and comprehension plus uncover any flaws in the design or in specific questions. All aspects of the questionnaire were tested including scale items, question content, wording, form layout, question difficulty and instructions (Lietz, 2010). The preliminary questionnaire was reviewed by two academics familiar with international business research to assess the questionnaire items for face validity of the constructs. To achieve the best comprehension and clarity of the questionnaire it was pre-tested with five export managers in Ghana, four academic staff and ten doctoral students in the Victoria Business School deemed knowledgeable in the field of study. The questionnaire was revised based on recommendations received from feedback and adapted to Ghana for the study.

4.3.1.3 Key Informant

The major source of data was from the manager or chief executive officer of exporting firms in the target industries in Ghana. However, the selection of appropriate respondents to be contacted within the firm was a relevant issue. This was carried out by directing the questionnaires and soliciting responses from the "key person" within the firm (Saunders et al., 2007). The key respondent needed to occupy a role that made him or her knowledgeable about the issues under investigation (Lages et al., 2008b). The reason was that the type of information required made it necessary that the key respondent was actively involved in exporting activities of the firm, and in a position integral to the firm's policy making regarding international business operations (Lages et al., 2008b). Past research in export performance supported this by claiming the senior executives to be key informants in the firm (Adu-Gyamfi and Korneliussen, 2013; Boso et al., 2013). Recent literature advocates the use of multiple informants to collect data as it is difficult to know whether a single individual provides valid information for quality evaluation (Anderson, 1985). On the other hand, some scholars have argued that collecting data from multiple informants brings different perspectives in the

investigation, although this is not always necessary (Anderson, 1985; Pennings, 1979). It is methodologically sound to use a single key informant when they occupy senior executive or ownership positions within the firm (Hambrick, 2007). Top managers and senior executives are the central boundary spanners in dealing with the operations of the firm and are appropriately qualified to provide answers for the organisation (Pennings, 1979). The single informant approach was used to reduce the potential for systematic and random sources of error, thus, managers selected were involved in planning, leading and control of firm resources (Sousa et al., 2010). As the multiple informant approach was not applicable to this study, the predictor and criterion variables were measured in isolation to create a temporal time lag between them to address common method bias (Podsakoff et al., 2003). Moreover, a multiple informant approach would have required additional financial resources and a longer period to run the survey in an emerging economy like Ghana.

Therefore, an effort was made to access the management staff at the highest level of the organisation in a capacity of Chief Executive Officer/Managing Director, Owner/Manager, and General/Export Manager, who were more likely to provide accurate information on the firm's export operations (Sousa et al., 2010). In order to keep the potential for systematic and random sources of error as low as possible, the guidelines by Huber and Power (1985) were adhered to by (1) targeting top management of the firm, (2) giving assurance of the confidentiality of the data and (3) interpreting collected interview data accurately. To ensure comprehension, a personalised introductory letter giving background information about the research was attached to the questionnaire. The cover letter emphasised the voluntary nature of participation and assured confidentiality of all data provided. Therefore, managers agreed voluntarily to participate in the study in line with the standards of Victoria University of Wellington's Human Ethics Committee (HEC). See Appendix 5 for details.

4.3.1.4. Population, Sampling Procedure and Data Sources

The population of this study includes firms exporting in the agricultural, handicraft and manufacturing industries in Ghana (GEPA, 2014). Ghana was selected as the country context for this research as the country has broadly embraced policies to enhance the performance of small and large enterprises in the value-added export sector. Ghana has promoted the growth of value added exports through different export development programmes including creating the Export Processing Zone in 1995 to accelerate growth in value-added exports (Teal, 2002b). A sampling procedure involving all exporting firms in the three industries was derived from

making inferences about their export performance. The population was defined to target both large and small firms exporting in that category. Export directories of the Federation of Ghanaian Exporters and the Ghana Export Promotion Authority was identified as the best sampling frame available in Ghana corresponding to the target population. The majority of firms exporting value added exports are registered in these directories. The database comprises 1,500 exporting firms across the country. Other researchers in Ghana have relied on this database as the most relevant source of information on exporters (Addo and Marshall, 2000; Buatsi, 2002; Mmieh et al., 2012).

A sample of 400 drawn from a population of 4,000 is appropriate, as a sample of 400 for most practical purposes is just as appropriate for a population of 200 million as it is for a population of 4,000 (Saunders et al., 2007). If drawn correctly, it will give almost the same precision in either case. The need for a large sample is based on the central limit formula that as sample size increases, the distribution of sample means of size n , randomly selected, approaches a normal distribution (Field, 2009). This indicates that a sample size should be large enough to provide an acceptable level of confidence. The stratified random sampling which requires the separation of the defined target population into different groups was applied to target 400 key respondents from the three industries in five regions in Ghana. Primary data was collected specifically for this research via direct contact with export managers in Ghana (Lages et al., 2008). Face-to-face interaction is deeply rooted in Ghanaian business cultural practices (Sorensen and Buatsi, 2002). Sorensen and Buatsi (2002, p. 497) argued that “If you want to have an effective response, you had better go there” as the cultural trait cannot be better expressed than when undertaken one-to-one in Ghana. Secondary data was drawn from the internet, journals and textbooks, newspapers and Ghana Export Promotion Authority reports and statistics for triangulation purposes (Saunders et al., 2007; Malhotra and Birks 2000).

4.3.1.5 Sampling Frame

The two broad types of sampling procedure are the probability and non-probability procedures (Hair et al., 2000). Every member of the population will have a known, non-zero probability of selection in the first; while in non-probability techniques, the units of the sample are selected on the basis of personal judgement or convenience (Saunders et al., 2007). Two conditions were taken into consideration in identifying the sample size. First the limitation of time and financial resources made the inclusion of all firms in the population impossible (Shamsuddoha, 2004). Second, the sample size had to be large enough to provide powerful statistical testing of the

theoretically hypothesised relationships. Sample size plays a paramount role in the estimation and interpretation of the data collection procedure of the statistical tool applied for analyses. This study targeted a sample of 400 firms from the population of 1,500 in five locations in Ghana as representative of exporting firms in the three industries.

The selection of the sample size was based on the principle of sample size determination which argues that a sample should be large enough to enable the results of the research to be generalised to the population (Malhotra, 2000). A stratified sampling method was used to divide the 400 firms into three industries, i.e., agricultural, handicraft and manufacturing in Ghana. Firms selected differed in their industry, firm size, and destination of products to provide variations for analysis (Sousa et al., 2010). This approach has been used in similar studies (Ogunmokum and Ng, 2004). The process of selecting firms through stratified sampling is accurate, efficient, and simple and draws up an appropriate sample in line with methodological fit in business research (Edmondson and McManus, 2007).

4.3.2 Operationalisation of Variables

Operationalisation of constructs refers to how a conceptual construct is to be measured (Sekaran, 2003). All exogenous variables in the model are latent variables which can be measured directly or indirectly through another latent variable (Sekaran, 2003). The method employed in the process of operationalisation is to generate multiple scale items aimed at measuring these variables in quantitative terms. All the items were borrowed from previous research conducted by scholars in the field. These items are widely used in this area of research and have been tested for scale validity in the studies (Lages et al., 2008b; Shamsuddoha and Ali, 2006). The operational definitions and measurements are summarised and attached in Appendix 3. The next section presents the operationalisation of the constructs under study.

4.3.2.1 International Experience and Export Commitment

For international experience, a five-item measure with a five-point Likert-scale instrument, with endpoints 1 (none) and 5 (extremely substantial) were operationalised, borrowed from Lages et al. (2008b). Respondents were asked to rate the management involved in the firm's export business based on their degree of professional exporting experience, overseas experience-lived or worked abroad, formal training in export courses, ability to follow up on trade leads and operations of many export markets.

Export commitment was operationalised, using a five-item, five-point Likert-scale instrument, with endpoints 1 (strongly disagree) and 5 (strongly agree). Respondents were asked to indicate whether they agreed with the following statements: the firm has an organisational structure to deal with all export activities; firm executives travel frequently to export markets; learning about export procedure was a high priority in the firm; the firm sets aside funds to develop overseas markets and export is a high priority activity in the firm. The measures were borrowed from Shamsuddoha and Ali (2006).

4.3.2.2 Export Marketing Mix Strategy (4Ps)

The export marketing mix strategies (4Ps) of the export firms in the three industries under study in Ghana fit into the general trend of foreign marketing (Cavusgil and Zou, 1994). The adaptation of the export marketing mix strategy by firms in Ghana was based on the definition by Cavusgil and Zou (1994), which states that the export marketing mix strategy is the means by which the firm responds to the interplay of internal and external forces to meet the objectives of the export activity involving aspects of the conventional marketing plan; i.e. place, product, promotion and price. The measurements for the 4Ps were derived from literature and validated by other researchers (Ogunmokun and Ng, 2004).

Adaptation of the export marketing mix strategy was defined as a similar or different way in which a product was marketed in Ghana and the export market in terms of place, product features, promotion, pricing. Respondents were asked to indicate the extent they have adapted the export marketing mix strategies in their major export markets. For product and promotion a seven-item, five point Likert-scale instrument, with endpoints 1 (not at all adapted) and 5 (fully adapted) was used. Respondents were asked to what extent they adapted their product brand name, product design/style, product labelling, a variety of the main exporting product line, product quality, features and characteristics and packaging. This measure was borrowed from Lages et al. (2008b).

For promotion, respondents were asked to what extent they adapted their advertising theme, media channel for advertising, promotion objectives, and budget for promotion, direct marketing, sales promotion, and personal selling of the product. Measures for promotion were borrowed from Ogunmokun and Ng (2004). For price and place a five-item, five point Likert-scale instrument, with endpoints 1 (not at all adapted) and 5 (fully adapted) was operationalised. Respondents were asked if they adapted their pricing strategy, in terms of concession of credit, price discounts policy, margins and retail price in major export markets. For place, the items

included: criteria for selection of distribution, transport strategy, distribution budget/network and the type of middlemen they used. Both measurements were borrowed from Lages et al. (2008a).

4.3.2.3 Export Promotion Programmes

All measures on export promotion programmes were borrowed from Leonidou et al. (2011). A five-item seven-point Likert-scale instrument, with endpoints 1 (not at all adopted) and 7 (fully adopted) were operationalised for the measures. Respondents were asked whether they adopted the organisation of export seminars, training programmes on export documentation, counselling advice on exporting, and whether they used export publications in the operations of the firm.

4.3.2.4 Foreign Market Attractiveness

The questionnaire inquired from respondents whether the characteristics of the export market were attractive as compared to Ghana. A five-item, seven-point Likert-scale instrument, with endpoints 1 (not at all attractive) and 7 (very attractive) were operationalised. Respondents were asked whether they found the foreign market attractive in terms of sophistication of marketing infrastructure, demand potential, the level of education, the level of development and extent of laws and regulations in the export market. This measure was borrowed from Cavusgil and Zou (1994) and Katsikeas et al. (2006).

4.3.2.5 Export Performance- Dependent Variable

Performance is operationalised along one sub-dimension in this study: perceived export success. This variable was measured subjectively due to difficulty in obtaining raw financial data (objective measures) in developing countries (Crick et al., 2011). Subjective measures such as gain in market share and profitability attain their theoretical justification from setting strategic and economic goals for the firm (Craig and Ahmed, 2005). Perceived export success measurements were borrowed from Leonidou et al. (2011) comprising a five-item measure with a seven-point Likert-scale instrument, with endpoints 1 (very low) and 7 (very high). Respondents were asked to rate their firms' export financial performance on export sales volume, export market share, export profitability, return on investment and export sales intensity. Subjective measures are equally as valid as objective measures in measuring export performance of the firm (Sousa, 2004).

4.3.2.6 Control Variables

The model incorporates three control variables: firm size, the age of the firm and industry. Determination of firm size is based on the number of employees which may influence export

performance (Wolff and Pett, 2000). The age of the firm is related to the accumulation of experience a firm possesses to develop capabilities to influence export performance (Lages and Jap, 2002). The definition of firm size in Ghana used by researchers (Aboagye, 2006; Abor and Quartey, 2010) is formulated by the World Bank's study on Sub-Saharan Africa called the Regional Project on Enterprise Development (RPED). The RPED categorised firms as (1) micro- those employing 5 or less, (2) small -those employing between 6 to 29, (3) medium-sized- those employing 30 to 99 and (4) large -those employing 100 and above. The industries under study included: the agricultural, handicraft and manufacturing industries.

4.3.3 Data Analysis Procedure

This study used Partial Least Square Structural Equation Modelling (PLS-SEM) to examine the complex models which make practically no assumption about the underlying data especially with distribution (Hair et al., 2014b). PLS-SEM is variance-based and very efficient with small sample sizes (Hair et al., 2012). PLS-SEM incorporates several statistical techniques such as confirmatory factor analysis, multiple regression, redundancy analysis, and canonical correlation without inflating the *t*-statistics, as would happen if each analysis were conducted separately (Hair et al., 2012). PLS-SEM is a statistical package usually used for theory building research plus its advantages over first generational techniques (Lowry and Gaskin, 2014). Hair et al. (2014a) argued there are three functions relevant to PLS-SEM statistical application: the model properties, PLS-SEM algorithm and model evaluation of results produced by the measurement and structural models. PLS-SEM has been used in other export performance studies (Lages et al., 2009). The characteristics and advantages of applying PLS-SEM are displayed in Table 4.4.

4.3.3.1 Measurement Model

The screening in the measurement model is based on confirmatory factor analysis and the computation of discriminant validity, outer loadings of indicators, average variance extracted (AVE), composite reliability (*Pc*), Cronbach alpha and collinearity using VIF values. The rule of thumb for PLS-SEM measurement model is displayed in Table 4.5. A two-stage process was employed for the analysis of the data obtained from the usable questionnaires. The first stage employed confirmatory factor analysis (CFA) for primary assessment of reliability and validity of the constructs to confirm the measurement model (Haenlein and Andreas, 2004). The second stage used path analysis to examine the structural model for significance levels (Ringle et al., 2014).

Table 4.4 Advantages of Smart PLS-SEM

Data Characteristics	
Sample size	No identification issues with small sample sizes. Generally achieves high levels of statistical power with small sample sizes. Large samples sizes increase the precision of PLS-SEM estimations.
Distribution	No distribution assumptions; PLS-SEM is a nonparametric method.
Missing values	Highly robust as long as missing values are below a reasonable level.
Scale of measurement	Works with metric data, quasi-metric scaled data and binary-coded variables. Some limitation when using categorical data to measure endogenous latent variables.
Model Characteristics	
Number of items in each construct measurement model	Handles constructs measured with single and multi-item measures.
Model complexity	Handles complex models with many structural model relations. Larger numbers of indicators are helpful in reducing the PLS-SEM bias.
PLS-SEM Algorithm Properties	
Objective	Minimise the amount of unexplained variance (i.e. maximises the R^2 values).
Efficiency	Converges after a few iterations even in situations with complex models and/or large sets of data) to the optimum solution; efficient algorithm.
Construct score	Estimated as linear combinations of their indicators. Used for predictive purposes. Not affected by data inadequacies.
Parameter estimates	High levels of statistical power. High consistency levels.
Evaluation of measurement model	Reflective measurement models. Reliability and validity assessment by multiple criteria.
Evaluation of structural model	Collinearity among sets of constructs, the significance of path coefficients, coefficient of determination (R^2) effect size (f^2), predictive relevance (Q^2 and q^2 effect size).
Additional analyses	Mediating effect. Hierarchical component models. Multi-group analysis. Moderating effect.

Source: Compiled from Hair et al. (2014a) Page 16-17.

Table 4.5 Measurement Model Rule of Thumb

Indicator Reliability- Outer Loadings	Outer loadings should be 0.708 or higher. Outer loadings between 0.60 and 0.70 should be considered for removal only if it leads to an increase in AVE and composite reliability.
Internal Composite Reliability- Composite reliability (P_c)	Composite reliability should be higher than 0.708. 0.60 or 0.70 is acceptable in exploratory research
Convergent validity	AVE should be higher than 0.50
Discriminant validity	Outer loadings on a construct should be higher than all its cross loadings with other constructs The square root of the AVE of each construct should be higher than its highest correlation with any other construct (Fornell-Larker criteria).
VIF values – collinearity checks	Numbers below the threshold of 5 are accepted.

Source: Developed by Hair et al. (2014a). Page 107.

4.3.4 Structural Model

The second stage of the analysis involves the estimation of the structural equation model and hypothesis testing. Several considerations are important in considering whether or not to apply PLS-SEM (Hair et al., 2014a). These considerations are rooted in the method characteristics, as the statistical properties of the PLS-SEM algorithm have important features associated with the characteristics of the model. Moreover, the properties of PLS-SEM are used for evaluating the results (Hair et al., 2014a).

4.3.4.1 Mediation Effect

The structural component of the model examines complex relationships among a set of exogenous variables and the endogenous variable that have a relationship based on theoretical projections (Hair et al., 2014a). This method is different from the traditional regression analysis as it undertakes multiple regression analyses concurrently and allows the direct and indirect effects of variables to be simultaneously examined (Zhao et al., 2010). Direct effects are the relationships linking two constructs with a single arrow; indirect effects are those relationships that involve a sequence of relationships with at least one intervening construct, thus, an indirect effect is a categorisation of two or more direct effects that are represented by multiple arrows (Baron and Kenny, 1986). This results in a change in the dependent variable as a result of a one-unit increase in an independent variable attributable to this indirect relationship (Hayes, 2009; Zhao et al., 2010). To calculate the total change in a dependent variable, the indirect and direct effects are summed together (Hayes, 2009). Full mediation occurs when the independent variable no longer has a significant effect on the dependent variable when the mediator is introduced (Baron and Kenny, 1986). Partial mediation occurs when the independent variable still has a significant effect, but its effect is diminished when the mediator variable is included in the model (Baron and Kenny, 1986; Hair et al., 2014b).

4.3.4.2 Moderation Effect

To establish a moderating effect, the construct should directly affect the relationship between the exogenous and endogenous latent variable although in a different perspective (Baron and Kenny, 1986; Hair et al., 2014a). A moderating effect occurs when the moderator and an independent variable change the strength or even the direction of a relationship between two constructs in a model (Hair et al., 2014a). Moderating relationships, in theory, are tested statistically by checking for interaction effects among independent variables. First, two models one with the moderator relationship and one without are constructed and compared (Baron and Kenny, 1986; Lowry and Gaskin, 2014). This process requires two PLS runs - one for a baseline

model and one for an interaction model. If the interaction records a t statistics of 1.96 then there is a moderating effect on the independent and dependent variables (Lowry and Gaskin, 2014).

4.3.5 Qualitative Component

There are many qualitative data collection techniques such as interviews, oral history, focus groups, Delphi group interviews and observation approaches (Luna-Reyes and Andersen, 2003). This study used semi-structured interviews to collect primary data to facilitate the researcher's in-depth inquiry and enhance the validity of information (Crouch and McKenzie, 2006). Interviews as a source of information have been associated with providing a deeper understanding of the phenomena under investigation (Yin, 2009). Yin (2009) identified two processes during the interview period: (1) there is the need to follow a line of inquiry on the interview protocol and (2) the researcher should ask unbiased questions in response to the needs of the line of inquiry. The interviews conducted were guided by the two processes.

4.3.5.1 Selection of Sample Size for the Interviews

Qualitative studies using interviews tend to randomise the process of identifying prospective informants (Saunders et al., 2007). A stratified random sampling procedure was used to identify participants from the agricultural, handicraft, and manufacturing industries in Ghana after a purposive sampling was applied to select participants (Saunders et al., 2007). The researcher developed a screening form that specified the characteristics key respondents must have to qualify for inclusion in the interview (Hair et al., 2000). The main qualification for interview selection was being a Ghanaian based company and being involved in exporting for three years and longer plus having two product destinations. Firms were selected that differed in their industry sector, company size, and destination of products to provide variations for the analysis.

With interviews, a critical decision is the selection of key informants. Key informants are selected because they are particularly suitable to illustrate a phenomenon and to extend relationships and logic among variables (Yin, 2009). The unit of data collection in this research was the individual key-decision maker for exports, who was the Chief Executive Officer, Managing Director or General Manager of the firm. Data collected via interviews was deemed appropriate for investigating the determinants of export performance at the firm level as decision-making power within the firm is dependent on the management teams (Glavas and Mathews, 2014). The decision of a firm to pursue international markets is dependent on the international orientation and characteristics of the manager (Glavas and Mathews, 2014). Applying cognitive perspectives such as the characteristics of the manager as an international

entrepreneur may lead to recognition of how managers are exploiting new international opportunities (Mostafa et al., 2006; Zahra et al., 2001). At the initial stage of the research, an introductory letter signed by my supervisor was emailed to the Ghana Export Promotion Authority and the Federation of Ghanaian Exporters to announce the research and ask them to kindly provide their export directories for the study (see Appendix 4).

4.3.5.2 Interview Protocol

The interview guide centred on topics of determinants of export performance of the firm. The interview was divided into four sections: (1) General Information about the Firm, (2) Export Marketing Competencies, (3) Export and Domestic Market Characteristics and (4) Export Performance. Managers were asked to provide general information about their firm in the first section, which included their job title, years of experience in exporting, main products/industry, and number of employees. The last question inquired about export initiation. The questions in the second section asked managers about their international experience, commitment to the export activity and the extent to which they had adapted their export marketing mix strategy (4Ps) in foreign markets. Managers were further asked to discuss the common problems/barriers they encountered in their export business.

The third section asked questions about the product destination, design of products to suit unique customer demand in export markets, and whether the legal and regulatory frameworks in the export market were similar to that of Ghana. An inquiry was made about whether the managers utilised export promotion programmes to enhanced export performance. In section four, managers were asked to select one variable to measure export performance and whether it was an important measurement. The final question gathered information about the location of the firm and how this enhances export performance. Interview questions were developed from the literature and were considered unbiased and valid as the interview protocol was borrowed and adapted from previous studies (Sinkovics et al., 2008).

4.3.5.3 Interview Process

The rationale for conducting a qualitative study is the technique involved which is less structured and allows the researcher to gain additional insights and information into the area of investigation (Jarratt, 1996). Face-to-face interviews were crucial for data collection as they allowed for discussion of the role of the export business at the firm level (Yin, 2009). The study applied a non-directive interview that created a relaxed atmosphere between the interviewee and interviewer to reduce bias in response (Malhotra, 2000), as the focus of the interview was

to uncover and gain exploratory knowledge on export practices in Ghana. Semi-structured interviews were carried out with 18 firm executives identified as key informants of exporting firms in Ghana from the agricultural, handicraft and manufacturing industries. Additional details about exporting firms were obtained from the internet and websites to identify the location of the firms and triangulate the relevant information for the research. The selected firms were contacted by telephone to announce the research to the key decision maker and seek their voluntary participation in the study. In total 25 firms were selected and contacted to arrange interviews. Eighteen firms confirmed and granted interviews after several follow-up calls. Five non-participating managers mentioned unavailability of time, tight business schedules, and travel as reasons for not taking part in the study. Two firms contacted were not interested in taking part in the study due to business ethics. Of the 18 interviews, six came from the agricultural industry, five from the manufacturing industry and seven from the handicraft industry. This process enabled variability of sample representation in order to validate theoretical arguments proposed in the study. Eighteen interviews were considered sufficient as several themes could be developed from the primary data to provide deeper insights into exporting practices in Ghana which is consistent with other studies in the field (Lages et al., 2008a).

The interviews were conducted in Ghana from January to June 2014 and each interview lasted approximately 60 minutes. The interviews were conducted face-to-face at the firms' premises and audio recorded. The qualitative interviews explored and added deeper insights into determinants of export performance to supplement the quantitative study for triangulation of findings to advance theory in international business. Prior to the interviews, the managers completed a consent form indicating they agreed voluntarily to participate in the study in line with the standards of the Victoria University of Wellington's Human Ethics Committee. The consent form emphasised the voluntary nature of participation and assured confidentiality of all interview data. A copy of the invitation letter, participation consent form and interview protocol are attached in Appendix 6. The interview protocol did not include any emerging questions that evolved during the process and asked by the interviewer as being appropriate for probing as and when necessary.

4.3.5.4 Interview Data Analysis

Content analysis is probably the most widely used formalised procedure by qualitative researchers in their efforts to create data structures from in-depth interviews (Hair et al., 2000).

This procedure requires the researcher to implement a systematic process of taking individual responses and categorising them into larger themes or patterns (Saunders et al., 2007). In the process, the researcher reviewed the participants' raw comments and created data structures according to common themes or patterns (Crouch and McKenzie, 2006), requiring the researcher to consider different analysis and interpretive factors. The interview data was transcribed in Microsoft Word before data analysis was undertaken. Although interview analysis is potentially difficult, effective data analysis is the core of theory building according to the literature (Yin, 2009). The approach to data analysis was adopted from Miles and Huberman (1984), who describe an analysis of qualitative data as a continuous iterative process. After collecting data and transcribing the interviews, three steps were used to manage the information: data reduction, data display and data analysis (Miles and Huberman, 1984). The first step involved simplifying, abstracting and transforming the raw data. Data display is the process whereby the information is displayed and organised to allow constructive themes and conclusions to be extracted at the third and final stage of the analysis (Miles and Huberman, 1984).

Data was coded in the open coding level, where the researcher broke down the data, examining, comparing, evaluating the answers, conceptualising and categorising data (Yin, 2009). The interview transcripts were thoroughly checked against evolving patterns, then themes were identified and conclusions were drawn. During data analysis, the coding process also included open coding to allow new themes to emerge for further coordination with the study. Qualitative interviews have an advantage of dealing with a full variety of evidence, such as documents and company websites (Eisenhardt and Graebner, 2007).

4.4 Summary

This chapter presented the context of the study and explained why Ghana in Sub-Saharan Africa was selected for the research. Country indicators including Gross Domestic Product, total exports and per capita income of Ghana were highlighted in the description of its economic performance, which explained why the country was classified as an emerging economy in Africa. The two export sectors in Ghana, namely the traditional and non-traditional were discussed to highlight their differences. The non-traditional export sector is made up of the agricultural, handicraft, and manufacturing industries which are the main source of value-added exports in Ghana. To promote these exports, the government of Ghana rolled out export development programmes to support these industries in increasing the country's value-added exports to boost export growth and development.

The study used the mixed method approach, where the qualitative component was complementary to the quantitative study. Respondents were sampled from the export directories of two public policy makers in the non-traditional export sector of Ghana and 400 firms were targeted in five regional capitals in the country. Managers exporting in the agricultural, handicraft and manufacturing industries formed the basis of the study. The study targeted top managers and senior executives involved in exporting for over 3 years or more as appropriately qualified to provide answers for their firms.

Operationalisation of the variables including the independent, mediating, moderating, and control variables was discussed with the scale items. Finally, both the quantitative and qualitative data analysis procedures were discussed. The next chapter presents the data analysis of the quantitative study and assessment of path analysis of hypothesised relationships in the conceptual model.

CHAPTER FIVE QUANTITATIVE DATA ANALYSIS AND RESULTS

5.0 Introduction

The purpose of this chapter is to test the proposed conceptual model as part of the complementarity design of the mixed method approach and analyse survey data to present the results of the quantitative study. A two-step approach to data analysis in PLS-SEM was performed: (1) assessment of the measurement model and (2) estimation of the structural equation model. The proposed model to be tested is a complex model consisting of mediation and moderation effects.

5.1 Data Collection, Data Editing and Entry

A self-administered survey approach was deemed suitable to gather data in Ghana. The “drop and pick” technique was appropriate for data collection due to sparse internet services of the firms and the spread of respondents across the major cities in Ghana (Crick et al., 2011; Ibeh et al., 2004). Managers signed the consent form for the survey which emphasised the voluntary nature of participation and assured confidentiality of all data given out. See Appendix 6 and 7 for research instruments. At the first stage of the research process, the key respondents were contacted via telephone to announce the study and seek their participation. The process of identifying key respondents reduced the sampling frame from 400 to 326 firms. Out of 326 firms contacted using the “drop and pick” technique (Crick et al., 2011; Ibeh et al., 2004), 37 stated they no longer exported, 39 were not interested in the study, 124 did not respond to the survey, giving diverse reasons. In total 121 surveys were collected. After screening the questionnaires, 5 were declared unusable due to more than 15% missing values, leaving 116 surveys for analysis (Hair et al., 2012). The study attracted a 35.5% response rate, which is similar to that of other studies in international business from Ghana (Ofori, 2006). This study met the sample size requirements to detect R^2 values of 0.10 to 0.50 based on the number of arrows pointing to the endogenous variable in PLS-SEM analysis (Hair et al., 2014b, p. 21).

5.1.1 Data Description

Table 5.1 captures data collected from exporters in three industries in Ghana, including total population, the sample drawn and the response rate in each industry. The total sample drawn across the three industries and total surveys received across the subsets are also presented in Table 5.1. Before running data analysis, the data collected were entered into SPSS for WINDOWS release 21 to clean and screen the data. The data was examined and screened through basic descriptive statistics (means, standard deviation, ranges, explore) and frequency

distribution, because values that are out of range or improperly coded are detected with such simple checks (Hair et al., 2014a). The results from the simple checks did not show any abnormally.

Table 5.1 Total Population, Sample Drawn and Response Rate

Name of Industry	Total Population	Sample Drawn			Total Response Received			
		No.	Final Selection of Firms	% of Total Population	Total Response Received		Final Response Rate	
Agricultural	400	120	100	25%	31	31%	29	25.0%
Handicraft	300	80	65	21%	24	36%	23	19.8%
Manufacturing	800	200	161	20%	66	40%	64	55.2
Total	1,500	400	326	22%	121	37%	116	35.5%

5.1.2 Descriptive Analysis

Characteristics of the exporting firms including key respondents are displayed in Table 5.2. There were three industries among the respondent firms drawn from a population of 400 firms with the majority falling within the manufacturing industry. The total sample size of 116 was 35.5% of the population drawn and were representative of 326 firms in five cities in Ghana. The sample characteristics and distribution of employees in the agricultural industry included 4 large firms and 25 small firms. In the handicraft industry, there were 2 large firms and 21 small firms. The manufacturing industry recorded 21 large firms and 43 small firms. The share of employees in the agricultural, handicraft and manufacturing industries are presented in Table 5.3.

Table 5.2 Sample Characteristics

Firms	Micro=22 (18.9%), Small=46 (39.7%), Medium=21 (18.1), Large = 27 (23.3%)
Industry	Agricultural = 29 (25%), Handicraft = 23 (19.8%), Manufacturing = 64 (55.2%)
Years of exporting	3 years = 11 (9.5%), 4 to 6 years=30 (25.9%), 7 to 9 years = 32 (27.6), 10 years and above = 43 (37.1%).
Level of Education of Respondents	Primary = 3(2.6%), Secondary = 15 (12.9%), Apprenticeship = 18 (15.5%), Diploma =36 (31%), Degree and above = 44 (37.9%)
Destination of Product	Europe= 35(30.2%), Asia=1 (.9%), South Africa =12 (10.3%), America =25 (21.6), North Africa=8 (6.8%), ECOWAS Region =35 (30.2%)
Ownership of the Firm	Ghanaian owned = 84 (72.4), Foreign owned =15 (13%), Joint foreign and Ghanaian owned =15 (12.9%), Other = 2 (1.7%)
Key Respondents 116	Owner/Managers = 62 (53.4%), Export Managers 17 (14.7%), CEOs =14 (12%), Marketing Managers = 11 (9.5%), Operation Managers 4 (3.4%), Other =8 (7%) (HR Managers/General Managers)

Table 5.3 Distribution of Firms by Number of Employees

No. of employees	Agricultural		Handicraft		Manufacturing		Total	
	Number	%	Number	%	Number	%	Number	%
Micro- 1-5	6	20.6%	8	34.8%	8	12.5%	22	18.9%
Small 6-29	15	52%	12	52.2%	19	29.7%	46	39.7%
Medium sized 30-99	4	13.7%	1	4.3%	16	25%	21	18.1%
Large firms Over 100	4	13.7%	2	8.7%	21	32.8%	27	23.3%
Total	29	100%	23	100%	64	100%	116	100%

5.1.3 Check for Outliers

Sometimes a sample data set may be overly influenced by one or more extreme observations that are quite different from the rest of the data (Shamsuddoha, 2004). These extreme values known as outliers often change the covariance matrix and can completely impact the results in PLS-SEM (Field, 2009). For instance, the parameter estimates and associated standard errors, as well as fit indices, may be partial in the presence of outliers. The univariate and multivariate outliers are detected through different statistical techniques such as running frequencies in SPSS software to reduce their influence on the results of the analysis (Hair et al., 2014a). After the exercise using scatter plots in SPSS, no extreme cases were identified in the dataset. Five questionnaires detected to have more than 15% missing values were removed from the sample size of 121 leaving the remaining 116 questionnaires for analysis (Vinzi et al., 2010).

5.1.4 Non-response Bias

Another important issue of sampling error is non-response bias. This usually occurs when most of the sample surveys attract a certain amount of non-response. Therefore, researchers have to consider and pay particular attention to this problem, as a sample can be exposed to non-response bias (Saunders et al., 2007). A *t*-test was conducted to check the non-response bias issue to determine the significant differences between the two set of scores: early and late respondents (Coakes et al., 2008). The surveys received were separated into groups of early respondents and late respondents, as non-respondents tend to be similar to late respondents in responding to surveys. Surveys collected from January to March 2015 were classified as early respondents and surveys collected from April to June 2015 were categorised as late respondents. Table 5.4 shows the two-tail significance of export performance measures were not significant

at $p > 0.05$ indicating no differences between the early responses and the late responses and nonresponse bias can be ignored in this study.

Table 5.4 Test of Measures for Non-Response Bias

Variable-Export Performance	T-Test		
	t-value	df	Sig. (2-tailed)
Export Sales Volume			
Early Response (67)	-.205	110	.838
Late Response (49)	-.205	96	.827
Export Market Share			
Early Response (67)	.448	112	.655
Late Response (49)	.453	104	.652
Export Profitability			
Early Response (67)	.247	114	.806
Late Response (49)	.253	111	.800
Export Sales Intensity			
Early Response (67)	1.391	114	.167
Late Response (49)	1.371	97	.173

5.2. Model Estimations

5.2.1 Measurement Model

Confirmatory factor analysis (CFA) establishes a valid specified measurement model before assessing the structural model (Haenlein and Andreas, 2004; Hair et al., 2014a). The measurement model is presented in Table 5.6. The full-scale model comprised eight latent variables, one independent variable and three control variables summing up to 52 items divided into seven and five sub-scales. All construct measures were evaluated for loadings on their specific exogenous and endogenous variables to compare their relative strength as all coefficients are conveyed in standard forms (Vinzi et al., 2010). The items of a construct should converge or share a high proportion of variance as the outer loadings of the indicators are used to establish convergent validity (Haenlein and Andreas, 2004).

Convergent validity was assessed using the composite reliability P_c and Cronbach alpha scores in the model. Cronbach's alpha is sensitive to the number of items in a scale and has the tendency to underestimate the internal consistency reliability. Therefore, Hair et al. (2014a) recommend using consistency reliability known as composite reliability (P_c). A minimum level of 0.708 is the benchmark although values ranging between 0.60 and 0.70 are acceptable and all indicator outer loadings should be statistically significant. A standardised outer loading of 0.70 or higher is retained, although loadings greater than 0.60 are accepted. Indicator loadings below the threshold of 0.70 were deleted in the measurement model apart from Price where one

item loaded 0.586. This loading of 0.586 was retained as the deletion did not increase the value of composite reliability or average variance extracted (AVE) (Haenlein and Andreas, 2004; Hair et al., 2014a).

Table 5.5 Measurement Model and Significance Values

Latent Variables	Indicators	Factor Loadings	Standard Error	T Statistics
Export Performance (EP) $\alpha = .92$, $Pc = .94$, $AVE = .76$	Export sales volume.	0.847	0.034	24.90***
	Export market share.	0.885	0.023	38.43***
	Export market profitability.	0.914	0.015	61.25***
	Return on investment.	0.811	0.057	14.20***
	Export sales intensity.	0.891	0.024	37.12***
Place (Place) $\alpha = .84$, $Pc = .89$, $AVE = .68$	Criteria for selection.	0.775	0.061	12.79***
	Transport strategy.	0.842	0.057	14.78***
	Distribution budget.	0.890	0.023	38.14***
	Type of middlemen.	0.801	0.046	17.52***
Product (Product) $\alpha = .89$, $Pc = .91$, $AVE = .69$	Product design and style.	0.729	0.085	8.55***
	Variety of the main exporting product line.	0.820	0.062	13.26***
	Product quality.	0.891	0.039	23.06***
	Features and characteristics.	0.836	0.044	18.85***
	Packaging.	0.870	0.038	22.17***
Promotion (Promotion) $\alpha = .82$, $Pc = .88$, $AVE = .64$	Media Channels for advertising.	0.761	0.062	12.36***
	Promotion objectives.	0.846	0.041	20.48***
	Budget for promotion.	0.834	0.046	17.98***
	Direct marketing.	0.782	0.053	14.86***
Price (Price) $\alpha = .70$, $Pc = .79$, $AVE = .57$	Determination of pricing strategy.	0.586	0.228	2.70***
	Price discount policy.	0.813	0.186	4.30***
	Price margins.	0.843	0.160	5.27***
Export Commitment (ExpComt) $\alpha = .72$, $Pc = .78$, $AVE = .54$	Firm executives travel frequently to export markets.	0.750	0.071	10.62***
	The firm sets aside adequate funds to develop overseas markets.	0.755	0.061	12.46***
	Exporting is a high priority activity in this firm.	0.701	0.138	5.07***
Export Promotion Programmes (EPP) $\alpha = .91$, $Pc = .93$, $AVE = .75$	Organisation of export seminars.	0.869	0.025	34.25***
	Training programmes specialising in exports.	0.885	0.027	33.36***
	Training on export documentation.	0.887	0.031	28.43***
	Provision of counselling advice on exporting.	0.873	0.028	31.13***
	Export Publications.	0.817	0.048	17.02***
International Experience (IntExp) $\alpha = .77$, $Pc = .86$, $AVE = .68$	Degree of professional exporting experience.	0.680	0.064	10.55***
	Degree of training in international business e.g. attended formal export courses and seminars.	0.690	0.096	7.18***
	Ability to follow up on trade leads in importing market. The operation of many foreign markets.	0.820	0.046	17.91***
		0.871	0.022	39.95***
Foreign Market Attractiveness (FMA) $\alpha = .84$, $Pc = .89$, $AVE = .67$	Demand potential in export market.	0.814	0.045	17.65***
	Level of consumer education.	0.832	0.034	28.18***
	Level of industrial development.	0.837	0.035	24.30***
	Extent of government laws and regulations.	0.891	0.043	21.13***

Notes: ***.001, α = Cronbach's alpha, Pc = Composite reliability, AVE = Average variance extracted.

Table 5.5 presents the loadings and *t*-statistics for the full measurement model. Construct scores exhibited acceptable levels of composite reliability and Cronbach's alpha in the measurement model. All item loadings were greater than 0.58 with the majority of items exceeding 0.708 with significance at the $p < .001$ level (Haenlein and Andreas, 2004; Hair et al., 2014a). Collinearity statistics produced VIF values between 1.39 and 1.97, which was far below the threshold of 5, meaning there were no collinearity issues with the constructs in the structural model (Sarstedt et al., 2014). The measurement model was confirmed to be used to assess the structural model and test path analysis in the research hypotheses (Hair et al., 2012). Indicator items deleted from the measurement model are attached in Appendix 8.

Table 5.6 Discriminant Validity

Fornell-Larcker Criterion												
	Age	EPP	ExpComt	ExpPerf	FMA	Fsize	Industry	IntExp	Place	Price	Product	Promotion
Age	1.000											
EPP	0.039	0.866										
ExpComt	0.298	0.410	0.736									
ExpPerf	0.089	0.284	0.419	0.870								
FMA	0.194	0.377	0.488	0.600	0.824							
Fsize	0.475	0.069	0.432	0.262	0.217	1.000						
Industry	0.110	0.147	0.102	0.005	0.018	0.225	1.000					
IntExp	0.400	0.435	0.492	0.286	0.237	0.350	0.075	0.770				
Place	0.036	0.335	0.322	0.393	0.351	0.183	0.029	0.140	0.828			
Price	0.244	0.151	0.228	0.125	0.157	0.143	0.238	0.216	0.297	0.756		
Product	0.194	0.251	0.383	0.249	0.383	0.184	0.173	0.170	0.201	0.404	0.831	
Promotion	0.056	0.216	0.313	0.114	0.046	0.262	0.091	0.435	0.234	0.226	0.118	0.806

Notes: Bold figures on the diagonal are the square root values of average variance extracted for each construct.

Discriminant validity is the extent to which a construct is truly distinct from other constructs by empirical standards (Oliver et al., 2010). Discriminant validity is established when a construct is unique and captures the phenomena in a way not represented by other constructs in the measurement model (Chin, 1998). Discriminant validity was assessed using the Fornell-Larker criterion which compares the square root of the AVE values with the latent variable correlations (Martin et al., 2009). The results displayed in Table 5.6 did not exhibit any evidence of strong correlations between constructs. Bold figures on the diagonal are the square root values of average variance extracted for each construct and the values are distinct from the rest of the values.

5.2.2 The Structural Model

Each structural model analysed comprised five exogenous variables: International experience, three mediators (Export Commitment, EPP and one of the 4Ps- Place, Product, Promotion and Place) and one moderator variable (FMA) to assess the direct and indirect effects on the endogenous variable Perceived Export Success (EP) (Hayes and Preacher, 2014). Export marketing mix strategy is composed of four different variables. In order to identify the individual impact of the 4Ps, four models were tested using each P as a mediator variable to examine the impact on other constructs. Previous research has shown that to detect substantial mediation effects with bootstrapping technique, a model with several potential mediators requires a larger sample size, than this research attained (Fritz and Mackinnon, 2007). The complexity of the model comprising multiple mediation and moderation effects required a sample size of 168 observations to attain a statistical power of 80% with 5% confidence level (Fritz and Mackinnon, 2007). Therefore, the sample size necessitated analysing each of the export marketing mix variables (4Ps), to achieve better results. This study further followed the analysis pattern of Lages et al. (2008a), whereby they tested each of the export marketing mix strategy variables (4Ps) to examine their individual impact on export performance. This perspective compares the marketing mix strategies used for foreign markets, aimed at exploring the differences in adaptation strategies (Samiee and Roth, 1992). Thus, each variable was examined to capture the complexity of the export marketing mix strategy to provide in-depth analysis to develop theoretical implications for the thesis (Theodosiou and Leonidou, 2003).

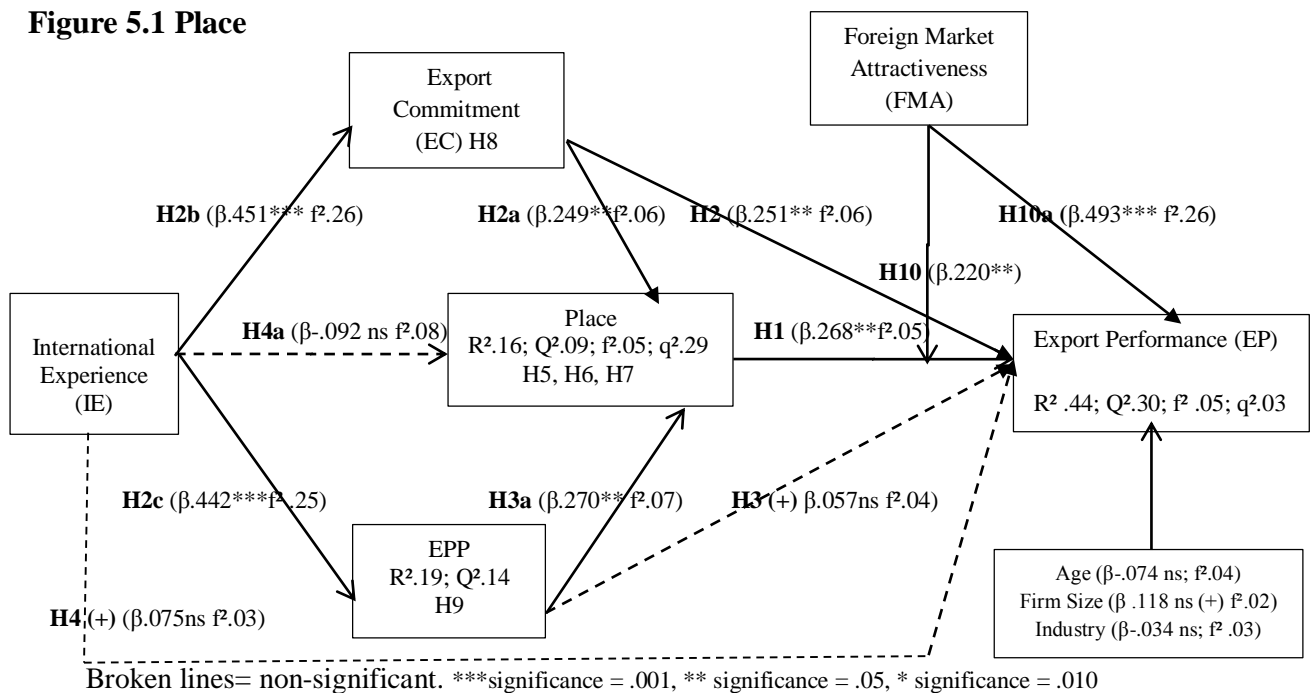
Each structural model examined the path coefficient calculated t -values and explained R^2 , Q^2 , f^2 and q^2 of each endogenous variable based on assessment benchmarks (Hair et al., 2014a). In PLS-SEM instead of a goodness-of-fit assessment, the model is evaluated using variance explained (R^2) and blindfolding techniques to determine predictive relevance (Q^2) (Chin, 1998; Hair et al., 2014b). R^2 is the measure used to evaluate the structural model coefficient of determination and it represents the amount of variance in the endogenous constructs explained by all the exogenous constructs linked to it. R^2 value ranges from 0 to 1. The Q^2 measures explain how the observed values are reproduced by the model and parameter estimates (Vinzi et al., 2010). Q^2 estimates employ a blindfolding technique in which a part of the data is omitted for a particular block of indicators and the model attempts to estimate the omitted part using the estimated parameters as an indicator of predictive relevance (Henseler et al., 2009). Q^2 values larger than zero for a reflective endogenous construct indicate a predictive relevance for

a particular construct (Götz et al., 2010). Blindfolding is used to obtain cross-validated redundancy measures to calculate q^2 . As a guide, q^2 values of 0.02, 0.15, and 0.35 indicate an exogenous construct has a small, medium or large effect on an endogenous construct (Vinzi et al., 2010). The f^2 values of 0.02; 0.15; 0.35 represent small, medium and large effects (Cohen, 1992). A bootstrap resampling of 5000 was used to operationalise the structural models, which are presented in the next section (Hair et al., 2014b). H5, H6, H7, H8 and H9 are mediations.

5.2.3 Structural Model 1– Place as Mediator

The results of the path analysis and significance level are presented in Figure 2. The value of the mean R^2 average variance accounted (AVA) was 0.25 and the individual R^2 s were greater than 0.10 and above acceptable levels (Falk and Miller, 1992). In this model, Place explained 44% of variance of Export Performance while EC explained 20% of variance of Place and Export Performance and lastly EPP explained 19% of Place and Export Performance. The Q^2 values in this model ranged from (EC=0.08; EPP=0.14; Place=0.09; EP=0.30) which are above acceptable levels (Hair et al., 2014b; Vinzi et al., 2010). The f^2 values of the exogenous constructs ranged from 0.02 to 0.26 as shown in Figure 5.1. Place recorded a medium effect of 0.29 on Export Performance. The study found support for thirteen out of sixteen proposed hypotheses to achieve the recommended cut-offs including four direct and indirect effects. Place was statistically significant with Export Performance (EP) at ($p = .009$, $t = 2.60$). The three control variables were not significant with export performance as shown in Figure 5.1.

Figure 5.1 Place



5.2.3.1 Mediation Effect

To show mediation Zhao et al., (2010) concluded that what matters is that the indirect effect is significant. This conclusion is implied here as the direct path between IE→Place was not significant and the indirect paths through IE→EC and EC→Place were significant as displayed in Figure 5.1. IE→EC (H4b) was significant ($p = .000$, $t = 4.95$) and the relationship between EC→Place (H2a) was ($p = .051$, $t = 1.99$). To show mediation as IE →Place was not significant and the indirect path between IE→EPP and EPP→Place was significant, there is a full mediation in this relationship as displayed in Figure 5.1. The direct path between EC→EP was significant at ($p = .014$, $t = 2.46$), while EC→Place was significant (H2a) - ($p = .051$, $t = 1.95$) and Place→EP was significant (H1) - ($p = .009$, $t = 2.60$). As EPP→Place was significant at ($p = .000$, $t = 4.190$) and EC→EP was significant at (H2) - ($p = .026$, $t = 2.22$) and H2a and H1 were significant, there was a partial mediation effect between EC→Place→EP. Place recorded another full mediation effect in the relationship between EPP→EP as shown in Figure 5.1 as the direct path between EPP→ EP was not significant but positive (H3) - ($p = .642$, $t = .460$). Four mediation effects H5, H7, H8, and H9 were established in this model. The standardised direct, indirect and total effects are calculated and shown in Table 5.7 (Vinzi et al., 2010).

Table 5.7 Standardised Direct, Indirect and Total Effects

Independent	Mediating	Dependent	Direct Effect	Indirect Effect	Total Effect
International Experience	Export Commitment	Place	0.792***	0.051	0.842***
International Experience	EPP	Place	0.804***	0.051	0.855***
Export Commitment	Place	Export performance	0.768***	0.034	0.802***
EPP	Place	Export Performance	0.595	0.021	0.616**

***Significant = .001 @ 2.57, **significance = .005 @ 1.96; *significance = .010 @ 1.65. DE+IE=TE.

5.2.3.2 Moderation Effect

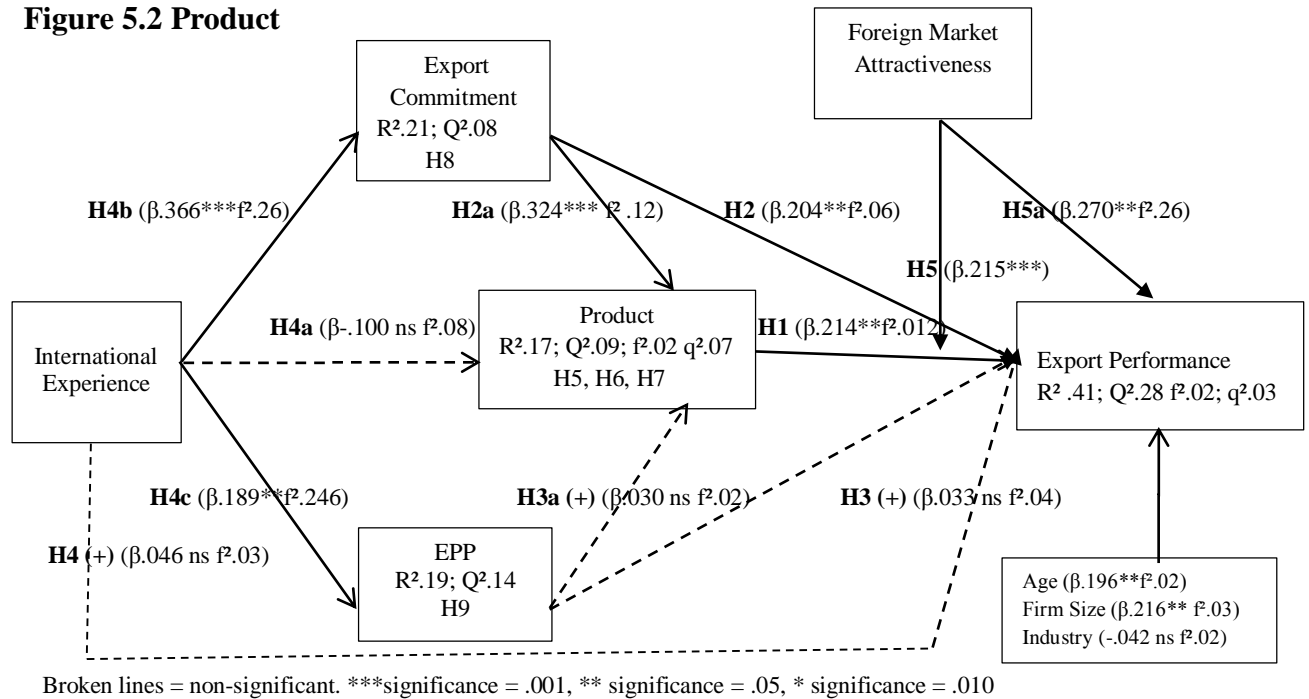
The moderating effect of Foreign Market Attractiveness (FMA) on Place→EP was tested to investigate whether the attractiveness of the foreign market strengthens or weakens the relationship between Place→Export Performance. FMA returned a significant result ($p = .000$, $t = 5.85$) with EP. The interaction term FMA returned a significant result at ($p = .025$, $t = 2.23$) between Place→EP. This result supports the notion that if firms operate in highly attractive export markets, the relationship between Place (distribution) and Export Performance is strengthened (Lowry and Gaskin, 2014). Therefore, the adaptation of the distribution strategy

is required to achieve positive performance outcomes. This implies that distribution adaptation is paramount in foreign markets as the interacting effect returned a significant result and H10 and H10a were fully supported.

5.2.4 Structural Model 2– Product as Mediator

The results of this model are presented in Figure 5.2. The mean of the R²s in this model was 0.25 and all individual R²s were above the acceptable level of 0.10 (Hair et al., 2014a). The Q² values ranged from EC=0.08; EPP=0.14; Product=0.08; EP=0.28 in this model (Hair et al., 2011). The f² values ranged from 0.02 to 0.26 as displayed in Figure 5.2. The q² of Product recorded a small predictive relevance of 0.07 on Export performance. The study found support for nine out of sixteen proposed hypotheses. Age and firm size was significant with export performance, apart from industry. See Figure 5.2 for details.

Figure 5.2 Product



5.2.4.1 Mediation Effect

Two full mediation effects (H5 and H8) were established in the relationship between IE→EC→Product→EP. The direct path IE→Product was not significant while the indirect paths through IE→EC, EC→Product and Product→EP were significant as shown in Figure 5.2 (Zhao et al., 2010). IE→EC was significant (H4b) - ($p = .000$, $t = 4.15$) and EC→Product was significant (H2a) - ($p = .001$, $t = 3.37$). To show mediation of Product the direct effect of EC→EP was positive at ($p = .000$, $t = 5.53$). The conclusion from the literature goes

directly to the problem of showing the indirect effect is significant (Baron and Kenny, 1986). Therefore, as EC→Product was significant ($p = .000$, $t = 4.15$), and Product→EP was significant ($p = .019$, $t = 2.35$), Product had a partial mediation effect in the relationship EC→ Product→EP as displayed in Figure 5.2. The standardised direct, indirect and total effects are calculated and shown in Table 5.8.

Table 5.8 Standardised Direct, Indirect and Total Effects

Independent	Mediating	Dependent	Direct Effect	Indirect Effect	Total Effect
International Experience	Export Commitment	Product	0.590**	0.124	0.714***
International Experience	EPP	Product	0.119	0.124	0.243
Export Commitment	Product	Export Performance	0.742***	0.121	0.863***
EPP	Product	Export Performance	0.277	0.006	0.283

***Significant = .001 @ 2.57, **significance = .005 @ 1.96; *significance = .010 @ 1.65. DE+IE=TE.

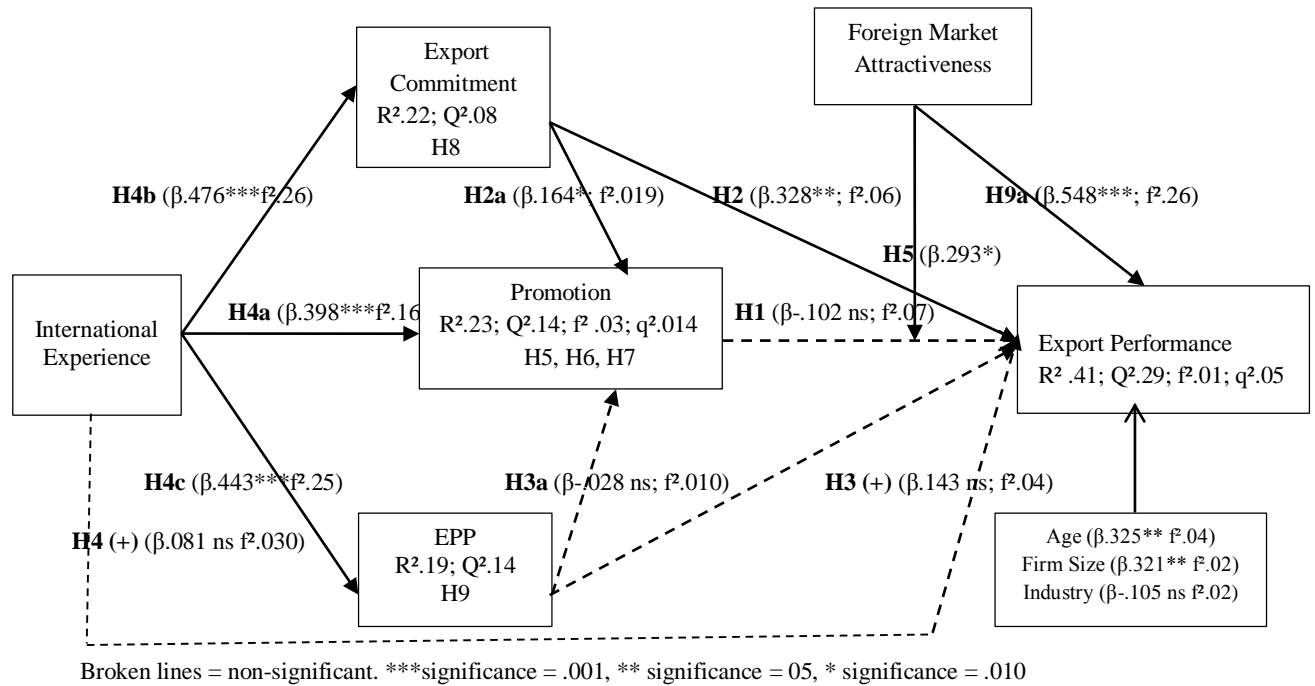
5.2.4.2 Moderation Effect

With Perceived Export Success as an endogenous variable, FMA interaction term returned significant results ($p = .026$, $t = 2.23$) between Product→EP as shown in Figure 5.2. The results imply that firms operating in highly attractive export markets have to allocate substantial resources to adapt their products to suit the characteristics of the export market in order to stay competitive and strengthen the relationship between product adaptation and export performance. On the other hand, less attractive markets would weaken the relationship between Product→EP as adaptation levels will be minimal. The interacting effect was significant, therefore H10 and H10a are fully supported.

5.2.5 Structural Model 3– Promotion as Mediator

The results of this model are presented in Figure 5.3. The mean of R^2 s in the model was 0.26 (Hair et al., 2014a). The Q^2 values in this model recorded are EC=0.08; EPP=0.14; Promotion=0.14; EP=0.29 and values of f^2 ranged from 0.02 to 0.26 (Baron and Kenny, 1986). The value of q^2 of Promotion had a predictive relevance of .014 on Export Performance. Eight out of sixteen hypothesised relationships were positive in the predicted direction using 5000 bootstrapping samples. H1 predicted a positive relationship between Promotion adaptation and Export Performance (EP), although as expected the result was negative ($p = .351$, $t = .934$). Age and firm size was significant with export performance as displayed in Figure 5.3.

Figure 5.3 Promotion



5.2.5.1 Mediation Effect

One partial mediation effect (H8) was established in this model. The direct effect between IE \rightarrow EC was significant at (H4b) ($p = .000$, $t = 6.35$) and the relationship between EC \rightarrow Promotion was significant at (H2a) - ($p = .046$, $t = 1.96$). A partial mediation was established as the indirect effect between EC \rightarrow Promotion, IE \rightarrow EC, and IE \rightarrow Promotion was significant in the relationship (Baron and Kenny, 1986). Table 5.9 displays the direct, indirect and total effects of the mediation analysis.

Table 5.9 Standardised Direct, Indirect and Total Effects

Independent	Mediating	Dependent	Direct Effect	Indirect Effect	Total Effect
International Experience	Export Commitment	Promotion	1.038***	0.052	1.090***
International Experience	EPP	Promotion	0.813***	0.052	0.865***
Export Commitment	Promotion	Export Performance	0.390*	-0.001	0.389*
EPP	Promotion	Export performance	0.013	-0.004	0.009

***Significant = .001 @2.57, **significance = .005 @ 1.96; *significance = .010 @ 1.65

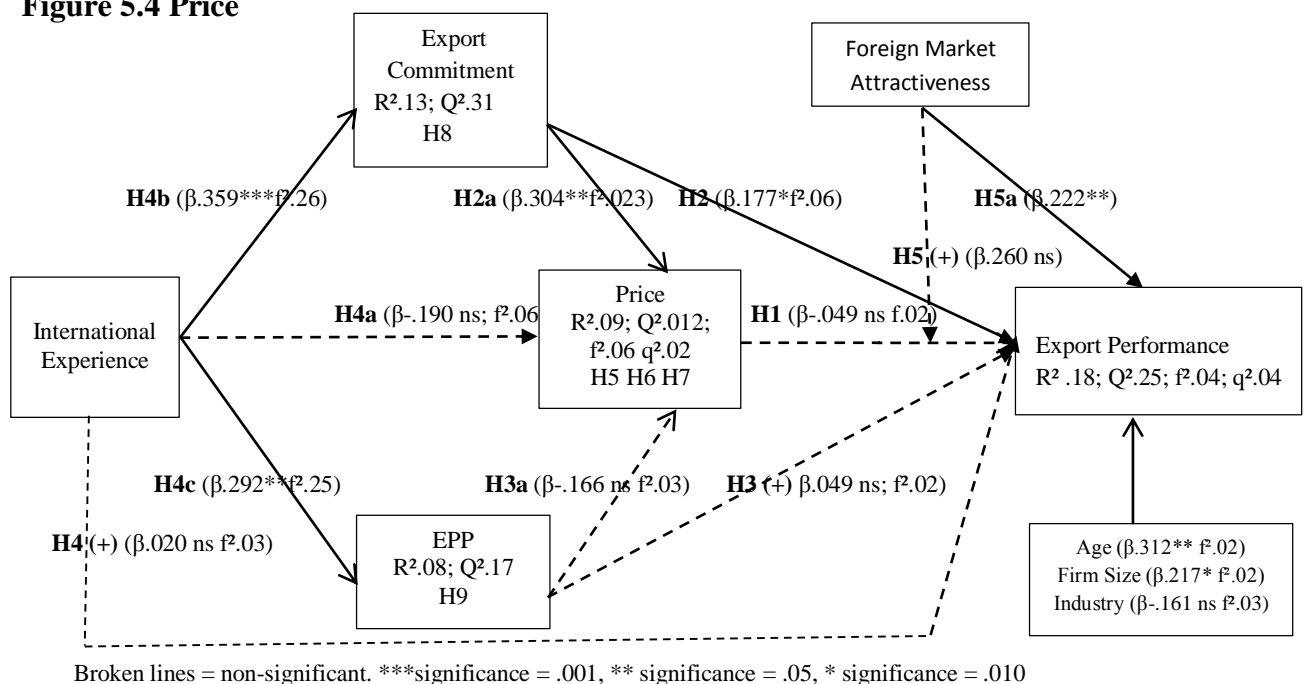
5.2.5.2 Moderation Effect

The interaction effect of FMA on Promotion→EP was tested to investigate whether the attractiveness of the foreign market strengthens or weakens the relationship between promotion adaptation and export performance. With Perceived Export Success as a dependent variable, FMA interaction term produced a significant result ($p = .000$, $t = 3.73$) and FMA→EP was significant at ($p = .000$, $t = 6.05$). FMA was significant after the interaction effect ($p = .010$, $t = 2.61$) as shown in Figure 5.3. This result implies that firms operating in competitive environments adapt their export adaptation strategies to suit the foreign market environment in terms of legal and regulatory frameworks, which tend to strengthen the relationship between adaptation practices and performance. H10 and H10a were fully supported in this model.

5.2.6 Structural Model 4– Price as Mediator

The mean of all R^2 s for this model was 0.14 and the individual R^2 for Price was 0.09, which is acceptable (Hair et al., 2014a). The Q^2 values in this model ranged from EC=0.31; EPP=0.17; Price=0.012; EP=0.17. The f^2 values of the exogenous constructs ranged from 0.02 to 0.26 and contributed small to medium effects on the endogenous constructs. The value of q^2 of Price had a small predictive relevance of 0.04 on Export Performance. Six out of sixteen hypotheses were significant. H1, Price adaptation and Export Performance (EP) was non-significant ($p = .619$, $t = .497$), which was not expected. Firm size and age were significant whereas industry was non-significant as shown in Figure 5.4.

Figure 5.4 Price



5.2.6.1 Mediating Effect

This model produced one mediation effect - (H8). To establish mediation, the direct effect between IE → Price was undertaken and recorded positive results at ($p = 0.10$, $t = 1.98$). IE had a positive impact on EC (H4b) - ($p = .000$, $t = 3.73$), and the relationship between EC → Price (H2a) was significant at ($p = .004$, $t = 2.86$). As the impact of IE → Price was negative after the mediator was introduced, a full mediation effect was established in the relationship of IE → EC → Price (H8). Table 5.10 displays direct, indirect and total effects of the constructs.

Table 5.10 Standardised Direct, Indirect and Total Effects

Independent	Mediating	Dependent	Direct Effect	Indirect Effect	Total Effect
International Experience	Export Commitment	Price	0.473**	0.040	0.513**
International Experience	EPP	Price	-0.336	0.040	0.296
Export Commitment	Price	Export Performance	0.177	-0.005	0.427**
EPP	Price	Export Performance	-0.166	0.019	-0.147

***Significant = .001 @ 2.57, **significance = .005 @ 1.96; *significance = .010 @ 1.65

5.2.6.2 Moderating Effect

The interaction term Foreign Market Attractiveness returned a non-significant but positive relationship ($p = .141$, $t = 1.47$) between Price → EP and the direct effect of FMA → EP was significant ($p = .044$, $t = 2.01$). No interaction effect was established in this model therefore, H10 was not supported whereas H10a was supported as displayed in Figure 5.4.

5.2.7 Summary of Hypotheses

Table 5.11 provides the results of path analysis in four PLS-SEM structural models including mediation and moderation analysis. Most of the hypothesised relationships between the antecedent variables and perceived export success (EP) were significant in the expected direction, with a few exceptions in the separate models. The non-significant relationships were retained in the models rather than re-specifying them as the proposed models satisfactorily met the recommended PLS-SEM assessment criteria. The non-significant positive and negative relationships recorded between some constructs have theoretical implications explaining their mediation effect with export performance, and their removal would have decreased the validity of the conceptual model. See Table 5.11 for details.

Table 5.11 Summary Results of PLS-SEM Analysis

Hypotheses	Latent Variables	Expected Outcome	Place	Product	Promotion	Price	Conclusion
H1	EMMS and EP	(+)	(+)**	(+)**	(-) ns	(-) ns	Two supported
H2	EC and EP	(+)	(+)**	(+)**	(+)**	(+)**	Supported
H2a	EC and EMMS	(+)	(+)**	(+)**	(+)**	(+)**	Supported
H3	EPP and EP	(+)	(+) ns	(+) ns	(+) ns	(+) ns	Not supported
H3a	EPP and EMMS	(+)	(+)**	(+) ns	(+) ns	(+) ns	One supported
H4	IE and EP	(+)	(+) ns	(+) ns	(+) ns	(+) ns	Not Supported
H4a	IE and EMMS	(+)	(-) ns	(-) ns	(+)**	(-) ns	Supported
H4b	IE and EC	(+)	(+)**	(+)**	(+)**	(+)**	Supported
H4c	IE and EPP	(+)	(+)**	(+)**	(+)**	(+)**	One supported
Mediation							
H5	EC→EMMS→EP	(+)	(+)**	(+)**	(+) ns	(+) ns	Two Supported
H6	EPP→EMMS→EP	(+)	(+)**	(-) ns	(-) ns	(-) ns	One Supported
H7	IE→EMMS→EP	(+)	(-) ns	(-) ns	(-) ns	(-) ns	Not Supported
H8	IE→EC→EMMS	(+)	(+)**	(+)**	(+)**	(+)**	Supported
H9	IE→EPP→EMMS	(+)	(+)**	(-) ns	(-) ns	(-) ns	One Supported
Moderation							
H10	FMA and EP	(+)	(+)**	(+)**	(+)**	(+)**	Supported
	FMA via EMMS (4Ps) and EP	(+)	(+)**	(+)**	(+)**	(+) ns	Three Supported

***Significant = .001 @ 2.57, **significance = .005 @ 1.96; *significance = .010 @ 1.65

5.2.8 Common Method Bias

Common method variance (CMV) can cause systematic measurement errors that inflate or deflate observed relationships between constructs, which could lead to the generation of type I and II errors (Chang et al., 2010). CMV is a variance that is attributable to the measurement method rather than to the constructs the measures represent (Podsakoff et al., 2003). This study applied three approaches recommended as remedies to avoid or correct common method bias, categorised into procedural and post statistics remedies in the research process (Chang et al., 2010). (1) Respondents were given the assurance of the anonymity and confidentiality of the study, stressing there were no right or wrong answers to ensure authentic responses were obtained. (2) The complex model applied 5 to 7 Likert scale endpoints for the exogenous and endogenous variables to diminish common method biases caused by commonalities in scale endpoints (Podsakoff et al., 2003). As a post statistical remedy, one major test was undertaken to determine the presence of common method bias: (3) partial correlation techniques using a marker variable (Lindell and Whitney, 2001). Lindell and Whitney's (2001) partial correlation technique was applied using a marker variable called Trust of Banking Services, measured by three items in the questionnaire. This construct was ascertained to have no theoretical or conceptual relationship with at least one of the major constructs under investigation (Raman et al., 2013). For this technique to work, a data set is perceived to be tainted with common method

bias if the correlation coefficients among the variables significantly modify when the effect of the marker variable is introduced (Lindell and Whitney, 2001). The results of this test showed that the marker variable had a path coefficient close to zero relative to other variables. Therefore, this finding further provided confirmation that common method bias was not an issue in this research (Podsakoff et al., 2003). Table 5.12 displays the results of the path coefficient after the marker variable was analysed with the four models. The analysis produced similar results with and without the marker variable.

Table 5.12 Marker Variable Results on Common Method Bias

Model- Place	T Values Without MV	T Values With MV	Model- Product	T Values Without MV	T values With MV
Place→ EP	2.603***	2.089***	Product→ EP	2.434***	1.924*
ExpComt→ EP	2.524***	2.216***	ExpComt→ EP	2.325***	2.130**
ExpComt→ Place	1.953*	1.882*	ExpComt→ Product	3.248***	3.110***
EPP→EP	0.465 (-)	0.622 (-)	EPP→EP	0.771 (-)	0.303 (-)
EPP→ Place	2.323***	2.308***	EPP→ Product	0.752 (-)	0.648 (-)
IntExp→ EP	0.848 (-)	0.628 (-)	IntExp→ EP	0.536 (-)	0.596 (-)
IntExp→ Place	0.689(-)	0.796 (-)	IntExp→ Product	1.016 (-)	0.929 (-)
IntExp→ ExpComt	4.955***	4.894***	IntExp→ ExpComt	4.440***	4.745***
IntExp→ EPP	5.009***	4.867***	IntExp→ EPP	1.992**	1.895*
FMA→ EP	5.857***	25.485***	FMA→ EP	22.223***	2.170***
Model- Promotion	T Values Without MV	T Values With MV	Model- Price	T Values Without MV	T Values With MV
Promotion→ EP	0.934 (-)	0.467 (-)	Price→ EP	0.505 (-)	0.202 (-)
ExpComt→ EP	2.838 ***	1.974 **	ExpComt→ EP	2.065***	1.824*
ExpComt→ Promotion	2.549***	1.753*	ExpComt→ Price	2.961***	2.131**
EPP→EP	1.191(-)	0.911(-)	EPP→EP	0.427 (-)	0.269 (-)
EPP→ Promotion	0.806 (-)	0.928 (-)	EPP→ Price	1.133 (-)	0.801 (-)
IntExp→ EP	0.763 (+)	1.125 (-)	IntExp→ EP	0.204 (+)	0.590 (+)
IntExp→ Promotion	5.179***	5.146***	IntExp→ Price	1.610 (-)	0.932 (-)
IntExp→ ExpComt	0.934 (-)	0.467 (-)	IntExp→ ExpComt	0.505 (-)	0.402 (-)
IntExp→ EPP	5.247***	4.982***	IntExp→ EPP	3.148***	5.009***
FMA→ EP	5.495***	5.840***	FMA→ EP	2.016**	3.730***

***Significant = .001 @ 2.57, **significance = .005 @ 1.96; *significance = .010 @ 1.65

5.3 Summary

The measurement model was confirmed and used to test hypotheses in the structural model. Four separate models were analysed with the export marketing mix strategy variables (place, product, promotion and price) as mediators and the hypothesised links were examined with other variables. In the Place model, thirteen out of sixteen hypotheses were statistically significant including four mediations. The Product model produced nine positive with two

negative and two non-significant but positive relationships. Two full mediation effects were established. In the Promotion model, eight out of sixteen relationships were significant with one full mediation and two negative and two non-significant but positive relationships.

The Price model recorded the least positive results with six significant results, four negative and two non-significant but positive relationships with one mediation effect. The summary of hypotheses across the four models supports the notion that Place (distribution) and Product are the most adapted export marketing mix strategy of Ghanaian firms with Promotion and Price highlighted as the least adapted strategies. The non-significant results recorded with Price and Export Performance support theoretical evidence of a negative relationship existing between the two constructs. Some scholars have argued that the lower the degree of price adaptation in foreign markets, the higher the export performance as the level of prices is adapted to respect the characteristics of various export markets. Finally, common method variance examination was undertaken and the findings indicated that the study did not suffer from any common method bias.

The next chapter presents the analysis of the qualitative interviews conducted with 18 key informants from the agricultural, handicraft and manufacturing industries in Ghana. Thereafter the findings of the quantitative and qualitative studies will be discussed to address the research objectives of the study.

CHAPTER SIX QUALITATIVE DATA ANALYSIS

6.0 Introduction

This chapter brings Chapter Two (literature review) and Chapter Five (quantitative analysis) into perspective together with a comprehensive discussion of the determinants of export performance in line with the complementarity design of the mixed method approach. This qualitative research design is complementary to the quantitative study and aims to enhance and clarify the results of the quantitative study in the discussion chapter to add value to the findings of the study. This chapter presents findings from the semi-structured interviews conducted with 18 exporters in Ghana.

6.1 Qualitative Interview Profile

The coded transcripts identified major themes and sub-themes from the interview data. The amalgamation of categories and their properties in respect of different constructs were put together enabling discussions and interpretation of the phenomena under study (Bryman and Bell, 2007). Selection of key informants from different industries was a yardstick for determining the sample size to enable comparability. This process permitted variability of sample representation in order to validate theoretical arguments proposed in the study. Six interviews came from agricultural, seven from the handicraft and five from the manufacturing industries. For easy identification of firms in the industries, interviewees are categorised according to their industry classification codes, which are displayed in Table 6.1. Characteristics of the managers including gender, the size of their firm, years of exporting and product destination were recorded and displayed in Table 6.2. Table 6.3 displays themes and sub-themes developed from the qualitative interview data.

Table 6.1 Types of Industries, Codes and Respondents

Respondent Type/Category	Code Number	Characteristics	Respondent Identification Code
Exporter in the Agricultural Industry	EA	An individual firm which is involved in exporting agricultural products including fresh/dry fruits and vegetables.	EA1, EA2, EA3, EA4, EA5, EA6.
Exporter in the Handicraft Industry	EH	An individual firm which is involved in exporting handicrafts- wooden carvings, dolls, beads and baskets.	EH7, EH8, EH9 EH10, EH11, EA12, EA13.
Exporter in the Manufacturing Industry	EM	An individual firm which is involved in exporting processed/semi-processed manufacturing products including plastics, beverages, clothing, cosmetics and processed foods.	EM14, EM15, EM16, EM17, EM18.

Table 6.2 Interview Characteristics of Exporters in Ghana

Company	Job Role/Position in the Firm	Ownership	Gender	Industry	Prior Int. Experience	Years of Exporting	Number of Employees	Destination of the Product
EA1	Managing Director Ghanaian owned	Ghanaian owned	Female	Agricultural	Yes	14	50(S)	Britain, Germany and Italy
EA2	Owner/ Manager	Ghanaian owned	Male	Agricultural	No	23	25 (S)	Lebanon and Dubai, Egypt, Algeria and Libya
EA3	General Manager	Ghanaian/Foreign -owned	Male	Agricultural	Yes	18	650(L)	United Kingdom Germany, Britain, France and Switzerland.
EA4	Foundation Manager	Foreign-owned	Male	Agricultural	Yes	15	500(L)	Italy, Germany, France and Switzerland.
EA5	President Farming Co-operative	Ghanaian owned	Male	Agricultural	No	9	150(L)	Holland, Germany and Lebanon.
EA6	General Manager	Ghanaian owned	Male	Agricultural	Yes	15	29(S)	USA, United Kingdom and Germany
EH7	Chief Executive Officer	Ghanaian owned	Female	Handicraft	No	14	25(S)	USA, Japan, UK, Sweden and Australia
EH8	Managing Director	Ghanaian owned	Female	Handicraft	No	14	50(S)	USA, Germany, Canada, Holland, Demark and South Africa
EH9	Managing Director	Ghanaian owned	Male	Handicraft	No	25	100(L)	USA, UK, Germany, Austria, Russia, Chile, Australia, Peru and Brazil
EH10	Owner/Manager	Ghanaian owned	Female	Handicraft	No	24	12(S)	USA, Britain, Germany, France, Switzerland, Nigeria and Canada.
EH11	Owner/Manager	Ghanaian owned	Female	Handicraft	No	20	15(S)	Italy, Holland, Germany, Ivory Coast and USA.
EH12	Managing Director	Ghanaian owned	Male	Handicraft	No	9	15(S)	UK, USA, South Africa, Dakar and Burkina Faso
EH13	Managing Director	Ghanaian owned	Male	Handicraft	No	26	250 (L)	UK, USA, Liberia, Nigeria, Togo and South Africa.
EM14	Foundation Manager	Foreign-owned	Male	Manufacturing	Yes	14	1800 (L)	France, Italy, Britain, Switzerland and Holland
EM15	Chief Executive Officer	Foreign/Ghanaian owned	Male	Manufacturing	Yes	12	628 (L)	Twenty-two African countries.
EM16	General Manager	Ghanaian owned	Male	Manufacturing	Yes	7	200 (L)	South Africa, Liberia, Nigeria, Sierra Leon, Ivory Coast and Burkina Faso.
EM17	Chief Executive Officer	Ghanaian owned	Female	Manufacturing	No	20	17 (S)	West Africa, Korea, USA, Canada, Germany, Britain, Holland, Brazil, South Africa and Switzerland.
EM18	Accountant	Ghanaian owned	Male	Manufacturing	Yes	6	150 (L)	USA and UK.

Table 6.3 Interview Structure- Main Themes and Sub-Themes

	Key Determinants
Export Marketing Mix Strategy (4Ps)	1. Place: (i) Agents and Middlemen, (ii) Direct Distribution. 2. Product: (i) Modification, (ii) Design and Style (iii) Packaging and Labelling. 3. Promotion: (i) Word of Mouth, (ii) Trade Shows and (iii) Forms of Promotion. 4. Price: (i) Price Fluctuation, (ii) Price Reduction and (iii) Price Mechanism. 5. Cultural Adaptation: (i) Language and features and (ii) Designed to a specific culture.
Export Commitment	1. Lack of Financial Resources. 2. Allocation of Resources. 3. Export investment.
Export Promotion Programmes	1. Trade Shows and Exhibitions. 2. Operations of Public Policy Makers. 3. Training and Development Programmes.
International Experience	1. Not Travelled or Lived Abroad. 2. Experiential Knowledge. 3. International Exposure.
Foreign Market Attractiveness	1. High Standards. 2. Policies and Procedures. 3. Legal/Regulatory Frameworks. 4. Customs Officials. 5. Export Competition.
	Other Factors
Export Initiation	1. Potential in Exporting- (i) Word of mouth and (ii) fill a gap 2. Diversification. 3. Joint Venture. 4. Export Training Seminar.
Location of the Firm	1. Proximity to the Air/Sea Ports. 2. Access to Logistics. 3. Other Factors.
Common Problems (Barriers)	1. Functional Problems, 2. Marketing Barriers. 3. Lack of Funding and 4. Logistics Barriers.
Export Performance Measurements	1. Export Satisfaction. 2. Strategic. 3. Financial: (i) Readiness to provide and (ii) Confidential.

6.2 Findings from In-depth Interviews

This section assimilates interview findings from key informants on their perception of export performance. The results mainly offer support to the findings of the quantitative study. The interviews also highlighted some additional factors that are likely to influence the export performance of Ghanaian firms. The interview findings were categorised into 9 themes and several sub-themes and are displayed in Table 6.2. The next section presents selected key quotes to represent themes and sub-themes developed

for qualitative interview analysis. The remainder of the quotes are attached in Appendix 9 for reference.

6.3. Key Determinants

6.3.1 Export Marketing Mix Strategy (4Ps)

Managers explained how the export marketing mix strategy (4Ps) was adapted in foreign markets. The perceptions recorded from the interviews were assessed and graded to reflect the extent of adaptation practices, presented in Table 6.4. Additional sub-themes were developed from the interviews on place, product, promotion, and price adaptation strategy to support the presentation in Table 6.4.

6.3.1.1 Place Adaptation

Two sub-themes emanated from place adaptation: **agents/middlemen** and **direct distribution**. Some managers asserted that their distribution (place) adaptation strategies were mainly carried out by **agents/middlemen**. This followed:

“Because we export to major supermarkets in Europe, the responsibility is on the supermarkets, they do all those runs on distribution.” EM14

“We transport the products to the export market and look for an agent or distributor. We appointed one in Sierra Leone as she got excited and expressed interest in becoming our agent.” EM16

It has emerged from the interviews that distribution activities were left to agencies and the importer in the host market, as they were most likely to implement the strategies effectively (Lado et al., 2004). The export performance literature on distribution supports the idea that an exporter may be quite dependent on experienced intermediaries to get products to the market (Czinkota and Ronkainen, 1993). Two exporters said:

“On distribution, they buy directly from us. The big shops have their buyers coming down to Ghana and we organise an exhibition for them. They distribute the products out there.” EH8

“We have a few agents for our common products but most of it is project oriented. Agents and distributors, we focus mainly nationally and internationally we focus more on projects.” EM15

For instance in the USA, EA6's firm used direct distribution to reach customers as they have a warehouse out there. The study found that some managers were competent to control distribution channels and performed tasks to adapt different strategies in export

markets (Czinkota et al., 2011). One manager explained different distribution strategies applied by their firm:

“We use to take the clothes outside; we also had shops in Burkina Faso, Freetown and the US, and the boutiques also ordered their clothes from our company in some countries, but now we do direct exporting.” EM17

Ghanaian firms applied different distribution strategies by using direct and indirect channels to distribute their products in various export markets to add value to their operations. Some managers performed the distribution task themselves and planned the channel function as a collection of different units (Lado et al., 2004).

6.3.1.2 Product Adaptation

On product adaptation, sub-themes included **product modification**, **product design and style**, and **packaging and labelling**. Comments on **product modification** included:

“Yes, we adapt the produce, even to start planting the soil must be tested and we have fertilisers and chemicals which are approved and supervised by the Ministry of Food and Agriculture. Therefore, the vegetables are physically modified.” EA1

“The only modification that is done is with pineapples, where you have to spray some approved chemicals to achieve colour before the fruit matures fully otherwise it would be difficult to sell the fruits outside.” EA2

It emerged from the interviews that products were adapted in terms of **brand**, **packaging and labelling** and one manager explained their strategies:

Our products are adapted fully to different markets. We have our own brand of boxes and labels. We also put a lot of effort by signing up for the Fairtrade logo which enabled us to access certain supermarkets outside. We were the first export company to sell Fairtrade pineapples outside Ghana and this did not come on a silver platter.” EA3

The firms applied **product design and style** to adapt their products to suit customer preferences in export markets. This was explained by EM14.

“We do not have any kinds of modification with the product in particular; it is fresh processed fruits. Packaging and quality mainly, we have to package our products to suit the European market, we basically use plastic packs. Our packaging materials come from Europe so at least, we know we meet their standards.”

The study revealed that different aspects of the products are adapted to suit customer preferences and standards in different export markets. Export performance literature has argued that consumer goods generally require product adaptation because of their higher degree of cultural grounding and the degree of change required by foreign consumers (Czinkota et al., 2011). EH7 designed and adapted products to suit different countries based on unique customer demand and specific characteristics of export markets to stay competitive. The manager added that colour trends and sizes in the USA change every year, which exporters have to follow to meet customer demands and preferences to add value to their products. EH8 also commented:

“I modify my products by creating different designs and styles to suit different export markets. If you take Germany for instance, they will not buy polished items, they prefer natural items but the Americans will go for any of the designs.”

This study found that every item produced for the export market was based on buyer specifications and tailored to suit the needs of various customers in different countries as different levels of product adaptation were applied. EH9 explained:

“Exactly, adaptation is important, in fact, every single item that we produce and export are tailored and measured to meet buyer specifications and that starts from even the colours, the packaging and everything.”

On **product modification**, EH10 and EM17 explained the products were modified to suit the host country. For instance, EH10 added that the specifications of the Americans and Europeans are very different and diverse as well as those people from other parts of the world. Therefore, colour and design requirements were quite different in export markets. It is demonstrated in this study that some learning and knowledge has been acquired on the characteristics of various export markets. Products were adapted in different forms by satisfying the required standards and product quality specifications to prevent rejection at entry points in host countries (Leonidou et al., 2002). This study found that buyer specifications and standards were adhered to maintain trust and goodwill in the relationship between the importer and exporter (Leonidou et al., 2014).

6.3.1.3 Promotion Adaptation

Ghanaian exporters applied different and convenient promotion strategies to market their products in international markets. Three sub-themes emerged from promotion adaptation: **word of mouth**, **trade shows**, and **forms of promotion**. On **word of**

mouth, some exporters explained they do some promotion but that mainly involved word of mouth, as they did not officially buy advertisement space or airtime to promote their products. Other exporters highlighted trade shows as their source of promotional strategy in export markets as buyer contact and networks were developed through foreign exhibitions. The managers explained:

“With promotion strategy, we send samples and designs and promote our products through trade shows and exhibitions.” EH8

“Ghana Export Promotion Authority does many promotions for us, so we promote our products through these trade shows and exhibitions in different countries.” EA1

Promotion of products through foreign trade shows was highlighted by some exporters as an important point of contact in the export market for implementing their adaptation strategies to enhance performance (Shamsuddoha et al., 2009). Some managers used other **forms of promotion** to create awareness of their products by advertising on radio and television for agents appointed in various export markets to promote the products. Others explained:

“Promotion from our end is mainly based on what our agency tells us to do. There are specific periods that they arrange promotions and during those periods we need to produce more to meet their supply; apart from that, we have our own programme for the year.” EA3

It emerged in this study that adaptation of the export marketing mix strategy in terms of product features is highly necessary for exporting (Tesfom et al., 2006). Lack of adequate resources to adapt the product to foreign market standards results in rejection at entry points. Product was the most adapted export strategy followed by place in this study. Promotion was somewhat adapted and price was the least adapted strategy. This implies that not all components of the export marketing mix variables (4Ps) are fully adapted to export markets by Ghanaian firms, as different forms of adaptation strategies were employed to achieve export success.

6.3.1.4 Price Adaptation

The value in price creates a substantial demand for a product in an export market (Kotler, 2008). Managers explained price adaptation strategies through three sub-themes: **price fluctuation, price reduction and price mechanism**. Some managers described how

prices were adapted to a lesser extent to respect the characteristics of various export markets. On **price fluctuation**, EA6 and EM15 explained:

The pricing strategy depends on what is happening in the market, it is a question of demand and supply, and sometimes we adapt certain pricing strategies to be able to clear high stock.” EA6

“Pricing strategy is always a little more difficult because you have other values like border, customs duties, transport that are always coming along. Project pricing is one of the things that we do for exports.” EM15

This finding supports export performance literature that pricing analysis in international markets is determined by the level of value and how the product adds or subtracts value to customers in the export markets (Czinkota et al., 2011). Operations applied differential pricing strategies to determine prices in order to account for the differences across export markets. Some managers commented on **price reduction** and **price mechanism** to reflect prices in different export markets:

“On pricing, it is mainly on negotiation. We have two market prices: one is the conventional market price and the other is fair-trade. For the fair-trade, the price is set and fixed for the whole year but if we have problems we need to de-classify the fruits. One challenge with the conventional market price is the reduction in prices.” EA3

The adaptation of prices in various export markets is a significant factor in tailoring export operations to suit the foreign market environment. These comments were expressed consistently and lend support to the theoretical reasoning from a different study context that prices were adjusted to respect export market conditions. This indicates that prices were adapted to a lesser extent depending on negotiations and market conditions in various foreign markets (Sousa and Bradley, 2008a). Prices were difficult to adapt although additional financial resources were committed to export operations to remain competitive.

6.3.1.5 Cultural Adaptation

The interview investigated whether products were designed to a specific culture, as it is easier to target culturally similar markets (Shoham, 1999). The literature posits that the more distant a market is culturally, the more dissimilar the product attributes and foreign consumer values will be (Lado et al., 2004). Managers commented based on two sub-themes.

Table 6.4 Adaptation of the Export Marketing Mix Strategy (4Ps)

Firm	Industry	Place	Product	Promotion	Price
EA1	EA	Somewhat adapted	Adapted to a greater extent	Not adapted at all	Moderately adapted
EA2	EA	Not at all adapted	Adapted to a greater extent	Not at all adapted	Somewhat adapted
EA3	EA	Fully adapted	Fully adapted	Moderately adapted	Moderately adapted
EA4	EA	Fully adapted	Fully adapted	Moderated adapted	Adapted to a greater extent
EA5	EA	Not at all adapted	Adapted to a greater extent	Not at all adapted	Moderately adapted
EA6	EA	Fully adapted	Fully adapted	Fully adapted	Moderately adapted
EH7	EH	Moderately adapted	Fully adapted	Moderately adapted	Moderately adapted
EH8	EH	Moderately adapted	Fully adapted	Moderately adapted	Adapted to a greater extent
EH9	EH	Moderately adapted	Fully adapted	Somewhat adapted	Moderately adapted
EH10	EH	Somewhat adapted	Adapted to a greater extent	Not at all adapted	Somewhat adapted
EH11	EH	Somewhat adapted	Fully adapted	Somewhat adapted	Moderately adapted
EH12	EH	Moderately adapted	Fully adapted	Not at all adapted	Somewhat adapted
EH13	EH	Fully adapted	Fully adapted	Moderated adapted	Adapted to a greater extent
EM14	EM	Moderately adapted	Moderately adapted	Somewhat adapted	Somewhat adapted
EM15	EM	Adapted to a greater extent	Fully adapted	Somewhat adapted	Moderately adapted
EM16	EM	Fully adapted	Adapted to a greater extent	Moderately adapted	Moderately adapted
EM17	EM	Moderately adapted	Fully adapted	Fully adapted	Moderately adapted
EM18	EM	Somewhat adapted	Adapted to a greater extent	Somewhat adapted	Adapted to a greater extent

Note: All indicators represent the researcher's own appraisal of the extent to which the export marketing mix is adapted based on the interviews.

Please note that all analysis findings are from the researcher's appraisal and are not drawn from the managers' self-reporting.

The self-reporting here is a mere representation of the firms' adaptation of the export marketing mix strategies based on their perceptions.

Fully Adapted-high; adapted to a greater extent-moderately high; moderately adapted-average; somewhat adapted-lightly low; not at all adapted -low

On **language and features**, EA3 asserted that even though they grow the fruits generally, the fruits are prepared for exports to meet different specifications of every country. For instance, specific languages and product labels were used for countries like Germany, Italy and Holland to adapt to language, colour and their customers' ability to read and understand. For some products shipped and sold in major supermarkets in Europe, like Marks and Spencer and Waitrose, there were always strict requirements the firms had to meet as these products are displayed on the shelves of these recognised supermarkets. This was explained:

"Except for packaging material, where a client might say he wants his own logo on the carton, otherwise, it is a standard type of cartons I use all over the world. If it is labelling it is one colour and design because I want it to be known as my brand, you see. In terms of language, it is English throughout on the boxes."
EA2

This is an indication that features of the product are labelled in specific languages depending on the product destination. It also emerged that product packages going to Francophone countries in Africa and the Middle East were written in different languages to allow the customers to read and understand the labels on the packages. EM16 explained:

"We initially look at the sub-region before we design the packaging, so we consider the Francophone countries. If you look at our products going there you will find the French language on the packaging. If we begin to go to the Arab world we will look at the culture there because they would not like to see this kind of picture on the packaging."

In support of product **design to a specific culture**, other managers maintained that they try to have the fruits with good shape and colour to meet buyer specifications in various export markets. They explained that countries like France prefer yellow fruits, so bright fruits are shipped to that export market, whereby in the United Kingdom (UK), customers preferred green fruits, therefore, less colourful fruits are shipped to that market to meet buyer demands. EA4 explained:

"It is one country, France that is concerned about colour. They take colour very seriously, the fruits have a colour range, but the French always go beyond the end of the colour range so we look at that very well if we have to export something there. The re-packers put in their packing language. We also declare allergies and preservatives boldly on the products." EA4

Therefore, in order to export successfully, the firms addressed cultural dissimilarities in languages, colour, and design to reduce perceived risk of failure to suit the cultural needs of foreign markets in enhancing export performance (Madsen, 1989). EH8 added:

“Yes we do that, it depends on your innovation and market trend. When we talk about market trends; it is the colour and what designs are prevailing there. If you take Germany for instance, they would buy polished items, antique, earth stone and natural designs, where the Americans will go for both natural and polished items. Recently, the Germans are talking about colour so we are trying to add colour to natural to have different designs.” EH8

This indicates that Ghanaian exporters responded to cultural adaptation in various foreign markets as differences exist in cultural norms that can pose both threats and opportunities in exporting (Slater et al., 2010). Furthermore, a firm’s decision to export is likely to be affected by the socio-cultural situation in a particular country that cannot be ignored (Czinkota et al., 2011). Similarly, EM17 explained her firm takes religion, colour, norms, and culture into consideration. For instance, if clothes were shipped to Burkina Faso, which is a Muslim country, the length was very important as you cannot have short clothes there. Moreover, clothes exported to America or UK were designed to suit the season. EH12 also explained:

“We look at the norms, ethnicity, and current trends. These handicrafts are not used for decorations alone, for instance, the American market prefers items like tables, candle stands and chairs while the UK market prefers contemporary and decorative items. Therefore, we produce different items for the UK and USA markets as their demands are not the same.”

The interviews suggested that Ghanaian exporters considered cultural factors in the handicraft, manufacturing and agricultural industries to remain competitive in operations. Differences in cultural norms can influence customer preferences for product design and inversely affect export performance (Sousa and Bradley, 2008c).

6.3.2 Managerial Characteristics

6.3.2.1 Export Commitment

Export commitment in this study was defined as the extent to which the management of the firm commit financial and human resources to develop their export business. Three

sub-themes emerged: **lack of financial resources, allocation of resources and export investment.**

EA1 and EA5 argued their firms could not commit financial resources to their export operations. EA1 asserted the export operation was capital intensive, while overseas payments were made after the importer had received a few shipments. EA1 further explained it was quite difficult to commit financial resources to the export business because of irregular payments from the importers. The managers of EA1 and EA5 were unable to allocate financial resources to exporting because of irregular payments and lack of financial investment, which is not consistent with the export performance literature (Stoian et al., 2011). To allocate financial resources to operate efficiently, management of firms require substantial budget allocation for exporting to enhance export performance (Leonidou, 2004). Clearly, this can generate excessive constraints and inhibit the firm's progress as indicated by the two managers. The majority of the managers supported **allocation of resources** via the following comments:

"Yes, I do to the extent that precisely, two years ago my company was able to raise enough collateral to support about nine companies when we needed to source funds from abroad. With training, we are so open to that policy that several of the major players in this industry today directly or indirectly passed through my company." EH9

There is clear indication that export commitment enables a firm to consistently allocate substantial resources to pursue effective marketing strategies in order to enhance performance (Stoian et al., 2011). EH11 explained:

"Anytime we get some profit I use the money to invest in the business that is how I came by this factory. I train the workers who manufacture the pots very often and plug back the profit into the business."

On **export investment**, other managers explained it was the policy of their company to increase their exposure to international markets by attending courses and training staff as an investment in the export business.

"Yes, we commit resources, we actually opened the first perishable export office in Ghana, before the World Bank came in to build Shed 9 at the Tema Port. Staff training is an important part of our business; apart from that, it is a corporate policy to have everybody well trained here." EA4

The comments from the study imply that Ghanaian exporters improve the depth of planning procedures by undertaking market analysis to invest in export operations home and abroad to improve performance. EA6 added:

“We have invested in a warehouse in Ghana, bought equipment, and have two trucks that go into the hinterland to buy the produce for export. We hired a warehouse in New Jersey and distribute our farm produce abroad. We send our staff to local training, whenever we hear about a seminar or workshop.”

Thus, the exporters allocated substantial resources to the needs of different export markets by offering to train their staff to ensure quality processes are observed in export production (Lages and Montgomery, 2001). This adds value to operational activities of the firm to achieve export goals. Managers’ comments highlighted export commitment as a determinant of export performance, as it reduced uncertainty in their operations (Lages and Sousa, 2010). The comment below was advanced:

“We are very committed; I think our company is responsible for one percent of Ghana’s total exports. Consider the oil, the cocoa and the gold. We do about averagely 19 tonnes of fruits every year.” EM14

Investing in export operations demands financial and human resource allocation which contributes to export performance as explained by the exporters (Navarro et al., 2010a). This study found that many managers allocated substantial financial and human resources to the export activity (Stoian et al., 2011).

6.3.2.2 International experience

International experience emerged as a key concept in the interviews. International experience was defined as the degree of overseas experience- lived or worked abroad. The interview inquired what type of international experience the management of the firm possessed before exporting. The following statements illustrated the degree of international experience by managers across the three industries. Four sub-themes emerged, namely: **not travelled or lived abroad, experiential knowledge, education and training**, and **international exposure**.

EA6 and EM14 explained how the management of the firm have **international exposure**. The Chief Executive Officer of EM16 lived and worked abroad before initiating the export business in Ghana. EM14 explained the CEO is an international man and anytime a new export company was setting up somewhere the management of

their firm is given the opportunity to run orientation for staff and management because of their expertise. EM14 said they have been to Brazil and Egypt to offer such export orientation. EA6 indicated the Managing Director has substantial international experience as he spends six months every year in export markets to make strategic decisions for the development and expansion of the export business. Through that, the company has been able to open two more branches in the USA.

However, not all managers interviewed had international experience as an internal resource to enhance export performance (Madsen, 1989). Some Ghanaian firms with international experience were able to identify the differences in environmental conditions and used their international exposure to improve export operations at home and abroad (Griffith and Hoppner, 2013).

EA3 argued in favour of **experiential knowledge**. EA3 pointed out that although all the top management were educated in Ghana, one of the foreign shareholders is a Swiss financial analyst who linked the firm with a marketing agency abroad that has substantial international knowledge. The agency was the main outside force in assisting the firm to go into exporting. This explained how experiential knowledge was important to exporting in general.

On education and training, the manager of EH9 explained how basic classroom training on exporting provides skills and knowledge in operations.

“I have had several exposures in international programmes like participation in trade fairs, trade missions, special contact promotion programmes where you are privileged to meet major players and sometimes, even buyers.” EH9

EM16 has studied marketing at the Polytechnic, holds a bachelor’s degree in management, and is pursuing a master’s degree in entrepreneurship to gain the requisite skills to handle the firm’s export operations. EM16 maintained management staff have the basic training through attending courses, workshops, and seminars organised by the policy makers and they have also gained competence from the basic marketing training they went through. Export success did not necessarily depend on the prior international experience of the managers but was influenced by other factors such as experiential knowledge, education and export training.

Some managers had **not travelled or lived abroad** prior to exporting, but they had the opportunity to travel abroad to attend international trade shows and exhibitions to boost their export performance. EA5 explained:

“No international experience, although I have travelled to Fruit Logistical in Germany and participated in trade shows which have influenced my export operations.”

These interviews produced additional theoretical findings as the majority of the managers did not possess international experience prior to exporting, while just a few others had travelled, lived, or worked abroad. This indicates that international experience is an indirect antecedent of export performance in this study.

6.3.3 Export Promotion Programmes

International business literature has acknowledged the benefits of export promotion programmes on export performance (Sraha, 2015). Firms considering exporting may lack essential information which may hinder their knowledge about foreign operations and the possible hurdles entailed in exporting (Leonidou et al., 2011). The interview analysis produced three sub-themes under export promotion programmes and some managers commented on **trade shows and exhibitions**:

“Ghana Export Promotion Authority (GEPA) have been good. They put me in contact with farmers to produce good quality vegetables for exports. I have been to Fruits Logistical in Berlin and other programmes in other countries. To some extent, they are beneficial.” EA1

“Somehow, we use it. If trade shows are organised, most of the buyers will be able to know you through that. So when we go to trade shows it is good for us but GEPA could offer more assistance to us to promote products from Ghana. It has been quite beneficial.” EH8

It emerged from the interviews that attendance at trade shows and exhibitions enhanced export performance. Export promotion programmes including participation in foreign trade shows and exhibitions provide dissemination of sales leads, and create new networks and contact with foreign buyers (Gençtürk and Kotabe, 2001). Experiential knowledge is gained through foreign buyer participation in trade shows as they act as an external source to build the knowledge and experience necessary to enhance export operations (Wilkinson and Brouthers, 2006). At times, public policy makers fail to understand the needs of managers in relation to their export involvement or assist them

effectively with export development programmes (Leonidou et al., 2011). Reflecting on the **operations of the public policy maker** two managers said:

“Yes, we have attended some exhibitions in Ghana and have been to Nigeria last year for trade shows. Yes, it is very beneficial to all export-oriented businesses. I do not know their programme line up for this year. I think they should sometimes put down their jackets and get on the field and talk to exporters at the airport, harbour, or go to exporters’ facilities and talk to them about new directives in foreign markets”. EA4

“Exhibitions and seminars we do of course because you need to make sure that your customers know what you have to offer. If they would have helped, yes, they would have made the transport and border crossings in West Africa open. They would make sure the doorways to Nigeria, and from Nigeria are open to other countries. It is important that developing countries start utilising their child’s business by promoting the locally made products to create a sustainable economy.” EM15

The findings indicate that export training programmes offered by public policy makers are the first point of call by exporters who want to gain experience and knowledge about foreign markets to enhance export performance (Gençtürk and Kotabe, 2001). Some comments on **training and development programmes** were advanced:

“Yes, we initially used them. I hear things are getting better. Normally we use their contact promotion programmes. They are the ones that will send you on learning programmes, or visit importers or agencies involved in exporting and the export chain businesses. Those programmes are very beneficial.” EH9

“Yes, we do, occasionally we use their exhibitions and programmes, and we also use their training programmes. Yes, it is helpful but their training and activities are always general, they do not specify them to suit our business. We thought they could do more by looking at identifying the various areas and design some specific programmes to suit the characteristics of export markets.” EM14

Different dimensions of export promotion programmes provided by public policy makers are beneficial to exporting, which can enhance a firm’s export performance (Sraha, 2015). However, some managers argued that some export promotion programmes offered were general and not tailored to suit the characteristics of foreign markets. This study underscores that export promotion programmes are beneficial to exporting activities in emerging countries.

6.3.4 Foreign Market Attractiveness

The interviews investigated whether the foreign market environment was as attractive as that of Ghana. Five sub-themes emerged: **high standards, policies and procedures, customs officials, legal and regulatory frameworks**, and **export competition**. Most foreign country governments impose strict entry controls which can have a significant impact on investment and financing outcomes of exporting firms (Shoham, 1999). Some managers explained the Western markets were more attractive and explained:

“We mainly work through our marketing agency and there is a system, so from what I have seen it is not much of a problem when the fruits arrive. Once you meet the various standards and have the certification on the boxes, showing the fruits are coming from this farm, it makes entry easy.” EA3

“They are very strict, for example, in the US, the farm products (yams) go through fumigation on arrival. There is always fumigation in the US but in the EU, not necessarily, although it is also strict.” EA6

Managers confirmed there were high standards in various foreign markets and the products have to meet the various standards and certifications required at the entry points. Other managers also commented on **policies and procedures**:

“Yes in terms of customs and documentation, when we send a container to Europe the vessel arrives today and the container is cleared that day. When you bring a container to Ghana, you need about 3 to 5 days to clear it. We always clear our containers within a day or the next day they get in Western countries. Even when you export from Ghana it is difficult.” EA4

“If you do not put all the necessary documentations in order here, they cannot clear your goods there. What you do here is demanded there for clearing of the products so you have to do it. There is nothing like passing or dodging over there. It is very strict because they send you all the requirements needed and you have to meet them.” EH7

Policies and procedures from foreign countries can play an important role in the performance of firms by enhancing or reducing their effectiveness and capabilities in export performance (Beamish, 1993). However, Ghanaian exporters provided the necessary documentation in export markets to clear their goods to prevent rejection at entry points to create a competitive advantage for their operations.

EA4 argued that the processes in the international markets were more attractive than Ghana in terms of clearing consignments at the air and seaports. EH8 commented in a similar way:

“Yes we go through normal checks- the customs officials in Ghana inspect the container before you load to ensure all the requirements are met. When the goods get there, because of African Growth and Opportunity Act [AGOA] in the US the person importing does not pay duty. But they have the Laser Act where you have to specify which wood you used for the product, the materials, and the quantity in broad terms of volume. Once you send the documentations it is quite easy to clear the goods.” EH8

EM14's firm has been trying to enter the US market but strict policies and procedures have created serious hindrances making it impossible to access the ECOWAS and US markets. This phenomenon has prevented the firm from expanding to other foreign markets to increase their market share and growth. The manager explained:

“It's quite a challenge because we have been trying to enter the US market and we have serious hindrances making it difficult to export anything there. For Europe, it is easy to do business there. But getting into other markets from Ghana through to West Africa you need to fulfil many requirements before you export. Although they say we have the ECOWAS treaty and liberation of trade, it is still a challenge.”

“As for the regulatory aspect, it is the same everywhere in Africa. The regulatory authorities are doing better, like the Food and Drugs Authority counterparts. If you go to every country they have a regulatory authority there and they are doing better.” EM16

The study found that foreign market attractiveness has a significant impact on the export performance of the firm. The legal and regulatory frameworks in various foreign markets can act to weaken or strengthen export performance (Tremeche and Tremeche, 2003). Therefore, it is essential for firms operating in foreign markets to keep abreast of changes in legal and regulatory frameworks in the foreign countries (Czinkota et al., 2011). The export environment can have a negative impact on a firm's operation due to varying national and local legislations as indicated in the interviews (Lages and Jap, 2002). Therefore, the political environment of a country might result in interference in the affairs of foreign businesses and obstruct effective export operations (Sousa et al., 2008).

Two managers exporting to African markets expressed their displeasure about the duties of **customs officials** in West Africa and the USA that adversely affects the success of their business:

“It is strict. It is serious especially within West Africa. If the customs officials were going to go through the laid down regulations, probably we would not have much problem. The customs officials at the entry points are doing their own thing. The barriers are not attractive in West Africa; it is a serious disadvantage to us. You can go to some countries and you can get an immigration officer asking you about your product, are you a customs man?” EM16

“It is never flexible if you are crossing African borders and it is terrible if you are going by road or even by air. One African country we use to go by air, when you get there, you still have to go through everything even though you go with customs forms from the Chamber of Commerce. It is not attractive; the protocols that the countries sign up are not operational. For example one time my goods were returned from the USA because the customs official said he did not know about the African Growth and Opportunity Act.” EM17

The managers further indicated that the operations of the customs and excise agencies act to undermine the effectiveness of export activities in West African markets which affects operations and export performance enhancement. It is especially beyond the control of the firm if customs officials at the entry points are not abiding by laid-down regulations and procedures, which adversely affects successful export activities. The study found that the foreign market environment was attractive in developed countries and unattractive in African countries.

The foreign market environment was competitive and demanded export adaptation strategies for firms to gain a competitive advantage and enhance export performance (Katsikeas et al., 2006). Competitive pressure can force firms to adapt products to meet the specific needs of a particular export market. Two sub-themes emerged from this theme: **aggressive** and **moderate competition**. However, the strategic goals of the firms concentrated on creating a sustainable performance through competitive advantage by applying appropriate export marketing mix strategies (Katsikeas and Leonidou, 2010). One manager commented:

“It is actually very aggressive. It actually took me eight years to prove that my products were worthy of their expectations. Yes, with the mango and pineapple business we face competition from South Africa, Central and Southern America and the Far East; India, Pakistan and some few Arab countries, sometimes as far away as Australia. The competition is extremely keen.” EA2

This study found that competition was aggressive in some export markets and the firms had to apply stringent adaptation strategies to distinguish their products to gain competitive advantage (Lages and Montgomery, 2001). EA3 added:

“Competition was initially low until after 2002 when there was a threat from Costa Rica. They came out with the extra sweet pineapple variety and that competed seriously against the smooth kind which was the indigenous breed. From then the Ghanaian pineapple industry had to go with the extra sweet or collapse. From 2003 onwards, 90 percent of exports are the extra sweet as the customers preferred that. There is still serious competition from Costa Rica.”

EA6 experienced **moderate competition** and explained competition previously emanated from Brazil and Jamaica but in the last two years, Nigeria was the main competitor as their exporters were back, especially in the US market. EH8 and EM17 added:

“The handicraft business was in the highest peak from 2000 to 2006. The demand was very high before the Chinese set in. We were getting the buyer four times in a year but it reduced to two times and then to one and then we lost some buyers. We face competition, particularly from China. Other countries like Kenya, Tanzania and South Africa have their products and Ghana has their unique products of high quality.”

“It was not aggressive in the 1990s; it was a unique product and very attractive but as soon as the Asian countries came into the picture and were mass producing the same clothes, then things changed. When India, China, Malaysia started producing the same dresses the competition became keener. We were able to stay on top because we were the originals and we believe in authenticity.”

Export competition can generate price instability and create innovative items leading to product quality, which can inversely or positively affect export performance (Ogunmokun and Wong, 2004). Ghanaian firms conducted foreign market analysis to differentiate product quality to remain competitive in exporting (Katsikeas et al., 2006).

6.4.3 Other Factors

6.4.3.1 Export Initiation

Export initiation emerged as a concept from the study and produced several themes. **Potential in exporting** was associated with export initiation in this study. EA6 asserted that their firm originally supplied office equipment and garments, then they realised the potential in exporting agricultural products to international markets. Therefore, the firm completely diversified its operations from an import to an export company for economic gains and

prosperity. Moreover, through diversification EA5's exporting firm became successful over the years as the company expanded and gained higher income from international business than the previous import business. EH12 was a caretaker of a friend's firm who travelled abroad. EH12 generated interest after operating the colleague's business for several months and set up his own handicraft export firm afterwards. EH8 also explained how she initiated her export business:

"When I had the opportunity to work with an export firm I got interested in what was going on and I saw the potential in exporting. Therefore, I decided to set up my own export firm and began in the year 2000."

Any country outside Ghana is classified as an international market, although some markets in West Africa are sometimes referred to as the ECOWAS markets. EM14's firm started exporting from day one because of the potential in exporting and processed non-traditional products, particularly fruits, in the manufacturing industry. The company realised the potential of this industry in Ghana for the source of raw material for exporting. The managers envisaged the benefits accrued by exporting in raising sales and profitability to increase investment and improve productivity, as argued in the literature (Lages and Montgomery, 2004). EM15 exports to 22 countries in Africa and explained:

"The son of the Chairman saw the bigger potential of the company. Even though in the first 30 years we have grown substantially, in the first 25 years and last 10 years we were a bigger operation." EM15

EM15 narrated how their business started in a limited manner, one product, and one line slowly building up until the 1990s when the son of the CEO who studied in Switzerland joined the firm as Chairman and saw the bigger potential of the company and started exporting to expand operations. EM18 from the manufacturing industry commented on export initiation to **fill a gap** created in international markets by African migrants in Western countries. The Managing Director of the firm identified a niche in foreign markets to address the cultural needs of African migrants by producing processed African foods in Ghana for international markets. After spending many years in the US, the manager realised Africans wanted their own local food which was not available abroad. Therefore, an export processing factory was opened in Ghana to produce African foods in assorted forms to serve overseas markets. The niche market became a successful business operation. This is congruous with the argument that exporting brings companies realistic opportunities for growth as increasing export

performance leads to an enlargement of customer base and firm prosperity (Katsikeas et al., 2006). On **word of mouth** connected to potential in exporting EA1 explained:

“One of my children living abroad came with a friend who was talking about vegetable exports, so I got interested and I went to the airport and I saw many people exporting these vegetables and I decided to get involved.”

Internationalisation of the exporters was not necessarily planned but carried out by different means. One manager’s interest in exporting was connected to word of mouth which is recognised as an important tool in international marketing (Sweeney et al., 2012). Sweeney et al. (2012) argued that the strength or power of the way a message is delivered through word of mouth reflects the strength of recommendation to carry out that action by the person receiving the message. After export initiation, the company became successful and directed its exports mainly to European countries.

EH9 and EH11 initiated their export business through **training and learning seminars**. EH9 started exporting in 1987 and did extensive research on the production of handicrafts and attended trade exhibitions to learn about exporting. The exporter participated in several local and international trade fairs to acquire experiential knowledge. Gradually EH9 started exporting through other companies before he jumped onto the main waggon as an exporter. EH11 narrated her interesting story leading to export initiation as a female exporter. She attended an exhibition in Ghana and many buyers inquired about pots so she started stocking the products for the next exhibition. EM11 explained:

“I registered with the Ghana Export Promotion Authority to take their export training courses and seminars. They announced a big company was coming from the USA to look for products in Ghana and I took my pots to the exhibition. The company saw the pots and made a huge order. That is how I got involved in exporting.”

Initiating the first relationship with a foreign buyer is the most important step in a firm’s export involvement. The experience acquired from exporting creates new networks to determine future contacts and sales in foreign markets (Leonidou, 2003). The reasons for export initiation by EH9 and EH11 are consistent with extant literature that argues unexpected orders from foreign customers is a powerful stimulus for many firms in different countries to initiate exporting (Leonidou, 1995a). In addition, two key informants’ export initiation was attributed to lack of buyers in the local market in Ghana. The stagnant domestic market in the local country leads to exporting when firms encounter slow growth in their local markets and their survival is threatened (O’Cass and Julian, 2003). EA2 narrated that back in 1991, there was

hardly any local market available for the firm's products, so they were forced to look for other markets outside Ghana and expanded. That was the main reason behind his export initiation. EA2 was delighted his firm has expanded and exports fruits to many countries.

On the **unavailability of market**, EA5 explained some companies promised they could buy their products but soon as production increased the companies could not buy all their stock so the organisation started looking around for other buyers, and a few people came and bought their mangoes to export to European markets.

Joint venture as a strategy to export initiation emerged in the interviews. EA3's firm was mainly producing for processors and exporters as management decided to take their time before going on the international market. Before export initiation, the firm had acquired all the experience and connections with a foreign shareholder. EA3 commented:

“One of our shareholders is a Swiss, he had links with a marketing agency in Switzerland so that was the first platform we used to export fruits to international markets.”

Diversification of export operations was useful when EA4, a foreign firm in Ghana, faced operational setbacks. The company was exporting fresh fruit for 15 years before it diversified into processing dried fruit for overseas markets. The manager explained that during the credit crunch in Europe, they realised that the fresh fruit business might not go well for them. Therefore, the company decided to go into a different type of business and went into exporting dried fruit. To stay in business EA4's firm diversified its operations by processing dried fruits instead of fresh fruits for the European market. The firms diversified their operations to stay in business and improve productivity, as discussed in the literature (Lages and Montgomery, 2004).

EM16's firm ventured into exporting to expand its operations and use the international platform to enlarge its customer base and increase its **market share** to raise export sales (Leonidou et al., 2011). EM16's firm improved its competitiveness in the home market through managerial skills and capabilities gained from participation in foreign markets (Hultman et al., 2009). After some years, the firm expanded its operations particularly to other African countries. EM16 explained their strategy to export initiation:

“We think our products are of high quality and we can meet the demands of the international market. After having made ourselves popular in Ghana, we decided to explore other markets in the sub-region to expand our market share and grow.”

The background statements of export initiation in Ghana explored relevant aspects of the export business as a sustainable and profitable venture. The managers mentioned multifaceted reasons for venturing into exporting, which adds new insights into the literature on export initiation in international business. Most of the findings validate the theoretical projections of venturing into exporting because of financial gains and prosperity (Fuller-Love et al., 2006).

6.4.3.2 Location of the Firm

The location of the firm is argued to have a positive impact on export operations (Freeman et al., 2012). The metropolitan areas provide location advantages that tend to improve the firms' export performance (Freeman and Styles, 2014). This study investigated whether location has any impact on export performance of Ghanaian firms. Three sub-themes emerged: **proximity to the air/sea ports**, **access to logistics**, and **other factors**. Comments on **proximity to the air/sea ports** were advanced:

“Naturally, we need to be as close as possible to the ports. We need to be able to operate on infrastructure that is well placed. I am talking about roads and easy access to the ports. The location is extremely beneficial.” EA2

It emerged from the interviews that exporting firms were located in the metropolitan cities to be able to have access to well-placed facilities like good infrastructure, logistics and proximity to the ports. One manager explained:

“Where we are is beneficial for the export business. You will find out for example that all the farms are in the hinterland but about 90 percent to 95 percent of exporters are located in Accra and Tema close to the port and airport.” EA6

The comments from the exporters support the argument that metropolitan areas provide advantages to exporting firms (Freeman et al., 2012). The location of the firm has a huge impact on export activities, as many exporters asserted, it is strategic to be located in the metropolitan cities as everything is centralised in Ghana to enhance export performance. At the same time, it is also easy for the managers to build networks and control employees. Benefits of **access to logistics** in the city came up:

“The good benefit of being in Ghana is, the system is politically very stable and calm. If you want to evolve your business entity to yield growth, you first need to have a sustainable basis. Is Ghana the best hub in West Africa? I think so. The location is not a problem, I mean transporting of containers to the port is quite easy.” EM15

It is argued that economic development in remote areas brews specific setbacks because of geographic isolation and sparse resources (Mittelstaedt et al., 2006). Ghanaian exporters avoided these setbacks by locating their firms in the cities to enhance export performance. **Other factors** that negatively affect export performance were also elaborated:

“Yes and no. One: land related issues were not so much of a problem but now it is becoming an issue as we have estate developers moving towards this area. The only advantage I will say is that the land here is suitable for pineapple production. Second, we are not far from Accra so we are able to get our stuff to the port easily.” EA3

“The location of my business is becoming a problem as my factory is now located in a residential area in the city. People have built houses around my factory and they complain about the smoke emanating from the factory, therefore, I plan to relocate to a different place. Apart from that, we are near the port, which is good.” EH11

Location setback might create problems and prevent effective firm operations to remain competitive (Mittelstaedt et al., 2006). Apart from some issues, the comments extrapolated are in support of theoretical projection pointing to location benefits in achieving positive export performance (Capello and Faggian, 2005). A majority of exporters reiterated the benefits and importance of locating their firms in the metropolitan cities which are central and near the air and sea ports in Ghana (Freeman and Styles, 2014). Location of the firm in metropolitan cities can influence export performance.

6.4.3.3 Common Problems (Export Barriers)

Barriers to exporting provide insights into the different types of challenges that prevent domestic firms from doing international business (Tesfom et al., 2006). Knowing the barriers develops a platform for understanding the setbacks that prevent exporters from sustaining successful operations (Leonidou, 2000). Four sub-themes emerged on common problems and some managers commented on **functional barriers**. Two managers explained:

“In fact, from the past years we use to have out-growers, but currently, we mainly export from our farm to avoid having problems outside. Growing pineapple needs vast acres of land so we face challenges as land ownership is not well defined in this country. This reduces your production projections”. EA3

“We have a couple of challenges; one has to do with the exchange rate. Prices of raw material go up annually, labour is going up, everything is going up, yet you can’t say the same for Europe and increase prices. The second challenge is getting the right quality of raw material to process and export. You will be surprised we have been importing pineapples from Benin and Togo because the local market cannot meet our demand”. EM14

Lack of robust land regulations in Ghana was mentioned by EA3 as the main problem confronting their firm. EM14's firm was confronted with the unavailability of raw materials which necessitated the importation of fruits from other West African countries. Functional barriers in previous studies have been related to the inefficiencies of the firm's export functions in production in terms of unavailability of raw materials and production capacity which can affect export performance adversely (Leonidou, 2000; Tesfom et al., 2006). One manager encountered **delivery** problems and attributed this anomaly to cultural norms related to funeral celebrations in Ghana:

"Our main problem is delivery. In advanced countries, they deal with time. The customers give specific deadlines and I have to work ahead of time as it takes three or more days to ship the items abroad. I gave an order to my workers and one of them lost their mother and the whole workforce went to join him in mourning. For one week the whole factory was shut down, which is not good for business." EH13

Cultural norms affect product delivery in Ghana as people commit substantial time to funerals. It would seem to be a misplacement if priorities are to commit time to funerals and business suffers as noted by the manager (Adomako, 2007). Good business relationships are developed through trust and promptness of delivery services.

Bureaucracy was highlighted as a common problem by EM15. Red tapes and bureaucracy are mentioned as major hindrances in the export industry. The study found different problems occur at each stage of the export process and managers need to be flexible and adapt to different situations at all times. This problem may be attributed to the characteristics of an emerging economy as growth accelerates gradually (Hoskisson et al., 2000). EM15 explained:

"Bureaucracy in West Africa in general. There are so many different problems that arise that it is very hard to pick one. If you are involved in exporting in West Africa you need to keep an open mind and be flexible. You need to be able to adapt and you need to be able to understand situations that normal companies are unable to grasp."

Marketing barriers were identified as the second common problem. One of these barriers, product quality in the agricultural industry, was attributed to poor quality fruits shipped to overseas markets. EA2 reiterated **quality** was a major problem and explained:

"The major problem is in quality. Quality is the biggest issue actually. Many people simply don't know the products, probably because they do not grow them themselves but they go and buy and export. Since 2009 some countries have been sending alerts on quality products and instituted a ban on those products which is a challenge." EA2

Foreign markets are characterised by high standards to protect the consumer. Therefore, allocation of resources is required to adapt products to suit foreign quality standards (Tesfom and Lutz, 2006). Lack of adequate resources to adapt products to foreign market standards results in rejections at the entry points (Tesfom et al., 2006). EA4 commented on marketing barriers in terms of product quality:

“We use to have very good fruits, though what we are looking at now is bad because the pest and disease recorded is high. We buy from Ghana and we are recording as much as 60 percent rejects. We buy from other countries in West Africa and we do not even get 1 percent rejects. If we don’t look at this problem, the raw material base will be wiped out from the agricultural industry and affect the manufacturing industry.”

The depreciation of the Ghanaian Cedi against the US dollar created high production costs for exporting, as product prices were not increased at the rate at which cost of raw materials prices appreciated. **Prices of raw materials** was mentioned as a marketing barrier:

“The challenges, the no. 1 is the table prices of our raw materials. If the price of the dollar changes tomorrow, you can go and buy a barrel of fragrance for \$1,000 today and it shoots up to \$1,200 or \$1,300 the next day. That is a major challenge. Meanwhile, you cannot increase product prices the same way raw materials prices are increasing.” EM16

Lack of funding emerged as the third common problem. Successful exporting demands extensive financial resources to adapt the export marketing mix strategies to suit customer preferences and the idiosyncrasies of export markets (Leonidou, 2004). Delay in processing bank loans for foreign orders affected production and delivery time. EH8 said:

“One problem is a delay in financing. If you are given three months to complete an order and it takes four months to get the loan from the bank, we are always beaten by delivery time. These retail shops buy for scheduled events in particular periods and they need their orders. The cost of production is second, everything in the country is going up and it is affecting our business.”

Engaging in export operations requires extensive expenditure which creates excessive financial burdens for firms already strained financially (Freeman and Reid, 2006). The collateral demanded by financial institutions was another hindrance to the acquisition of loans to support export operations in Ghana. **Unavailability of credit** was also highlighted:

“Most of us, it has been financing because it is not all the banks that are willing to finance our business. They do not understand exports and they are not willing to finance us. Sometimes the market is unpredictable as well.” EH10

Logistics barrier emerged as the fourth common problem. EA1 reiterated that there was no cargo plane for exports in Ghana. All exporters have to fall on commercial flights like British Airways, KLM, and Lufthansa. If the flights have a large number of passengers then capacity is limited for airlifting the export products to overseas markets. EA6 added this:

“The common problems are with shipping, for example if you want to go to America there is no dedicated shipping line. The lines available take too long to get to the US. Another shipping line sends the goods first to Al Jazeera and they do trans-shipment which is not good for us because the goods arrive in the US forty-five days after shipment. That is the main challenge.”

These environmental barriers in the local market produce rapid changes incorporated with high levels of uncertainty which falls beyond the operations of the firm although it affects export activities (Leonidou, 2004). Diverse barriers which were beyond the firms’ control that affect operations successfully were enumerated by all categories of managers. Functional barriers and lack of funding were the most prevalent in the three industries.

6.4.4 Export Performance Measurements

On export performance, three measures: **export satisfaction**, **strategic** and **financial** measures were presented to managers to select the most relevant measure. A majority of managers asserted it was difficult to provide financial data because of confidential reasons. One exporter commented on **export satisfaction**:

“Yes, we have grown because when we started we were doing \$20,000 orders, then we moved to \$50,000 and to \$100,000 and from then we got a \$130,000 order. Yes, I am personally satisfied, the only thing is that we had a 5-year business plan and we said by the year 2010 we were going to export a certain amount but we could not because of the recession.” EH8

Ghanaian exporters were more comfortable to measure the success of their firm with export satisfaction over objective measures as they perceived such information as confidential. Moreover, satisfaction-based measures provide a richer assessment of export performance at the firm level (Lages et al., 2008a). This comment came up:

“I will consider both financial and strategic, a company that is growing over 20 percent annually, financially I think we are making some headway. Strategically yes, we have to look at the positive areas of our strength and develop more. I think financial measurement is important to us, although to remain profitable and strategic we need to advance and gain the modern trend of accuracy.” EM14

The usefulness of applying combined measures was underscored in the study by one manager, who explained why financial, strategic and export satisfaction measurements are relevant:

“I will talk about all three measures. Financial: The revenue we are realising from exports is good. If every quarter you are realising \$60,000 from Serra Leon, it is good. You are realising \$40,000 from South Africa, \$70,000 from Nigeria, \$20,000 from Ivory Coast, Liberia, \$30,000 and Burkina Faso, \$50,000. That is good.” EM16

“Strategic: Now we have a shop in South Africa and Liberia, so that is expansion and we are equally looking for a shop in Nigeria. All the three measurements are very important to our business.” EM16.

“Satisfaction: When we attend an exhibition and people recommend our products to other buyers, that gives us the satisfaction and the confidence that we are doing very well. Good comments from customers indicate your product is doing well.” EM16

The statements from the managers support the argument for using perceived export performance measures where managers are unable or unwilling to provide financial data for inspection in developing countries (Robertson and Chetty, 2000). Export satisfaction emerged as the best measurement for export performance as the majority of the managers applied this measure to assess their firm’s export performance. Applying subjective measures has been suggested in cases where managers have difficulty in reconciling accounting figures to produce objective financial data (Robertson and Chetty, 2000).

6.4.4.1 Financial Export Performance Data

The sub-question under export performance inquired whether managers could readily provide objective financial data for the past three years. These sub-themes emerged: **readiness to provide** and **confidential**. It was difficult to provide objective financial data.

“I will never do that, I will only say that it is satisfactory or it is good or bad, that sort of thing. I deem it as confidential information, I will not. No.” EA2

“It will not be a problem. We did up to 2011 but as a small company, we have a part-time accountant. He did 2012 accounts and is working on 2013 accounts, then we realised there were repetitions in the export figures he quoted, therefore that is not complete, but up to 2010 financial statements are ready.” EH8

Many managers were unable or unwilling to provide objective financial data as they consider such information confidential and not for public consumption. This supports the argument that financial data are difficult to obtain, especially in emerging economies in Africa (Crick et al., 2011). Reluctance to provide financial objective data of export performance was illustrated

strongly in the interviews. Only a handful of managers from large firms were likely to provide their objective financial data for inspection if required. One manager commented:

“We started in 2006 with a project of about 6 million Ghana Cedis (\$3 million) turnover, now today we do more than 32 million Ghana Cedis (\$10 million) in turnover which means I have an average growth of about 30 percent every year.” EM15

Perceptions drawn from the interviews confirm theoretical projections that obtaining objective financial data from emerging countries is difficult because of the unwillingness of managers to provide such information (Chetty and Campbell, 2003). Managers of small firms regarded objective financial data as private and confidential and not for public consumption, whereas managers of large firms were more likely to provide objective financial data on export performance if requested but needed more time.

6.5 Summary of Interview Findings

In sum, the qualitative interviews based on 18 managers' comments provided rich insights into what determines export success and barriers experienced by exporters in Ghana. New findings emerged from the interviews which imply that diverse factors influence export performance in Ghana. The in-depth interviews have partially supported the proposed conceptual model and provided new insights into the export performance literature. The theoretical development and contradictory findings are not surprising as this study was conducted in a context not covered in the current literature in the field of export performance.

6.5.1 Key Determinants

Key findings on adaptation of the export marketing mix strategy (4Ps) are illustrated in Table 6.4 and supported with key sub-themes in the analysis. Product and place (distribution) were the most adapted export marketing mix strategy followed by promotion. Price was the least adapted strategy according to the findings of the interviews. Findings from the interviews suggested that products were designed to suit customer preferences in terms of cultural adaptation in values, colour, and language to enhance export performance.

On export commitment, almost all managers confirmed they allocate financial and human resources to develop their export activities. This implies that the depth of commitment of the managers was high, which influenced export performance. Only two firms argued they could not allocate resources to export activities because of lack of financial resources. The major findings in small firms representing all categories of industries revealed that no manager had

international experience prior to exporting. However, management of large firms had a degree of international experience and these firms were foreign owned.

On export promotion programmes, the majority of managers participated in trade shows and exhibitions to learn about exporting. Other managers reflected on how public policy makers operate and argued that they should offer more support to exporters by designing export promotion programmes to suit foreign operations. Some managers also participated in training development programmes, which provided experiential knowledge to enhance their export operations. Export promotion programmes were useful for successful exporting to some extent, as illustrated in the interviews.

Five themes emerged from foreign market attractiveness. On high standards, some managers asserted that the standards at the entry points were high on quality certification and requirements had to be fulfilled before the products were passed for entry. Other managers argued that the policies and procedures of the host countries were more attractive than in Ghana, as long as all documentation was processed before the products arrive. Moreover, goods were cleared faster in foreign markets as compared to taking longer to clear in Ghana. On custom officials, a few managers exporting to West African markets expressed their disappointment at the way customs officials operated at the entry points. They described the entry processes in West African markets as unattractive and complex. On legal and regulatory frameworks, findings revealed that the legal and regulatory frameworks in international markets were flexible and attractive as long as rules and regulations were adhered to. The study found that some firms have been trying to enter the US and Nigerian markets without success due to serious hindrances in terms of legal and regulatory frameworks making it impossible to access those markets for expansion.

Many managers revealed the export markets were characterised by aggressive competition. Some managers asserted that they encountered moderate competition in export markets as they produced high quality and innovative products to overtake competitors. The interviews revealed that competition emanated from other African countries and Asia, particularly China and India in the handicraft business and South American countries in the fruit markets abroad. The export market environment was perceived as highly competitive by Ghanaian exporters.

6.5.2 Other Factors of Export Performance

Export initiation emerged as the major theme in the interviews. Findings from the majority of firms representing all categories of industries were that the potential from exporting was the main reason behind the export initiation of their firms. One manager was attracted to exporting through word of mouth. Some managers ventured into exporting because of unavailability of local customers, as marketing their products became an issue and the only alternative was to look for foreign buyers. Other managers' export initiation came about through diversification/joint venture of their firms to expand into foreign markets, increase market share and increase economic rent. These responses indicate that export initiation in Ghana is attributed to diverse reasons as opposed to just the international outlook of the manager.

The findings from the interviews revealed the location of the firm is an important antecedent of export success. Different themes explained the benefits. All exporting firms surveyed were located in the metropolitan cities of Ghana near the sea and airports to promote effective operations and source of raw materials and logistics. On common problems (export barriers), comments from the interviews demonstrated that managers in all industries were beset with various constraints in their export operations. Four themes emerged based on export barrier literature. On logistical barriers, land ownership and poor farm produce were mentioned as the main challenges encountered. Other managers emphasised that they did not have an enabling environment to operate in, they lacked labour to work on foreign orders, and experienced delivery delays due to cultural attitudes of workers. Foreign exchange rates, land encroachment, and getting reliable middle level staff in management were other challenges highlighted by the managers.

On marketing barriers, the poor quality of farm products resulted in high levels of rejections in international markets. Competitive prices of products from Asian countries affected export sales and the lack of quality raw materials for production affected operations financially. High table prices of raw materials were unpredictable and affected planning and production projections of the firms. Lack of funding to develop the export business was highlighted as a common problem in this study. Access to bank loans, financial support from government agencies and demand for collateral from financial institutions were the main setbacks mentioned. Logistical barriers in terms of unavailability of cargo planes and, dedicated shipping lines, and congestion at the ports were emphasised as setbacks in operations by managers. The findings of the interviews produced theoretical projections that various export

barriers provide a platform for understanding the setbacks preventing current exporters from sustaining successful operations (Leonidou, 2004). Export barriers amongst Ghanaian exporters were diverse and not peculiar to a particular industry.

6.5.3 Export Performance Measurements

Export satisfaction was selected over other measures of export performance. Strategic and financial measures were also considered reliable based on market share and expansion. In summary, all three indicators were selected randomly to measure export performance. The sub-question under export performance generated interesting findings as the majority of managers from small firms regarded objective financial data as being confidential and difficult to provide readily on request. Other managers from large firms were more likely to provide financial data for public consumption, although they needed additional time to present their financial statements. This indicates that small firms in emerging countries are reluctant to provide financial data as they consider this information private and confidential (Robertson and Chetty, 2000).

6.6 Summary

This chapter presented data analysis processes and findings of the qualitative study carried out with 18 exporters in Ghana. The interview profiles of managers with classifications codes were provided for easy identification of firms in the industries. Characteristics of the managers such as gender, years of exporting and ownership of their firm, industry and product destination were presented in Table 6.2 to illustrate their level of export involvement. Nine main themes with several sub-themes were developed from the transcripts for data analysis and theory development. The interviews offered rich insights for explaining export performance drivers and also provided new exploratory intuitions to support findings in the quantitative study. In summary, the findings from the qualitative interviews provided a useful podium to explain the meaning behind the quantitative results presented in the previous chapter. The next chapter presents the discussion section of both the quantitative and qualitative studies to draw theoretical, managerial and public policy implications. Thereafter the limitations of the study and future research direction are discussed to conclude the research.

CHAPTER SEVEN DISCUSSION, IMPLICATIONS AND CONCLUSION

7.0 Introduction

This chapter begins with the summary of findings of the study. The results from the quantitative survey and qualitative interviews are presented and integrated using the mixed method approach. The chapter concludes with overall theoretical contributions, alongside managerial and public policy implications, limitations of the study and future research direction.

7.1. Summary of Findings

Motivated by the sparse literature on export performance at the firm level in Ghana -Africa, the research objectives of this study were (1) to examine mediating effects of export marketing mix strategy (4Ps) on the association between international experience, export commitment, export promotion programmes and export performance, (2) to examine the moderating effect of foreign market attractiveness on the association between export marketing mix strategy (4Ps) and export performance and (3) to investigate the determinants of export performance of firms in the agricultural, handicraft, and manufacturing industries in Ghana. Findings from the qualitative component in the complementarity design are evaluated to explain the quantitative results. The qualitative component also resulted in some additional determinants of export performance in Ghana. Broadly, the findings from the interviews supported the proposed conceptual model. The key findings of the research are summarised below.

- Export marketing mix strategy (4Ps) mediated the impact of export commitment, export Promotion programmes on export performance. Place (distribution) and product were the most adapted export marketing mix strategies in Ghanaian firms with promotion and price highlighted as the least adapted strategies. The interviews supported these findings as promotional activities were achieved by attendance of trade shows/exhibitions, word of mouth and shipment of product samples. The firms employed different strategies including price fluctuation, price reduction and price mechanisms to stay competitive. Product designs adopted cultural adaptation to suit customer specifications and requirements.
- Export commitment and export promotion programmes mediated the impact of international experience on export marketing mix strategy (4Ps). Export commitment and export performance relationships were supported in both studies because of substantial

allocation of resources by the managers. International experience was found to be an indirect determinant of export performance in the quantitative study and this was supported in the qualitative interviews.

- Foreign market attractiveness influenced export performance significantly and returned a positive moderating effect on place, product, and promotion apart from price in the quantitative study. This result was supported in the interviews. The foreign market environment was more attractive than the home market in terms of standards and legal/regulatory frameworks. The borders in African countries were classified complex and less attractive than other countries in the interviews. The export market environment was characterised by aggressive competition. Ghanaian exporters encounter competition from different parts of the world including Asian, American, and African countries.
- On additional factors, export initiation was associated with potential in exporting, unavailability of markets, joint venture, firm diversification and word of mouth. The qualitative study identified functional, marketing, and logistical barriers and lack of funding as common problems associated with exporting in Ghana. Land ownership, poor farm produce, bureaucracy, lack of labour, high foreign exchange rates and late delivery of foreign orders were linked to functional barriers. For marketing barriers, poor quality of farm produce, competitive prices from other countries and lack of quality raw materials emerged. Logistical barriers in terms of unavailability of cargo planes, lack of dedicated shipping lines and congestion at the ports were highlighted in the interviews. Access to bank loans, financial support from government agencies and demand for collateral from banks emerged as themes connected to lack of funding. The location of the firm was related to proximity to the air/sea ports and access to logistics to influence export performance. Benefits were gained by locating firms in regional capital cities in a cluster of industries. This provides local economies of scale and creates stable markets for specialised labour and raw materials for individual firms.
- A subjective measurement of perceived export success was operationalised in the quantitative study. The qualitative interviews endorsed using subjective export performance measures over objective measures.
- On control variables, firm size and age of the firm returned positive results with export performance. Industry had a non-significant relationship with export performance. Summaries of both studies are presented in Table 7.1.

Based on the results, the next section presents theoretical implications for theory development with recommendations to managers and public policy makers for export development in emerging countries.

Table 7.1 Summary of Quantitative and Qualitative Results

Construct/Interview Themes	Quantitative Study	Qualitative Study
Key Determinants of Export Performance		
<u>Export Marketing Mix Strategy</u>		
Place (Distribution)	Significant (+)	Supported
Product	Significant (+)	Supported
Promotion	Non-significant (-)	Not Supported
Price	Non-significant (-)	Not supported
Export Commitment	Significant (+)	
Export Promotion Programmes	Non-significant (+)	Supported
International Experience	Non-significant (+)	Supported
Foreign Market Attractiveness	Significant (+)	Not supported
		Supported
<u>Mediation</u>		
EC→EMMS→EP	Place and Product significant (+)	
EPP→EMMS→EP	Place significant (+)	-
IE→EMMS→EP	EMMS (4Ps) non-significant (-)	-
IE→EC→EMMS	EMMS (4Ps) significant (+)	-
IE→EPP→EMMS	Place significant (+)	-
		-
<u>Moderation</u>		
FMA via EMMS (4Ps) and EP	Place, Product and Promotion Significant (+)	-
Other Factors of Export Performance		
Export Initiation	-	Supported
Location of the Firm	-	Supported
Common Problems	-	Supported
<u>Export Performance Measures</u>		
Subjective measures	Subjective	Supported
Objective measures	-	Not supported

7.2 Discussion of Findings

This study draws its theoretical underpinning from the resource-based view as export activity is associated with many aspects of the firm's resources and capabilities (Morgan et al., 2004). A firm may have a unique bundle of tangible and intangible resources including assets, capabilities, processes, managerial attributes, and knowledge that improve firm efficiency to enhance export performance (Barney, 2001; Wernerfelt, 1984). Drawing from the resource-based view, some scholars have argued that a resource or a capability is any asset that can be described as a strength of a firm at a particular time (Hamel, 1990; Collis, 1991). The resource-based view contends that the principal determinants of a firm's export performance are the internal resources and capabilities that are superior in use and difficult for competitors to imitate (Barney, 2001; Collis, 1991). Different resources can be identified and developed to

create a competitive advantage for the firm (Wernerfelt 1984). These resource advantages empower the firm to create a competitive advantage with their own resource position making it difficult for other competitors in the industry to emulate or catch up with the market leader (Barney, 2011). The study presents the discussion based on internal resources including export marketing mix strategy (4Ps), export commitment and international experience, export promotion programmes and foreign market attractiveness, with other factors to create a strategic fit in export markets.

To address the objectives of the study, the mediating effects of export marketing mix strategy (4Ps) on the association of international experience, export commitment, export promotion programmes with export performance are discussed. Thereafter, the moderating effect of foreign market attractiveness and other key determinants are presented in line with findings from the mixed method approach.

7.2.1 Export Marketing Mix Strategy (4Ps)

Place and product adaptation mediated the relationship between export commitment and export performance. Enhanced export performance was achieved through export commitment and adaptation forces to create a strategic fit in export markets. Thus, export commitment indirectly enhanced export performance by enabling effective export adaptation strategies to achieve perceived export success. Place adaptation further mediated export promotion programmes and export performance. Applying export promotion programmes reinforced distribution adaptation to achieve high performance. This implies that selection of effective distribution networks is fortified by using export promotion programmes to acquire foreign information to improve export performance. Thus, Ghanaian exporters used export promotion programmes to learn about foreign market operations, which is considered as the driving force behind the firm's export performance (Leonidou et al., 2011). Capitalisation of managerial competencies is the prerogative of the firm by allocating resources to adapt export marketing strategies to enhance performance (Griffith and Hoppner, 2013).

The study found support for place (distribution) adaptation and export performance in both the quantitative and qualitative studies. This implies that creating an effective distribution channel enables a firm to differentiate operations, as dissimilarities exist between the home and host markets that may require additional adaptation strategies to enhance export performance (Lee and Griffith, 2004). Type of middlemen, transport strategy and budget set aside for distribution enhanced export performance in this study, which is similar to the

findings of Lado et al. (2004) and Eusebio et al. (2007b). The interview results suggest that the international distribution channels of Ghanaian firms need specific adaptation strategies as management teams have experiential knowledge. Ghanaian firms are better off outsourcing some of the distribution functions to save cost and need to evaluate the possibilities to ensure an effective distribution strategy is put in place. Therefore, this study argues that highly committed managers will enhance export performance outcomes by adapting distribution channels in foreign markets.

Product adaptation is necessary because of numerous differences between local and foreign consumers (Solberg and Durrieu, 2008). Product adaptation enhanced export performance in this study and reflects findings from other studies (Lee and Griffith, 2004; Zaiem and Zghidi, 2011). This study supports the works of Lee and Griffith (2004) on Korean exporters who found product adaptation to influenced export performance and argued that adapted products should be of high quality with competitive pricing. Ghanaian exporters adapted products to suit characteristics of different export markets irrespective of industry and this was reiterated in the interviews. High levels of product adaptation by Ghanaian exporters are associated with the nature of emerging market firms (Adu-Gyamfi and Korneliussen, 2013). Adu-Gyamfi and Korneliussen (2013) argued that firms in emerging markets are unlikely to make large investments in product capacity to enjoy economies of scale, therefore they allocate substantial resources to adapt products to suit characteristics of export markets they serve.

The interviews reinforced the major role of product adaptation in determining the appropriate strategy. Products from agricultural, handicraft and manufacturing industries were fully adapted to suit characteristics and customer preferences in export markets. In the agricultural industry product adaptation was carried out from the planting stage to harvesting by applying approved substances from government agencies to meet colour specifications and product quality. Fruits going to different countries in Europe were packed separately based on shape, size and colour to meet country specification demands. Brightly coloured fruits was exported to France, Germany and Belgium while green fruits was shipped to the United Kingdom. Exporters in the manufacturing industry adapted products including clothing, beverages and cosmetics. Attractive packages and labels were designed differently for export markets depending on the country. Products going to Western markets were more adapted than products going to African markets. Garments going to Muslim countries were designed with different lengths and styles. Seasonal periods like summer and winter were considered when

the garments were exported to the United States and Europe. In the handicraft industry, different products were manufactured based on customer specifications and taste. Items exported to Europe were more contemporary and products shipped to American markets were infused with more ethnicity. Therefore, this study provides exploratory insights to support the positive relationship between product adaptation and export performance and attributes this practice to substantial resource allocation by Ghanaian firms (Cadogan et al., 2005).

Studies on promotion adaptation and export performance are limited in the literature and the results appear mixed (Sousa et al., 2008; Zou and Stan, 1998). This study did not find any evidence to support the relationship between the two constructs, which supports both developing country studies (Lee and Griffith, 2004; Singh, 2009) and developed country studies (Cavusgil and Zou, 1994; Eusebio et al., 2007b; Lages and Jap, 2002). The non-significant results between the two constructs imply that promotional activities were focused on the manufacturing industry to a limited extent in Ghana because of financial constraints of firms in emerging economies (Adu-Gyamfi and Korneliussen, 2013). The interviews provided additional insights to explain this finding. Findings from the interviews indicated that promotional activities were carried out based on requests from the importers. Other promotion strategies involved direct shipment of samples to overseas buyers, word of mouth and attendance of foreign trade exhibitions/shows.

Price adaptation has received little attention in the literature (Lages, 2000; Sousa and Bradley, 2008a) and results obtained with export performance are mixed or mostly negative (Leonidou et al., 2002; Shoham, 1995). A non-significant relationship was found between price adaptation and export performance and this finding was supported in the interviews. This finding is similar to other studies that found no support for price adaptation and export performance (Lages and Jap, 2002; Lages and Montgomery, 2005; O'Cass and Julian, 2003; Özsomer and Simonin, 2004; Sousa and Bradley, 2008a; Zou et al., 1997). Some scholars have argued that prices are mostly adapted to a lower level in export markets depending on foreign market conditions (Sousa and Bradley, 2009; Sousa and Bradley, 2008a). This study found that competition and characteristics of export markets demanded critical pricing strategies to remain competitive. The interviews provided additional exploratory insights and revealed that Ghanaian exporters experienced price fluctuations, and reduction as pricing strategies were fixed or based on negotiations in Western countries. Foreign discount shops placing large orders from American and European countries requested huge discounts which

affected the pricing mechanism of the exporters. Other managers exporting to the African markets reiterated pricing strategy was always difficult as other values like border activities, customs duties, and transport cost come into play, which affects export performance.

Findings from the interviews suggested that cultural adaptation was considered in order to suit buyer specifications. In the agricultural industry, language, shape and colour of the fruit were significantly dependent on where the fruits was being shipped to. For colour, yellow fruit was shipped to France, Germany, and Holland while green fruit was exported to the United Kingdom. Specific languages and labels were used for countries like Belgium, Germany and Holland and English for the rest of the countries. Handicrafts were produced according to country requirements based on colour, design and size. Handicrafts produced for American markets were infused with more ethnicity, design and colour, while handicrafts designed for European markets were polished and modernised to make them contemporary. The interviews showed that Ghanaian firms adapt products in terms of labelling, design, quality, shapes, colours and languages as export activities are characterised by high competitive pressure and cultural differences. Ghanaian exporters utilised similar and dissimilar markets as products were exported to both developed and developing countries in Africa, Europe, America, Asia, and the Middle East. This is in line with the findings of Mavrogiannis et al. (2008) who argued that similarity of export and domestic markets are insignificant, therefore, exporters have to target new export destinations and should not restrict operations to similar cultural markets only.

7.2.2 Export Commitment

Export commitment mediated the relationship between international experience and export marketing mix strategy (4Ps), implying export commitment is the intervening variable that explains the indirect effect of international experience on adaptation strategies (4Ps). Hence, managers with export commitment are more likely to allocate substantial resources to export adaptation strategies to attain high performance (Stoian et al., 2011). The current study argues that the internal resources and capabilities of the firm have an indirect effect on adaptation strategies (4Ps) to achieve export goals (Lages et al., 2008). Therefore, export commitment reinforces the relationship between international experience and export marketing mix strategy (4Ps) to enhance export performance.

The export marketing mix strategy (4Ps) mediated export commitment and export performance. This finding suggests that managements' export commitment leads to substantial resource allocation to export adaptation strategies, which transform into high performance (Aaby and Slater, 1989). Therefore, the internal capabilities of the firm play a significant role in creating competitiveness in exporting (Sousa et al., 2008). Export commitment returned a positive relationship with export performance. This was supported in the interviews. The study found that Ghanaian exporters were highly committed to exporting which supports the study of Adada (2011) who argued that Ghanaian exporters with high commitment survive longer in exporting. This study argues that export commitment improves the effectiveness of resource allocation and provides a vital motivation to remain competitive and export performance (Navarro et al., 2010b).

7.2.3 Export Promotion Programmes

Export promotion programmes mediated international experience and place adaptation relationship. This indicates that the application of export promotion programmes are achieved through the reinforcement of international experience and the distribution strategy. Export promotion programmes was non-significant with export performance. In some studies, the direct relationship between export promotion programmes and export performance was non-significant (Alvarez, 2004; Francis and Collins-Dodd, 2004; Stottinger and Holzmuller, 2001). Alvarez (2004) found in a study of Chilean firms that export promotion programmes did not affect the probability of exporting regularly and resulted in a negative relationship between the two constructs. This study examined export promotion programmes in terms of export documentation and export training/seminars but there was no evidence to support export performance. The interviews provided exploratory insights to explain this finding. Although the qualitative study found that export promotion programmes were beneficial to some extent, some managers had different perceptions. Some managers argued that they hardly used export promotion programmes and expected public policy makers to come closer and offer more support to Ghanaian exporters. Other managers raised concerns about the operations of the policymakers and argued that export promotion programmes on offer were designed generally without the focus on the foreign market.

7.2.4 International Experience

International experience in terms of degree of overseas experience-worked or lived abroad was non-significant and positive with export performance. This finding is not consistent with previous studies that found a direct significant relationship between the two constructs

(Cadogan et al., 2002; Castaldi et al., 2004; Leonidou and Kaleka, 1998; Stoian et al., 2011). It has been argued that African firms possess key decision-maker characteristics with previous international orientation, although this is not supported in the current research (Ibeh et al., 2012; Ibeh and Young, 2001). However, some scholars also found a non-significant relationship between international experience and export performance (Adu-Gyamfi and Korneliussen, 2013; Baldauf et al., 2000; Brouthers and Nakos, 2005; Lages et al., 2008b). The reason behind the finding in the current study can be attributed to experiential knowledge acquired by Ghanaian exporters from long years of exporting experience. The interviews supported this finding as many managers did not travel or live abroad prior to exporting.

On the other hand, international experience contributed positively to export commitment (Navarro et al., 2010a). Therefore, management teams with international experience are more likely to commit substantial resources to exporting (Stoian et al., 2011). Mixed findings between international experience and adaptation forces returned in this study is similar to the works of Lages et al. (2008b) who found support for product, promotion, and distribution (place) adaptation strategy apart from price. The direct effect of international experience on place, product and price adaptation was non-significant. However, the direct effect of international experience on promotion was positive. International experience influenced promotion adaptation of Malaysian exporting firms to enhance performance and this was attributed to substantial resource allocation (Alshammari and Islam, 2014). This finding supports the argument that promotion adaptation can play a significant role in foreign markets (Hultman et al., 2009). In the current study, international experience enhanced export commitment and leveraged export promotion programmes to transform adaptation forces into superior export performance. Thus, high export performance is achieved through the indirect effect of international experience on adaptations forces (4Ps), export commitment and export promotion programmes.

7.2.5 Foreign Market Attractiveness

A firm's decision to export may depend on either the domestic or foreign market environment although limited research has been carried out in the external environment of the firm in export performance studies (Lages and Sousa, 2010; Sousa et al., 2008). In the current study, foreign market attractiveness moderated export marketing mix strategy (4Ps) (apart from price) and export performance which explains that highly attractive foreign markets necessitate more export adaptation strategies to enhance export performance. The moderation effect between

the relationship between price adaptation, foreign market attractiveness and export performance was weak. This indicates that prices were adapted to suit export market conditions (Sousa and Bradley, 2009). Management of firms operating in foreign markets need to acknowledge changes in regulatory frameworks and customer preferences and apply country-specific adaptation strategies to remain competitive and create a balance in operations (Czinkota et al., 2011). Moreover, the characteristics of the foreign market can strengthen or weaken the relationship between adaptation forces and export performance. Variations between the home and foreign markets in terms of sociocultural, consumer preferences, and legal and regulatory frameworks require adjusting export adaptation strategies to strengthen operations to achieve positive export performance (Mavrogiannis et al., 2008). This study argues that external forces play a significant role in exporting which can strengthen or weaken the association between adaptation forces (4Ps), foreign market attractiveness and export performance (Katsikeas et al., 2006). Findings of the current study are that the greater the attractiveness of the foreign market, the higher the degree of export adaptation strategies (4Ps) and vice versa (Jain, 1989).

Foreign market attractiveness returned a positive relationship with export performance which is in line with the review of the export performance of African firms (Ibeh et al., 2012). The study found that considerable differences exist between the home and foreign markets. Ghanaian exporters allocating substantial resources to adaptation strategies to suit cultural differences, customer preferences and legal and regulatory frameworks are likely to perform better in exporting (Sousa et al., 2008). The interviews provided support for this hypothesis with exploratory insights. Ghanaian exporters argued that standards in Western markets were high which demanded higher adaptation strategies to satisfy standards and regulations in foreign markets. Interestingly, the exporters stated that once entry requirements were satisfied in Western markets, it was flexible to clear goods making Western markets more attractive than African markets. The interviews revealed that although the Ghanaian market is similar to African markets in terms of culture, customer preferences and regulatory/legal frameworks, the African markets are unattractive in terms of customs and border operations. Therefore, the advantages of exporting to western markets are more beneficial in terms of foreign market attractiveness. These exploratory insights support the works of Adada (2011) who argued that trade with other developing countries is convenient due to similarities in markets and laws, although Western markets are more attractive and offer appealing benefits.

Ghanaian firms experienced competition in export markets. The interviews revealed that environmental uncertainty brought changes and unpredictability in customer preferences which affected export performance (Slater et al., 2010). Ghanaian firms face competition from Asian countries including China, Indonesia, Malaysia, Philippines and India. Other countries include Nigeria, Togo, Kenya, South Africa, Ivory Coast, Brazil, Costa Rica, and Jamaica. Ghanaian firms operate in competitive export markets where customer preferences are unstable and not well defined which makes competition unpredictable and necessitates stringent adaptation strategies (Slater et al., 2010).

7.2.6 Additional Findings from the Qualitative Study

7.2.6.1 Export Initiation

Potential in exporting connected to word of mouth, diversification of business and joint venture emerged in the qualitative interviews as key reasons for export initiation of Ghanaian firms. This finding supports theoretical projection that a significant level of export adoption among African firms is increasing and many firms from Sub-Saharan Africa are becoming involved in exporting (Ibeh et al., 2012; Ibeh and Young, 2001; Rankin et al., 2006). The current study discovered that international exposure defined as living, studying, or working abroad is not related to export initiation but is related to diverse initiatives in Ghana.

7.2.6.2 Location of the Firm

The qualitative study found exporting firms in Ghana were located in regional capital cities near the sea and airports. This supports the positive correlation between firms located in regional capital cities and export performance (Belso-Martinez, 2006). The location was defined as proximity to the sea and airports, infrastructure access, the source of raw materials, general labour and other exporting activities as found in this study (Freeman and Styles, 2014). Ghanaian firms identified location benefits as an advantage in exporting, similar to the works of Felzensztein et al. (2014) who argued that co-located firms can increase competitiveness through active marketing externalities. This finding supports the works of Berko and Damoah (2013) who found Ghanaian exporters located in regional capital cities were advantaged by benefits such as financiers, services of government agencies and competition which sparks changes and innovation. Ghanaian exporting firms located in regional capital cities are more likely to operate efficiently and effectively to enhance export performance than exporting firms located outside the metropolitan cities.

7.2.6.3 Common Problems (Barriers)

This study categorised four common problems associated with exporting in Ghana from the qualitative interviews namely: logistics, functional, marketing and lack of funding. Logistical barriers were associated with unavailability of cargo planes in Ghana and poor infrastructure that affected export operations. Environmental barriers in Ghana were affected by rapid changes incorporated with a high level of uncertainty, which lies beyond the control of the firm, similar to the findings of Leonidou (1995b). Land issues and lack of raw materials were identified as functional barriers in the agricultural industry created a gap in the supply chain system. Land acquisition is paramount to farm plantations, therefore, encroachment of farm lands slows down production projections of exporters in the agricultural industry. These new findings are in line with the functional barriers found in previous studies that were related to inefficiencies of the firms' function in terms of unavailability of production capacity that affects export performance (Leonidou, 2000; Tesfom et al., 2006).

Marketing barriers including product quality are rated highly in export barrier issues (Tefom et al., 2006). The study found product quality to be a major problem in exporting as irregular exporters do not ship the right quality products to overseas markets, resulting in rejection and bans in some European and American markets (Kunateh, 2013). Marketing problems in Ghana are related to the firm's inability to respect foreign market conditions, which result in high rejection rates in host countries. This finding is in line with the works of Tesfom et al. (2006) who identified marketing problems as a major barrier in exporting. Other studies reveal that many foreign governments use special legislation to set up quality standards for certain categories of goods, making product adaptation mandatory in export markets (Fillis, 2001; Leonidou, 1995b).

Literature has documented lack of funding as a major challenge especially for small exporting firms (Leonidou, 2000). The current study found that Ghanaian exporters expected financial assistance from banking institutions to support their business, which was not the banking institutions' practice. Some studies have documented that some exporters obtain credit through collaterals while others lack the fixed assets required for financial support, which creates operational barriers in exporting (Leonidou, 2004). Ghanaian exporters were unable to solicit for funds from financial institutions because of strict requirements and collateral demands which affected their export operations. This finding supports previous studies that

argued engagement in exporting requires extensive expenditure on operations which creates excessive financial burdens for firms especially if the latter is strained financially (Leonidou, 1995b).

7.2.7 Export Performance Measurements

Subjective measures were considered appropriate in this study due to difficulty in obtaining objective export performance data in emerging countries (Crick et al., 2011). The study found that managers were unwilling and unable to provide raw financial data as this information was considered private and confidential (Robertson and Chetty, 2000). Particularly in the interviews, it emerged that small firms were more reluctant than large firms to provide raw financial data. The majority of managers preferred to use subjective indicators to measure export performance. This finding is in line with international business literature which supports applying subjective measures where managers are reluctant or unable to provide objective financial data (Sousa, 2004). This study found that subjective export performance measurements are useful to Ghanaian exporters (Lages and Sousa, 2010). Moreover, it would be difficult to check the accuracy of reported financial data supplied by the managers as this information may not be publicly available in emerging economies like Ghana (Robertson and Chetty, 2000).

7.2.7.1 Control Variables

Control variables related differently with export performance in the study. Firm size and age influenced export performance. This finding supports the argument that the number of years of exporting and number of employees are often associated with export performance either directly or indirectly (Samiee and Walters, 1990). Industry did not influence export performance which indicates that export performance, is not dependent on the type of industry. European and African markets were the leading product destination of Ghanaian firms, followed by American markets. Exporters in agricultural and handicraft industries were mainly owner/managers of small firms with or without international experience, as opposed to exporters in the manufacturing industry who managed large firms with substantial resources and international experience.

7.3 Research Implications

7.3.1 Theoretical Implications and Overall Contribution to Knowledge

Drawing from the resource based view, this study enhances our understanding that how the interplay between certain resources and capabilities and their interaction with the external

environment contribute to export performance. First, the proposed validated mediated-moderated conceptual model contributes to theory in export performance literature. Theoretically, the study used the tenets of the resource-based view and its causal reasoning as a basic framework to provide an in-depth examination of mechanisms among selected key determinants of export performance. The mediated relationships in the conceptual model provided deeper insights into the interplay of international experience, export commitment, export promotion programmes and export marketing mix strategy (4Ps) and their influence on export performance.

According to the resource-based view, the internal resources and capabilities of the firm can be branded into a competitive advantage to enhance export performance. International experience influenced export performance indirectly through export commitment, export promotion programmes and export marketing mix strategies (4Ps). This implies that export commitment and export promotion programmes reinforce the relationship between international experience and export marketing mix strategies (4Ps) to enhance export performance. In other words, export commitment and export promotion programmes transformed international experience into export marketing mix strategies (4Ps), which in turn enhanced export performance.

First, most significantly, export marketing mix strategy (4Ps) illuminated the impact of international experience, export commitment, and export promotion programmes to influence export performance. Therefore, the findings from this thesis validate the standpoint of the resource-based view, which argues that firms can generate and brand their internal resources into creating a competitive advantage to enhance export performance. This study further provided the reasons behind the mixed findings of international experience-export performance relationships. It emerged from this thesis that the intervening mechanism that influences international experience-export performance relationship are export commitment, export promotion programmes and export marketing mix strategy (4Ps).

Additionally, the mainstream export performance and export promotion programmes related literature mostly neglects any link between export promotion programmes and other variables in establishing relationships between export promotion programmes and export performance. Empirical tests of the proposed hypotheses revealed that the indirect impact of export promotion programmes on export performance is achieved through adaptation forces (4Ps). Thus, using export promotion programmes has an impact on strategic decisions on the export

marketing mix strategy (4Ps). Therefore, this study contributes to the tenets of the resource-based view theory by adding export promotion programmes as a domestic resource in terms of knowledge and training to provide essential information on exporting to managers in achieving export goals. Hence, this study contributes to export performance literature by expanding the literature on external determinants to reflect the domestic environment of the firm.

Second, this thesis contributes by incorporating moderating effects of foreign market attractiveness on the association between export marketing mix strategy and export performance. Export market mix strategy (4Ps) and performance relationships depend on foreign market attractiveness, thus the greater the attractiveness, the stronger the relationships. The main theoretical implications drawn here indicate that if a positive perception of foreign markets is adopted by exporters, export operations adhere to specific legal and regulatory frameworks in different countries by applying effective adaptation strategies (4Ps) to respect foreign market conditions. Therefore, managers of firms can achieve profitability through better management of organisational resources, creating synergistic benefits by capitalising on opportunities in foreign markets. On the other hand, if managers do not comply with the requirements of various export markets, they will experience negative performance as adaptation levels will be low. This study provides further insights by examining the effect of foreign market characteristics in terms of export competition and cultural similarities in relation to export performance to reiterate its relevance in exporting literature in the context of emerging countries. Thus, the study has addressed the call by some scholars in the field to advance theory on domestic and foreign market characteristics (Lages and Sousa, 2010; Sousa et al., 2008).

Third, this study has highlighted key determinants of export performance that can be used by Ghanaian firms to improve their export performance. Export commitment, place and product adaptation and foreign market attractiveness emerged as key success factors of Ghanaian firms to enhance export success. Most significantly, place (distribution) and products were adapted, which reiterates the relevance of adaptation strategies in enhancing export performance (Leonidou et al., 2002). Thus, this research contributes to the literature by validating two of the adaptation forces (place and product) in a model focusing on an emerging country context in Africa. Word of mouth, participation in trade shows, and shipment of samples were other forms of promotional strategies.

On the other hand, the results of this research contradict the findings of scholars including Jain (1989) and Levitt (1983) who suggested that the world is a single large market and wants are partly the same and as such adaptation strategies do not work. The theoretical implications here highlight that wide differences exist across countries in terms of buying patterns, legal/regulatory frameworks and cultural factors which necessitate export adaptation strategies in foreign markets. This thesis also advances theoretical projections in emerging markets that products exported to Western countries enjoy a higher degree of adaptation than products exported to African markets due to differences in cultural and customer preferences in developing and developed countries. In totality, from a less research context, this study contributes to export performance literature by applying the tenets of the resource-based view to extend the existing literature to a new geographical dimension, namely Ghana in Sub-Saharan Africa, which others can build on.

7.3.2 Managerial Implications

The findings of this research offer some recommendations to exporting organisations, particularly in emerging economies, in their determination to improve export performance and to use as a yardstick to withstand competitive overseas markets.

- Managers should identify which export markets need additional adaptation strategies and tailor their products to suit the specifications and characteristics of those markets. For Ghanaian exporters, place (distribution) and product adaptation paved the way to deal with various cultural, economic, and regulatory frameworks in export markets leading to enhanced performance and need to be maintained.
- Products should be adapted to suit the separate requirements of Western and African markets guided by customer specifications. Other forms of promotion and pricing strategies in export markets are encouraged in order to remain competitive. Firms need personnel who are knowledgeable in export market procedures and are able to develop effective export marketing strategies.
- Managers should put in place development programmes that encourage senior management to acquire overseas experience through regular visits to export markets to familiarise themselves with overseas operations. Exporters are urged to acquire the right type of training, international exposure and experiential knowledge to develop effective export operations through participation in export promotion programmes.

- Managers should remain committed to exporting by allocating substantial human and financial resources to implement effective export marketing mix strategies in various markets to create a competitive advantage and improve export performance.
- Failure to adapt product features and characteristics to foreign market demand result in rejection at entry points which causes extra cost and forfeiture of investment funds. Adhering to specified requirements could create the flexibility to manufacture innovative products designed to suit customer preferences in different foreign markets.
- Management teams are encouraged to acknowledge the existence of similarities and differences between the home and host countries. This will encourage managers to react to political and legal regulatory frameworks in export markets. Managers should respect the cultural values and language differences among countries when designing product labels. This could be achieved by learning about diverse cultural characteristics through overseas visits and participation in foreign trade shows and exhibitions.
- It is recommended that managers exporting to African markets consider other international destinations. Although the African market is preferable because of proximity and similarities in customer preferences the attractiveness of Western markets could be explored for market expansion.
- Managers should evaluate contents of export promotion programmes and select programmes relevant to their stage of exporting. Seminars related to foreign market networking, foreign language issues, and programmes offering training on product development, pricing strategies, distribution networks and promotional campaigns should be targeted.
- Firm location for potential exporters should focus on metropolitan cities in regional capitals as the proximity of the firm provides additional benefits, less cost in operations and easy access to raw materials, personnel, and logistics.

7.3.3 Practical Implications for Public Policy Makers

Although export promotion programmes from government agencies and public policymakers are intended to refine export operations, the benefits of these programmes are sometimes questionable. The information needed about foreign markets is demonstrated by the result that favourable conditions in foreign markets positively influenced export marketing mix strategies and performance. Therefore, information regarding such standpoints should be

disseminated to potential and current exporters in order to improve the image of foreign market opportunities. Awareness of conditions pertaining to export markets is paramount to export success, therefore, efforts must be made to congregate up-to-date statistics and information on export markets. This information should include the cultural environment in foreign markets, foreign government regulations, restrictions on imports, foreign government exchange rate policies and pricing, promotion and multiple channels of distribution in foreign markets. The perception of risks can be a strong barrier inhibiting firms' willingness to consider export engagement.

This study highlights the role that policymakers can play in facilitating firm performance in export markets by accelerating regular export activity at the individual firm level. Policymakers should design contents of export training programmes to assist exporters effectively. Special workshops on export marketing mix strategies could be organised for exporters to acquire skills to create a strategic fit in foreign markets and prevent product rejections at host countries. Policymakers have to stress the relevance of export promotion programmes to potential and current exporters to acquire knowledge and skills to handle unstable and hostile foreign markets by suppressing the hurdles these markets may present. Policymakers should provide advanced training programmes on innovative product designs to enable the production of quality and unique products for export markets.

Policymakers are sometimes faced with the challenge of understanding firms' needs in relation to export involvement to effectively assist them with export promotion programmes. It emerged in the study that export promotion programmes offered by policymakers in Ghana are broad and did not focus on foreign market characteristics. To address this, policymakers could establish communication with managers in developing of export promotion programmes and take useful recommendations on designing new innovative programmes to suit the idiosyncrasies of overseas markets. This means providing the right export promotion programmes to the right firm at the right time. Incentive oriented export promotion programmes could be created and offered to encourage more firms to go into exporting as experiential knowledge is paramount to gaining information and managerial skills. While emphasising on the importance of export promotion programmes, policy makers have to envisage the long-term advantages of these programmes and channel monetary and human resources in developing additional innovative export development programmes despite the era of downsizing on government spending and budgetary cuts. Growth is an indicator of success

and brings other benefits like the ability to acquire financial support from financial institutions in a particular country to accelerate export growth.

Financial assistance is needed for longer periods to raise firms' competitive advantage. Access to funding was a common problem in exporting in Ghana. The government should provide a competitive platform for exporters through financial schemes, trade policies, market access initiatives, export opportunity awareness campaigns to minimise exporting disincentives and encourage more firms to engage in international business. Small firms especially need more assistance from governmental agencies with the necessary information about exporting to encourage their export initiation. Lack of information might not be attributable to the scarcity of a firm's resources in not searching for information, but to a lack of knowledge of how and where to obtain essential materials on exporting. Policymakers must not perform the role of an information gathering centre, but equally must ensure a channel to disseminate the necessary information is established to reach appropriate firms in private sectors.

It is recommended that government agencies and policymakers make funding available through export financing schemes to provide support in raising exporters' financial resources by exporters. Difficulty in acquiring financial support for export operations was a common problem in Ghana. Banks and other financial institutions could also make funding available to exporters through special financial schemes to enable firms to strive and become bigger. Access to funds will result in more financial resources to improve firms' capacity to adapt products to suit characteristics of export markets and gain a competitive advantage over other exporters. Public policymakers could learn lessons from neighbouring countries on their export development programmes and strategies to improve their operations. The long-term results of effective export promotion programmes are more likely to boost value-added exports and economic development in Ghana and other countries with stringent policy direction.

7.4 Limitations of the Study

As with every empirical study, this thesis has some limitations that require caution in interpreting of the results. The sample size is one of the key limitations of this study. All the possible efforts including personal connections and drop and pick technique for questionnaire survey collection were used to enhance the response rate. The unresponsive attitude of some managers caused constraints to data collection. Moreover, during the period of data collection, exporting firms were besieged with various economic conditions in the country. For instance,

depreciation of the Ghanaian Cedi affected operations and export earnings which prevented some managers from participating in the study because their firms were going through financial and operational challenges. This thwarted data collection efforts and made the follow-up calls difficult during the research period. In addition, the study sample did not include government agencies and public policymakers who could have provided additional information to give a broader perspective of current government export development programmes geared towards private sector firms.

Cross-sectional data collected from Ghana was an additional limitation, although this recognises the contextual situation the research was undertaken in. Data was collected at a single point in time making it impossible to examine issues of causality, which usually requires data to be collected over a period using the longitudinal approach. This approach would have provided deeper theoretical insights for the conceptual model under study over a number of years.

Notwithstanding the limitations, this research contributes to the body of literature by examining key determinants of export performance of firms in an emerging economy. Key strengths of the research were the examination of direct and indirect effects of international experience, export promotion programmes, export commitment, and export marketing mix strategy (4Ps) and the moderating effects of foreign market attractiveness on export performance within firms located in a Sub-Saharan country, namely Ghana.

7.5 Direction of Future Research

The study results and limitations provide a basis for future research. Further research into determinants of export performance can be directed at a number of general areas. This study has developed a conceptual model that contributed to measuring and identifying key determinants of export performance through intervening variables. For future research direction, it is particularly important that the complex mediated-moderated conceptual framework is tested with another large sample in another country to validate the model and confirm its applicability in a different business environment.

More attention should be given to examining the universal applicability of the findings in this study in both developed and developing/emerging countries to compare results. Interesting insights can be generated while looking into comparative studies by replicating the research design with other samples of firms in developed and developing/emerging countries. The determinants of export performance in developed countries may be different from that of an

emerging country as examined in this study. This study examined the impact of adaptation forces on export performance and recorded mixed findings. Studies on promotion and price adaptation could be replicated without place and product adaptation to separately examine their impact on export performance within the conceptual model with a larger sample size in a different research setting. This study could also be replicated with objective export performance measurements to examine their effect on the variables examined in this research.

The study is based on existing firms with long exporting experience (from three years and above). Thus, it was not possible to extrapolate the determinants of export performance of less experienced firms using the results of this study. Future research could classify firms into initial exporters and experienced exporters in emerging markets on the basis of exporting years to provide additional insights of firm characteristics in export performance.

The objectives of the study could also be explored in the future by adding the views of government agencies and policymakers providing export promotion programmes to compare the impact on export performance at the firm level. Overall, theoretical advancement has been provided in international business literature through this research. Therefore, it is also hoped that findings from this research will give policy makers and government agencies the ability to develop more effective export promotion programmes.

7.6 Concluding Remarks

Drawing from the resource-based view of the firm, this study investigated determinants of export performance of firms in the agricultural, handicraft and manufacturing industries in Ghana to gain a competitive advantage in foreign markets. To address the research question, a complex mediated-moderated conceptual model was developed to test hypotheses based on theory. A mixed method approach comprising qualitative and quantitative techniques was used to collect data from key informants in Ghana. Using a sample of 116 firms and 18 interviews, this study provided evidence to validate the proposed complex conceptual model to present a significant contribution to the field by addressing the calls by some scholars for theory development in the African region. This study further addressed the concerns of some scholars who have argued that export performance literature has reached a level of sophistication where researchers should examine the complex impact of indirect and moderating effects of variables to bring additional insights to the theory. Overall, this study has extended export performance literature to Africa. Results of the study are useful in advancing theory in determining export success practices, particularly in emerging economies.

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Appendix 1 Table 7.2 Summary of Export Performance Studies

Author	Industry	Sample Size	Independent Variables	Dependent Variable	Methodology	Findings
Castaldi et al. (2004)	Winery	1012	Export Commitment	Export Performance	Hypothesis testing and regression	Export commitment is significant and positively related to export performance.
Lado et al. (2004)	Mixed	2264	International Experience	Export Performance	Chi-square	Positive relationship between export performance and international experience.
Lages and Montgomery (2001)	Mixed	1967	Export Competition	Level of Adaptation	Descriptive	Competition is positively related to the level of adaptation. Poor environment negatively affected performance.
Madsen (1989)	Manufacturing	134	Export Market Attractiveness	Export Success	Casual/ Regression	Export market attractiveness had a strong impact on export sales. The author explained that export markets with high growth and little competition tend to result in high sales.
Das (1994)	Mixed	58	Firm size	Export Intensity	Exploratory	Negative relationship between firm size and export intensity.
Cadogan et al. (1999)	Mixed	198	Competition	Export Performance	Regression	Environment significantly affects export performance: mixed relationships
Ibeh and Young (2001)	Manufacturing	78	International Experience	Export Behaviour	Stepwise discriminant analysis	Decision makers' previous experience, international contacts and orientation had a positive relationship with export performance.
Buatsi (2002)	Mixed Industries	43	Export Financing	N/A	Descriptive statistics	Commercial banks were the major source of funding in Ghana for exporters. Export Bank needed in Ghana to provide a financial and flexible flow of funds to exporters.
Wolf (2007)	Mixed Industries	97	Firm Characteristics	Export Intensity	Regression using firm level data set	The decision to export and export intensity confirmed the assumption that these factors differ by export sector.
Adada (2011)	Mixed Industries	126	Age of the firm	Export Survival	Log-log model	Older firms in Ghana survive longer in exporting than younger firms; large firms have lower hazards than small firms. Firm productivity, capital intensity

						and foreign capital participation do not significantly influence export survival, likewise the proximity of the destination.
Cavusgil et al. (1993).	Manufacturing	184	Market Characteristics Experience	Product Adaptation	Multiple Regression	Product adaptation is negatively related to the similarity of legal regulations, but positively influences market competitiveness and international experience.
Rankin et al. (2006)	Manufacturing (5 African countries including Ghana)	2770 (1993 to 2003)	Management Skills, Firm size, Ownership of the firm	Export Participation	Modelling Framework	Management skills are key success factors in exporting and correlated with size. Size does not matter in export engagement. Foreign ownership has a significant effect on the ability to export.
Lages and Montgomery (2005)	Mixed	519	Export Assistance, Management Experience, Export Market Competition	Export Performance Export Assistance	Structural Equation Modelling	The study recorded a positive relationship between export performance and export assistance. Export market competition had a significant direct effect on performance. Export assistance was positively related to management experience.
Kaynak and Kuan (1993)	Manufacturing	154	Foreign Market Environment	Export Performance	Discriminant Analysis	High performers exported to developed countries and achieved better performance due to the existence of favourable operations. High profitability was achieved through better management of organisational resources, thus creating synergistic benefits.
Stoian et al. (2011)	Mixed	146	International Experience	Export Performance	Regression and Factor Analysis	International experience was positively related to export profitability.

Appendix 2 Table 7.3 Export Performance and Export Marketing Mix Strategy (4Ps)

Author	Industry	Sample size	Independent Variables	Dependent Variable	Methodology	Summary of Findings
Lages and Montgomery (2001)	Mixed	1967	Price Place Promotion Distribution	Export Performance	Hypothesis testing, Weighted Least Squares	Product adaptation is not significant with export intensity.
Cavusgil and Zou (1994)	Manufacturing	202	Product Price Promotion Distribution	Export Performance	Hypotheses testing, CFA	A positive and significant relationship between price, place and distribution and performance, except promotion.
Lages and Montgomery (2005)	Mixed	519	Price	Export Assistance	Structural Equation Modelling	International experience and export assistance had a positive impact on pricing strategy. Competition does influence price adaptation.
Lado et al. (2004)	Mixed	2264	Marketing Strategy	Export performance	Regression	Positive relationship between marketing strategy and export performance.
Lages et al. (2008a)	Mixed	88	Price Place Promotion Distribution	Export Performance	Confirmatory Factor Analysis	Positive relation between adaptation forces and export performance.
Lee and Griffith (2004)	Electronic Industries	180	Price Place Promotion Distribution	Export Performance	Regression	Positive relations between adaptation forces and export performance. Adaptation of marketing mix achieved greater performance.
Lages et al. (2008b)	Mixed	519	Price Place Promotion Distribution	Export Performance	Structural Equation Modelling	Mixed findings between variables and export intensity. Product adaptation had a significant effect on performance. Export market competition did not have any significant relationship with the (4Ps).
Eusebio et al. (2007b)	Mixed	133	Price Place Promotion Distribution	Export Intensity	Regression	Product and distribution is positive and significantly related to export performance but price and place fail to show positive relations.

Shoham (1996)	Mixed	81	Price Place Promotion Distribution	Export Performance	Hypothesis Testing, ANOVA and Regression	Product standardisation and design did not influence performance. Price standardisation enhanced performance. Distribution had a significant effect on performance and promotion positively related to all dimension of performance.
Cavusgil et al. (1993)	Manufacturing	184	Degree of Product Uniqueness Cultural specific of the product	Product Adaptation	Multiple Regression	Product adaptation upon entry significantly influenced the cultural specificity of the product. After entry, product adaptation was positively related to cultural specificity and negatively related to technology orientation of the industry.

Appendix 3 Table 7.4 Measurement of Constructs

Constructs	Measurement	Source
International Experience	<p>5 Items scale (1= None; 5= Substantial)</p> <ul style="list-style-type: none"> • Degree of professional exporting experience. • Degree of overseas experience–live/work abroad. • Degree of training in international business, e.g., attended formal courses and export seminars. • Ability to follow up on trade leads in the main importing market. • The operation of many foreign markets. 	Cavusgil and Zou (1994); Lages et al. (2008b)
Export Commitment	<p>5 Item-scale (1= strongly disagree; 5=strongly agree)</p> <ul style="list-style-type: none"> • The firm has an appropriate organisation structure to deal with all export activities. • Firm executives travel frequently to export markets. • The firm sets aside adequate funds to develop overseas markets. • Learning about export documentation is a high priority in this firm. • Exporting is a high priority activity in the firm. 	(Shamsuddoha and Ali, 2006)
Export Marketing Mix Strategy: (4Ps) Product	<p>7 Item-scale (1= no adaptation; 5=extensive adaptation)</p> <ul style="list-style-type: none"> • Product brand name. • Product design/style. • Product labelling. • A variety of the main exporting product line. • Product Quality. • Features and Characteristics. • Packaging. 	Lages et al. (2008b) Lages et al. (2008a)
Promotion	<p>7 Item scale (1= no adaptation; 5= extensive adaptation)</p> <ul style="list-style-type: none"> • Advertising theme. • Media channels for advertising. • Promotion objectives. • Budget for promotion. • Direct marketing. • Sales promotion. • Personal selling. 	Lages et al. (2008a) Ogunmokun and Ng (2004)
Price	<p>5 Item scale (1=no adaptation; 5=extensive adaptation)</p> <ul style="list-style-type: none"> • Determination of pricing strategy. • Concession of credit. • Price discounts policy. • Retail price. • Price margins. 	Lages et al. (2008a)
Place (Distribution)	<p>5 Item scale (1=no adaptation; 5=extensive adaptation)</p> <ul style="list-style-type: none"> • Criteria for selection. • Transport strategy. • Distribution budget. 	Lages et al. (2008a)

	<ul style="list-style-type: none"> • Distribution network. • Type of middlemen. 	
Export Promotion Programmes	<ul style="list-style-type: none"> • Organisation of export seminars and conferences • Training programmes specialising in exporting • Training on export documentation • Provision of counselling advice on export business • General information about doing business in a specific country 	Leonidou et al. (2011)
Foreign Market Attractiveness	<p>5 Item-scale (1=not at all attractive; 7=very attractive)</p> <ul style="list-style-type: none"> • Sophistication of marketing infrastructure in main foreign market • Demand potential in export market • Level of consumer education in the export market • Level of industrial development • Extent of laws and regulations 	Katsikeas et al. (2006) Cavusgil and Zou (1994).
Export Financial Performance (Perceived Export Success)	<p>To the best of your knowledge, how would you rate your firm's export financial performance based on the following objectives?</p> <p>7 Item-scale (1=very low; 7=very high)</p> <ul style="list-style-type: none"> • Export sales volume • Export market share • Export profitability • Return on investment • Export sales intensity 	(Leonidou et al., 2011)
Control Variables Age of the firm Industry-mixed Firm Size	<p>Number of years exporting</p> <p>Agricultural, Handicraft and Manufacturing</p> <p>Number of employees</p>	<p>(Lages and Jap, 2002)</p> <p>(GEPA 2013)</p> <p>(Wolff and Pett, 2000)</p>

Appendix 4 Introductory Letter



SCHOOL OF MARKETING & INTERNATIONAL BUSINESS
TE KURA HOKOHOKO, PAKIHI KI TE AO

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Phone +64-4-463 5330 Fax +64-4-463 5231 Email marketing@vuw.ac.nz; international-business@vuw.ac.nz
Website www.victoria.ac.nz/smilb

TO WHOM IT MAY CONCERN

15th August, 2013

Dear Sir/Madam,

Introductory Letter - Ms Gloria Sraha

Ms Sraha is a full-time PhD student at the Victoria University of Wellington, New Zealand pursuing her studies in the School of Marketing and International Business. As part of her research, she is examining the export performance of small and medium-sized enterprises in Ghana.

We would be grateful if your office could release a copy of the Export Directory of firms in your organisation to aid her to undertake a survey in Ghana.

Please do not hesitate to contact me should you require further information on this matter.

We would appreciate your co-operation in this regard.

Thank you.

Yours faithfully

A handwritten signature in black ink, appearing to read 'David Crick', written over a light blue background.

Prof. David Crick

Appendix 5 Survey Cover Letter



Export performance of Ghanaian firms in the agricultural, handicraft and manufacturing industries.

January, 2014

Dear Sir/Madam

I am currently pursuing a PhD in International Business at Victoria University of Wellington, New Zealand. I am seeking your assistance in completing the following questions in the survey attached. My research investigates the determinants of export performance of firms in the agricultural, handicraft and manufacturing industries, using Ghana as a representative country of sub-Saharan Africa to gain a competitive advantage in foreign markets.

Since your experience and opinions are important in finding ways of improving export marketing strategies in foreign markets, your company has been selected to participate in this survey. I would be grateful if you could take about **20 minutes** of your time to complete the attached questionnaire. This questionnaire is intended to be answered by a manager or chief executive in your firm who is actively involved in decision making in regards to exporting and international business.

By filling this questionnaire, you voluntarily give consent to participate in this survey. All information collected will be kept entirely confidential and solely used for this study. Neither your name nor your company's name will be identified and traced back to you or your firm. The research has been approved by the Victoria University of Wellington, Human Ethics Committee; therefore, all data collected will be kept for three years and then destroyed upon completion of the study. I would be grateful if you complete the survey by _____ for collection please.

I would be delighted to send you a copy of the executive summary of the findings if you send a request to me or my supervisors. For further information or clarification please feel free to contact me on this number +233 246 701332.

Your participation in this survey will greatly contribute to the successful completion of this research. Thank you very much for your assistance and time in this regard to improve export practices and firm growth in Sub-Saharan Africa.

Yours sincerely,

Researcher: Gloria Sraha	gloria.sraha@vuw.ac.nz
Supervisor: Prof David Crick	david.crick@vuw.ac.nz
Supervisor: Dr Revti Raman	revti.raman@vuw.ac.nz

Thank you for participating in this survey. The survey includes questions on export practices in the home and foreign environment of your firm to gain competitive advantage in export markets. Please note your answers are confidential and cannot be linked back to you or your firm. There are no right or wrong answers, therefore please answer each question as completely and accurately as you can. *Please indicate your response by choosing the appropriate answer that shows the likelihood that you agree or disagree with the following statements below:* Please tick or circle.

SECTION A - EXPORT MARKETING MIX STRATEGIES

Note: A product may be marketed in a **SIMILAR OR DIFFERENT** way in the Ghanaian market and in the export market with regard to product features, promotion, pricing and distribution.

Considering your export activity at the firm level, to what extent have you **adapted** the following in your major foreign markets?

1 = not at all adapted, 2 = somewhat adapted, 3 = moderately adapted, 4 = adapted to a greater extent, 5 = fully adapted.

Extent of Product Adaptation

1. Product brand name	1	2	3	4	5
2. Product design/style	1	2	3	4	5
3. Product labelling	1	2	3	4	5
4. Variety of the main exporting product line	1	2	3	4	5
5. Product quality	1	2	3	4	5
6. Features and characteristics	1	2	3	4	5
7. Packaging	1	2	3	4	5

Extent of Promotion Adaptation

8. Advertising theme	1	2	3	4	5
9. Media channels for advertising	1	2	3	4	5
10. Promotion objectives	1	2	3	4	5
11. Budget for promotion	1	2	3	4	5
12. Direct Marketing	1	2	3	4	5
13. Sales promotion	1	2	3	4	5
14. Personal selling	1	2	3	4	5

Extent of Price Adaptation

15. Determination of pricing strategy	1	2	3	4	5
16. Concession of credit	1	2	3	4	5

17. Price discount policy	1	2	3	4	5
18. Retail price	1	2	3	4	5
19. Price margins	1	2	3	4	5

Extent of Place/Distribution Adaptation

20. Criteria of selection	1	2	3	4	5
21. Transport strategy	1	2	3	4	5
22. Distribution budget	1	2	3	4	5
23. Distribution network	1	2	3	4	5
24. Type of middlemen	1	2	3	4	5

SECTION B – FIRM COMPETENCES

How would you rate the management involved in your firm's export business based on the following statements? 1 = none 2 = only slightly substantial, 3= somewhat substantial, 4 = definitely substantial, 5 = extremely substantial.

1. Degree of professional exporting experience	1	2	3	4	5
2. Degree of overseas experience- live or work abroad	1	2	3	4	5
3. Degree of training in international business e.g attended formal export courses	1	2	3	4	5
4. Ability to follow up on trade leads in the main importing market	1	2	3	4	5
5. Operation of many foreign markets	1	2	3	4	5

In terms of **export commitment by management** of the firm, to what extent would you agree or disagree with the following statements? *1 = strongly disagree 2 = disagree, 3= neutral, 4 = agree, 5 = strongly agree*

6. The firm has an appropriate organisational structure to deal with all export activities	1	2	3	4	5
7. Firm executives travel frequently to export markets	1	2	3	4	5
8. The firm sets aside adequate funds to develop overseas markets	1	2	3	4	5
9. Learning about export procedure and documentation is a high priority in this firm	1	2	3	4	5
10. Exporting is a high priority activity in the firm	1	2	3	4	5

SECTION C – DOMESTIC ENVIRONMENT – EXPORT PROMOTION PROGRAMMES

To what extent does your firm adopt the following **export promotion programmes** from government agencies *1 = Not at all adopted, 2 = unadopted, 3= somewhat adopted, 4 = Neutral, 5 = moderately adopted, 6= adopted, 7=fully adopted.*

Education promotion programmes

1. Organisation of export seminars/conferences	1	2	3	4	5	6	7
2. Training programmes specialising in exporting	1	2	3	4	5	6	7
3. Training on export documentation	1	2	3	4	5	6	7
4. Provision of counseling advice on export business	1	2	3	4	5	6	7
5. General knowledge about doing business in a specific country	1	2	3	4	5	6	7

SECTION D - EXPORT MARKET CHARACTERISTICS

Export market characteristics is the **differences and similarities** that exist and differentiate Ghana with the host country in terms of regulatory/legal framework, culture and competition.

When you refer to your major export markets within the past year, **how attractive** was that market to your firm's operations based on the following statements?

1 = Not at all attractive, 2 = unattractive, 3= somewhat attractive, 4 = neutral,

5 =moderately attractive, 6= attractive, 7=very attractive

1. Sophistification of marketing infrastructure	1	2	3	4	5	6	7
2. Demand potential in export market	1	2	3	4	5	6	7
3. Level of consumer education in export market	1	2	3	4	5	6	7
4. Level of industrial development	1	2	3	4	5	6	7
5. Extent of government laws and regulations	1	2	3	4	5	6	7

SECTION E- BACKGROUND INFORMATION ABOUT YOUR FIRM

1. How many years has your company been in the export business? (Please tick **ONLY ONE** box)

- ☐ Less than 1 years
- ☐ Less than 2 years
- ☐ 3- 4 years
- ☐ 4-5 years
- ☐ 6-7 years
- ☐ 8-9 years
- ☐ 10 years and over

2. How many employees work in your firm? (Please tick **ONLY ONE** box)

- ☐ 1-5 employees
- ☐ 6-29 employees
- ☐ 30-99 employees
- ☐ Over 100 employees

3. Your main industry sector is (Please tick **ONLY ONE** box)

- ☐ Agricultural
- ☐ Manufacturing: Process/semi process
- ☐ Handicraft
- ☐ Other please specify.....

4. Kindly specify the form of ownership of your firm? (Please tick ONLY ONE box)

- ☐ Ghanaian owned
- ☐ Foreign owned
- ☐ Joint foreign and Ghanaian owned
- ☐ Foreign owned subsidiary
- ☐ Other please specify.....

5. Kindly indicate your position in the company (Please tick ONLY ONE box)

- ☐ Owner/ Manager
- ☐ Export Manager
- ☐ Chief Executive Officer
- ☐ Marketing Manager
- ☐ Operations Manager
- ☐ Other please specify.....

6. What is the highest level of education you have attained (Please tick ONLY ONE box)

- ☐ Primary education
- ☐ Secondary education
- ☐ Apprenticeship/Trade qualification
- ☐ Diploma
- ☐ University degree or higher

7. Please select the region(s) in which you are doing business. Among the selected region(s), please indicate number 1 for the most important region.

Select	Country	Region
<input type="checkbox"/>		Europe
<input type="checkbox"/>		Asia
<input type="checkbox"/>		South Africa
<input type="checkbox"/>		Middle East
<input type="checkbox"/>		America
<input type="checkbox"/>		North Africa
<input type="checkbox"/>		ECOWAS Region
<input type="checkbox"/>		Other, please add

8. Thinking about the transactions you have with your **main bank**, to what extent would you agree or disagree with the following statements? (Marker Variable)

1= strongly disagree, 2= disagree 3=somewhat disagree 4= neutral 5=somewhat agree, 6=agree, 7= strongly agree

1. This bank's services bring me security	1	2	3	4	5	6	7
2. I trust the quality of this bank	1	2	3	4	5	6	7
3. Choosing the services of this bank is a guarantee	1	2	3	4	5	6	7

SECTION F – EXPORT PERFORMANCE OF THE FIRM

1. To the best of your knowledge, how would you rate your firm's **export financial performance** based on the following objectives? *1 = very low, 2=low, 3=slightly low, 4=average, 5=slightly high, 6=high, 7=very high*

1. Export sales volume	1	2	3	4	5	6	7
2. Export market share	1	2	3	4	5	6	7
3. Export profitability	1	2	3	4	5	6	7
4. Return on investment	1	2	3	4	5	6	7
5. Export sales intensity	1	2	3	4	5	6	7

Many thanks for your cooperation. If you would like to receive a copy of the executive summary, please fill in your details below and submit it together with the completed questionnaire.

E-mail address.....

Appendix 6 Consent Form and Interview Protocol



CONSENT FORM-INTERVIEW

Export performance of Ghanaian firms in the agricultural, handicraft and manufacturing industries.

This form outlines my rights as a participant in the study

- My participation is entirely voluntary. Any information provided in the interview is confidential. I agree to be interviewed for the purpose of the study.
- I have been provided with adequate information about the project and have been given the opportunity to seek further clarification or explanation.
- I agree that the interview may be electronically recorded.
- I have the right to decline to answer any questions.
- I have the right to withdraw my consent to participate in this study by informing the researcher within two weeks after the interview date. If I do so all information I gave will be destroyed.
- I understand that my identity will not be disclosed in any presentation or publication resulting from this research.
- I will have the opportunity to review notes if required to ensure my views are correctly recorded.
- I understand that the data will be used for the researcher's PhD thesis and read by the researcher, supervisors, and the transcriber. I also understand that the research maybe published in academic or professional journals and disseminated at academic or professional conferences.
- I understand that when this study is completed, the raw data obtained from the research will be kept for 3 years and then destroyed.

Name of interviewee.....

Signature of interviewee.....

Please tick here if you would like to receive a copy of the summary for this study

- ☐ Yes, please provide your email
- ☐ No



Interview participant sheet

Research: Export performance of Ghanaian firms in the agricultural, handicraft and manufacturing industries.

I am a PhD student at the Faculty of Commerce and Administration, Victoria University of Wellington, New Zealand. This form provides detailed information on the purpose and nature of my research project.

What is this form?

Victoria University requires ethics approval to be obtained before any form of research is carried out. This form is to respect and acknowledge your rights and to inform you about the research.

Why is this research being done?

This research is being conducted as a requirement of a PhD degree at Victoria University of Wellington.

What is the purpose of this study?

The research aims to investigate the determinants of export performance of small and medium-sized enterprises and how they can gain a competitive advantage in foreign markets using Ghana as a representative of sub-Saharan Africa. This study brings more insights into existing literature to enhance exporting practices at the firm level rather than the country level in sub-Saharan Africa.

What will your roles and responsibilities be if you take part in the study?

The research will be conducted and recorded electronically via personal interview and will take approximately an hour of your precious time.

How many people will be involved?

The interview will consist of yourself and the researcher.

What will happen to the information you provide?

This research is completely confidential. The voice recordings will be reviewed by the researcher, supervisors and transcriber for the sole purpose of this research and will be securely stored for 3 years in a password protected computer. The interview will begin only with your consent i.e signing the consent form.

As well as being included in the PhD thesis, the results may also be published in academic journals or conferences papers. In all published material, your name or your company will be named and no information about your views whatsoever will be traced back to you. Confidentiality is assured at all times. The PhD thesis will be held by Victoria University of Wellington. If you would prefer a written summary of the research, kindly provide your contact details on the consent form. The written summary will not contain any information that is linked back to you or any other participants.

What are the possible benefits?

This research will provide the opportunity for participants to reflect on the operations of their export business in the home country and how it affects their operations and the characteristics of the foreign market. The outcome of this research will provide determinants of export performance for firms for export growth in Ghana and Sub-Saharan Africa and highlight areas for improvement for positive performance outcomes.

When can you withdraw from the research?

You have the right to withdraw from the study at any time, up until two weeks after completing the interview. If you choose to withdraw, any information you have provided will be destroyed.

Gloria Sraha	Prof David Crick	Dr Revti Raman
PhD Student	(Supervisor)	(Supervisor)
School of Marketing and	School of Marketing and	School of Marketing and
International Business	International Business	International Business
Victoria University of Wellington	Victoria University of Wellington	Victoria University of Wellington
Email: gloria.sraha@vuw.ac.nz	Email: david.crick@vuw.ac.nz	Email: revti.raman@vuw.ac.nz

Research: Export performance of Ghanaian firms in the agricultural, handicraft and manufacturing industries.

This interview is semi-structured and expected to last approximately one hour. Below is the outline of the proposed interview questions. Each section will include the following questions:

Part 1- General information about the interviewee and company

- Job title
- Years of experience
- Main product/s
- Industry/industries
- Number of employees
- Can you tell me a little more about how you and your firm became involved in exporting?

Part 2- Export Marketing Competence

- Based on your perception, how much and what type of international experience did the management have when the export business was implemented?
- In your opinion, to what extent has your company committed financial and human resources to the export business since its inception?
- Subsequent to entering the export market, was your product physically modified? How? Why? To what degree? Please explain
- Was promotion/distribution/price strategy of the product adapted to fit the export market situations? How? To what extent? Elaborate on each please.
- What are the common problems you have encountered with regards to developing /growing your export business? Please consider your firm's resources and capabilities.

Part 3- Foreign and Domestic Market Characteristics

- In how many countries have you exported to/or does your firm have on-going operations? (e.g. we have exported to China before, we have exported to USA, but we export to Holland or Belgium now)
- In your opinion, was the product designed to a specific culture? To what degree in terms of language, colour, norms and features?

- Based on your perception, how competitive was the export market when the export business was implemented? Were the markets stable, how aggressive were competitors in the industry?
- Based on your perception, how similar were the legal regulatory frameworks in the export market to those in Ghana? Please explain.
- Does your company use outside export promotion programmes by government agencies? Can you mention any specific programme/s you have used since you implemented your export business??
- In your opinion, to what extent have you benefited from using these programmes? Please elaborate.

Part 4 – Export Performance

Now I would like to know more about the specific focus of my research being export performance or success of your firm financially and perceptually.

- How would you measure the export performance outcomes of your firm? For example financial, strategic or satisfaction?
- Of these measures, which do you believe would be/are the most useful or important method for measuring export performance or firm success?
- Thinking about your export performance outcomes in past three years, could you readily provide this information, please?
- Does the location of your firm have an impact on your ability to develop export markets or increase export performance? Please state how?

Appendix 7 Ethics Application



HUMAN ETHICS COMMITTEE Application for Approval of Research Projects

NATURE OF PROPOSED RESEARCH:

Student Research

Degree: PhD

Course Code: IBUS690 International Business for PhD

Project Title: Export performance of Ghanaian firms in the agricultural, handicraft and manufacturing industries.

INVESTIGATORS:

Principal Investigator

Name: Gloria Sraha

Email address: gloria.sraha@vuw.ac.nz

School/Dept./Group: School of Marketing and International Business

Other researchers N/A

Supervisors (in the case of student research projects)

Prof David Crick (Victoria University of Wellington)

Dr Revti Raman (Victoria University of Wellington)

DURATION OF RESEARCH

Proposed starting date for data collection: After HEC application has been granted.

(**Note:** that NO part of the research requiring ethical approval may commence prior to approval being given)

Proposed date of completion of project as a whole: 31 June 2015

PROPOSED SOURCE/S OF FUNDING AND OTHER ETHICAL CONSIDERATIONS

Sources of funding for the project – PhD Student research grant

Please indicate any ethical issues or conflicts of interest that may arise because of sources of funding e.g. restrictions on publication of results- N/A

Is any professional code of ethics to be followed: N

If yes, name

Is ethical approval required from any other body: N

If yes, name and indicate when/if approval will be given

DETAILS OF PROJECT

Briefly Outline:

The objectives of the project

The study investigates how exporting firms in Ghana representing Sub-Saharan Africa can enhance their performance by their (1) Internal resources, (2) Export marketing mix strategies (3) Export market characteristics in the home and foreign environment (4) Export promotion programmes.

Method of data collection

This application is for a survey, which will be conducted in Ghana to provide data for the research. This quantitative data will be applied in testing the proposed model that investigates the determinants of export performance and characteristics of exporting SMEs in Ghana with regards to their operation in the internal and external environment of their business.

Based on the theoretical framework of this study, a questionnaire has been designed to investigate (1) Internal resources (2) export marketing mix strategies (3) export market characteristics (4) export assistance programmes. An English designed questionnaire will be used for this study as English is the official language in Ghana.

The benefits and scientific value of the project

This study aims to bring more insights into the export performance literature in Africa by testing a conceptual model comprising moderating and mediating effects of export performance on export market characteristics and planning. This will bring an in-depth analysis of the internal and external environment in a lower emerging economy in Sub-Saharan Africa on export success and growth. The survey data will be used to further test hypotheses developed from the research model and the results of this quantitative research will also be used to examine the performance difference and contributing factors in high and low performing exporting firms in Ghana as a representative country within sub-Saharan Africa.

Participants are senior executives, export managers/owners of exporting SMEs in **Ghana**.

Method of recruitment:

A copy of the survey with a covering letter will be sent to exporting SMEs located in five cities of Ghana (Accra, Tema, Kumasi, Takoradi and Sunyani) via the “drop and pick” technique. In this method, the key respondent will be called and a date will be arranged to drop off the survey and collect at a later date. The

contact details of these exporting SMEs' are obtained from Export Directories of the Ghana Export Promotion Authority and Federation of Ghanaian Exporters in Ghana.

Payments that are to be made/expenses to be reimbursed to participants - No

Other assistance (e.g. meals, transport) that is to be given to participants - No

Any special hazards and/or inconvenience (including deception) that participants will encounter -No

State whether consent is for:

(i)	The collection of data	Y
(ii)	Attribution of opinions or information	N
(iii)	Release of data to others	N
(iv)	Use for a conference report or a publication	Y
(v)	Use for some particular purpose: PhD thesis	Y

Attach a copy of survey questions to the application

How is informed consent to be obtained (see sections 4.1, 4.5(d) and 4.8(g) of the Human Ethics Policy)

(i)	the research is strictly anonymous, a covering letter is supplied and informed consent is implied by voluntary participation in filling out a questionnaire.	N
(ii)	the research is not anonymous but is confidential and informed consent will be obtained through a signed consent form (include a copy of the consent form and information sheet)	Y
(iii)	the research is neither anonymous or confidential and informed consent will be obtained through a signed consent form (include a copy of the consent form and information sheet)	N
(iv)	informed consent will be obtained by some other method (please specify and provide details)	N

With the exception of anonymous research as in (i), if it is proposed that written consent will not be obtained, please explain why

Informed consent is implied by voluntary participation in the survey by key respondents as they are not obligated to do so.

If the research will not be conducted on a strictly anonymous basis state how issues of confidentiality of participants are to be ensured if this is intended. (See section 4.1 (e) of the Human Ethics Policy) (E.g. who will listen to tapes, see questionnaires or have access to data). Please ensure that you distinguish clearly between anonymity and confidentiality. Indicate which of these are applicable.

- | | | |
|-------|---|---|
| (i) | access to the research data will be restricted to the investigator | N |
| (ii) | access to the research data will be restricted to the investigator and their supervisors (student research) | Y |
| (iii) | all opinions and data will be reported in aggregated form in such a way that individual persons or organisations are not identifiable | Y |

Procedure for the storage of access to and disposal of data, both during and at the conclusion of the research (see section 4.12 of the Human Ethics Policy). Indicate which are applicable:

- | | | |
|-------|---|-----|
| (i) | all written material (questionnaires, interview notes, etc.) will be kept in a locked file and access is restricted to the investigator | Y |
| (ii) | all electronic information will be kept in a password-protected file and access will be restricted to the investigator | Y |
| (iii) | all questionnaires, interview notes and similar materials will be destroyed: | |
| | (a) at the conclusion of the research | N |
| | (b) three years after the conclusion of the research; or | Y |
| (iv) | any audio or video recordings will be returned to participants and/or electronically wiped | N/A |

Feedback procedures (See section 7 of Appendix 1 of the Human Ethics Policy). You should indicate whether feedback will be provided to participants and in what form. If feedback will not be given, indicate the reasons why.

Summary of the findings will be provided if requested. Participants will be offered to send such a request to the investigator at gloria.sraha@vuw.ac.nz, or any of her supervisors, Prof David Crick at david.crick@vuw.ac.nz and Dr Revti Raman at revti.raman@vuw.ac.nz.

Reporting and publication of results: Please indicate which of the following are appropriate. The proposed form of publications should be indicated on the information sheet and/or consent form.

- | | | |
|-----|--|---|
| (i) | publication in academic or professional journals | Y |
|-----|--|---|

- | | | |
|-------|--|---|
| (ii) | dissemination at academic or professional conferences | Y |
| (iii) | deposit of the research paper or thesis in the University Library (student research) | Y |

Signature of investigators as listed on page 1 (including supervisors) and Head of School.

NB: All investigators and the Head of School must sign before an application is submitted for approval.

.....	Date.....
Prof Kim Ham	Date: /0/2013
.....	Date.....
.....	Date.....
Head of School:	
.....	Date.....

Appendix 8 Summary of Literature Reviews on Export Performance (1987-2013)

Author (s) and dates	Period of Review	Papers Reviewed	Countries	Studies on Africa
1. Aaby & Slater (1989)	1978-1988	55	USA, Canada, Brazil, Norway, Peru. Turkey, West Germany and the UK.	None
2. Chetty and Hamilton (1993)	1978-1991	111	North America, Europe and South America	None
3. Zou & Stan (1998)	1987-1997	50	USA, Europe, Asia and Latin America	None
4.Sousa et al., (2008)	1998-2005	52	USA Outside the USA	None
5.Wheeler, Ibeh & Dimitratos (2008)	1997-2005	33	UK	None
6. Sousa (2004)	1998-2004	43	USA, UK, Europe, Canada-, Australia, New Zealand and Israel	None
7. Leonidou, Katsikeas & Coudounaris (2010)	1960-2007	821	USA, North America, UK, Eastern Europe, Asia, Australia and New Zealand.	None
8. Madsen (1987)	1967-1985	17	USA and outside USA	None
9. Leonidou, Katsikeas & Samiee (2002)	1960-2000	36	North America and Europe	None
10. Theodosiou & Leonidou (2003)	1970 to 1990s	36	United States of America, Europe and parts of the world	None
11. Leonidou, Katsikeas & Coudounaris (2010)	1960-2007	821	UK, Eastern Europe, Asia, Australia and New Zealand.	None
12. Leonidou & Leonidou (2011)	1969-2008	530	North America, Europe Asia, Oceania, Africa.	0.04 %
13. Mysen (2013)	2005-2011	19	Europe, United States of America, Asia, Australia.	None

Source: Developed from the literature.

Appendix 9 Other Statistics

VIF Values – Collinearity Statistics

	Age	EPP	ExpComt	ExpPerf	FMA	Fsize	Industry	IntExp	Place	Price	Product	Promotion
Age				1.585								
EPP				1.589					1.316	1.316	1.316	1.316
ExpComt				1.966					1.407	1.407	1.407	1.407
ExpPerf												
FMA				1.576								
Fsize				1.650								
Industry				1.218								
IntExp		1.000	1.000	2.001					1.444	1.444	1.444	1.444
Place				1.395								
Price				1.437								
Product				1.466								
Promotion				1.436								

Items Deleted with Loading less than 0.70

Item	Indicator	Loading
1. Degree of overseas experience-live/work abroad	IntExp_2	0.319
2. The firm has an appropriate organisation structure to deal with exports	ExpComt_1	0.643
3. Learning about export procedure/documentation is a high priority in this firm	ExpComt_4	0.585
4. Distribution Network	Place_4	0.629
5. Advertising Theme	Promotion_1	0.622
6. Sales Promotion	Promotion_6	0.629
7. Personal Selling	Promotion_7	0.635
8. Product Brand Name	Product_1	0.612
9. Product labelling	Product_3	0.597
10. Concession of credit	Price_2	0.563
11. Price margins	Price_5	0.409
12. Sophistication of marketing infrastructure in main foreign market	ExpMktCha_1	0.569

Latent Variable Scores

	Age	EPP	ExpComt	ExpPerf	FMA	Fsize	Industry	IntExp	Place	Price	Product	Promotion
Age	1.000											
EPP	0.039	1.000										
ExpComt	0.298	0.410	1.000									
ExpPerf	0.089	0.284	0.419	1.000								
FMA	0.194	0.377	0.488	0.600	1.000							
Fsize	0.475	0.069	0.432	0.262	0.217	1.000						
Industry	0.110	0.147	0.002	0.005	0.018	0.225	1.000					
IntExp	0.400	0.435	0.492	0.286	0.237	0.350	0.075	1.000				
Place	0.036	0.335	0.322	0.393	0.351	0.183	0.029	0.140	1.000			
Price	0.244	0.151	0.228	0.125	0.157	0.143	0.238	0.216	0.297	1.000		
Product	0.194	0.251	0.383	0.249	0.383	0.184	0.173	0.170	0.201	0.404	1.000	
Promotion	0.056	0.216	0.313	0.114	0.046	0.262	0.091	0.435	0.234	0.226	0.118	1.000

Appendix 10 Additional Quotes from Interviews

Key Determinants

Export Marketing Mix Strategy (4Ps)

“It is a farm produce so we essentially package them according to the standards. There are standards for exporters and standards for yam cartons. We follow these two standards and copies of these standards can be obtained from the Ghana Standards Board.” EA6

“With our mangoes, they want the Kit or Kent type for customer consumption over there. Kit is a major brand we have and of course, they want colour and shape. The seeds of the mangoes are modified at the planting stage to get colour. I think the labelling on the packaging is English and other languages.” EA5

“Our fresh yams are for the West African Diaspora, where there is a high concentration of West Africa nationals, which is where we sell so far. We hope to gear our business towards non-ethnic nationals to all other people in export markets. The inscriptions on my boxes are all in English.” EA6

“We produce according to the buyers’ specifications and requirements. Yes, we design and adapt our products to different countries based on unique customer demand in terms of colour and sizes. For example, in the USA they have colour trends every year, which we have to follow.” EH7

“We have a pricing mechanism. We take the cost of production into the pricing of products. We have two types of buyers: the niche and large buyers. The niche buyers are consistent with their prices. However, the large buyers operate those big discount shops abroad and they ask for huge discounts which throw us out of our pricing mechanism.” EH8

“Because we sell in a market where inflation is negligible and we produce in a market where on a daily basis prices of raw materials and labour go up, we cannot say labour is going up, therefore, we are going to increase our prices. The supermarkets won’t tolerate that so we have to adapt our prices to suit the European market.” EM14

“We design the products to fit the unique demands of the African community. Africans have a similar culture because our processed food (Garri) is the same in Nigeria, Togo or Ghana. We do not produce in one colour, we have brown, yellow and white but it is all natural. Our products are manufactured to fit the specific unique African culture abroad.” EM18

Export Commitment

“I invest as and when necessary, but to say that this year; I invested \$5,000 into marketing, no I do not do that, but when it is needed I do it.” EA2

“So far, it is very difficult to set aside funds for members so I cannot say that we made much investment in exporting; rather we have been depending upon goodwill and grants from NGOs and other organisations.” EA5

“I set aside funds to develop my export business and provide training for my staff. At times, some agencies provide training for us from time to time to assist us in designing innovative products.” EH12

“We have a dedicated export department which has grown over 300% in the last three years. It grows basically by 100% every year.” EM15

“Yes we do, especially on the packing and branding of the packages and sometimes we go outside the country to purchase packaging materials. We also offer regular training; two of our management personnel were trained in the USA to help develop our export markets.” EM18

Export Promotion Programmes

“I hardly use the EPPs, except for assistance in exhibits and some information that was relevant but nothing significant. On outside exhibitions, they have contributed somehow for us to be able to exhibit because it is very expensive for individual producers to exhibit. They have been of some help, yes, they have, and I will not deny that at all.” EA2

“Well, we have not used their programmes much. We think they should come closer to us and help us or give us some support but we do not see that”. EA5

“Yes, we use the programmes of Ghana Export Promotion Authority. Our company attended the recent Exporters’ Forum. They organise seminars where they bring all the exporters together and we share ideas and discuss the challenges we face in the business. Yes, these programmes are beneficial to our business, it brings out the challenges that we face and we share ideas on the way forward.” EM18

“I have not indulged them but other colleagues have been using their programmes. No, I have not benefited from any of their programmes. They have been coming here and sometimes they give us tutorials on the way and manner to do small scale business by taking us through accounting procedures but normally I do not patronise their programmes.” EH13

International Experience

“I did not have any international experience before I started my business.” EA2

“Top management had their education and stayed in Ghana.” EA3

“All of the above, the management of the firm has extensive international experience.”
EM15

“Just visits abroad, not lived or worked overseas.” EM17

Foreign Market Attractiveness

“It was very aggressive because we were entering into a market that was virtually unknown from Ghana. The dry fruits were produced in Latin America, South Africa and South East Asia. Their products were dosed with artificial sugar and we were coming in with a product with a brand called tropical sugar free.” EA4

“From reports we are having, the competition is very aggressive. I know that Ivory Coast, Brazil and Senegal also export mangoes. Nevertheless, we find that the market there is aggressive.” EA1

“We have not had many problems with customs or entry points. Our only problem is that we do need a representative out there who will take care of our interest. Otherwise, the possibility is that when the fruits go, they come back and tell us that the products were bad and it has been rejected at the entry points.” EA5

“Competition has never been stable and I do not think it will ever be. No one is going to have a playing field. That is why your presence in the market should be regular; you must always be participating in programmes like trade shows and contact buyer missions and so on. You must be able to keep up with latest trends in the market and position yourself to your advantage.” EH9

“When we started in the 1990s, it was very good because at that time there was the awakening of African products from clothing to handicraft. Until 2000 when the Chinese and Koreans started copying our products and selling it at very cheap prices. Right now it is very competitive, you have to produce things that are unique, different and come up with something new every season. Competition is mainly from the Asian countries.” EH10

“Competition is very tough in the export market. We face competition from some African countries like Kenya and South Africa because their products are a bit different. We also face competition from China but their handicrafts are not woodcraft and the customers know the difference between their products and the products from Ghana.” EH12

“Usually because it is exports, we pay freight on board for the shipment here and the clearance is done by the importer but the legal and regulatory frameworks are more

attractive and easy and not very stressful as compared to Ghana where you have to pay many charges.” EH11

“Before if you set your things right, you don’t have any problem. As I said, we send some of our samples to the Food Research Institute to carry out research, so once it is passed you do not have any problem. Sometimes if it gets to the USA they also take a sample and test, therefore, we are very particular about the products we export.” EM18

Other Factors

Export Initiation

“When I started this business many years ago, my sister had a fashion industry so I designed the products and displayed in her shop. We received a lot of responses from the expatriate community and tourists and they came back with more requests for the items. That is how come.” EH10

“Craft and Kente weaving are my hometown business, therefore, I realised setting up my own handicraft business will make me better off than working for the government. Fortunately, I received an order from the Sports Council when Ghanaian athletics were going to the Olympic Games back then. Getting that kind of money from my orders was very substantial, so the profit got me started.” EH13

“We started the ready to wear line and so since the clothes were there it was quite easy to pack off and take our stuff outside Ghana to sell. We also promoted made in Ghana clothes and we have been doing so for so many years.” EM17

Location of the Firm

“Yes, our farms are close and we are not too far from the port so we think that we are strategically located and it is very beneficial to our business.” EA5

“This place is mainly for production but we do our marketing outside the location, which is very good for the development of our export business.” EH10

“Our location is good for us because the export market competition is different from the local market. Our location is making the cost of production lower for us to be able to work and improve our product quality and designs. The location is closer to any place because of the proximity to Accra. We normally load a truck and in no time, it is in Tema port to the importer.” EM16

“The location of our business has many benefits and we do not have any problems transporting our products to the port so our location is handy.” EM18

Common Problems

“Well we struggle for all the years, we need an enabling environment that is what we do not have, equipment and those things to work with is a major issue and that affects the development of the business.” EH7

“The common problems are competition from China. They are very competitive when it comes to pricing. We are fortunate we are always rich in design concept. Quality I will say yes and no because sometimes they even have better quality and their prices are still cheaper. Our main advantage is our design concept, they are so unique that we always excel. EH9

“Funding is the first problem. For instance, we are a small enterprise and we want to grow. It takes a good business plan for somebody else to believe that you can migrate from that small business to a medium-sized enterprise so that was a big challenge getting the bank to fund our business plan.” EM17

“The major problem has to do with the congestion at the ports at some time back. Your container goes to the port and because of the congestion, instead of the normal shipment time it has to delay and it takes more than the usual time to reach its destination but now I think it’s been improved upon.” EM18

Export Performance Measurements

“Financial, I will use financial measurement. Financial measurement is very important to me.” EA3

“I will go for export satisfaction, it is important to the company because all that we do is for exports, and it is strategic because it helps the grass root farmers in Ghana. As a manager, it is export satisfaction because when we load a container and it gets there I am satisfied.” EA4

“I will use export satisfaction to measure the success of my firm. I am happy when my customers are so excited and they send me beautiful emails.” EH10

“I will choose personal export satisfaction; although my ultimate aim is to get so resourceful, I feel personally satisfied with my business so far. Personal satisfaction is very important to me.” EH13

“We think strategic measurement is important to measure the performance of our business.” EM18

“It is a Swiss company, therefore financial statements are confidential but it is up to date.” EA4

“It will be difficult to provide the financial export outcomes of my business.” EA5

“Yes, I am still preparing my financial statements but I can make what I have readily available for inspection.” EH11

“Yes, I can make the accounts available if it is required, I keep my accounts up to date with all details of transactions.” EH12

“Of course, it has always been open, because without that how could I even have sourced international funding. Now, everything is very open, you can have ready access to my export performance. Last year we did not do well but two years ago, we exported about \$600,000.00.” EH9

“We do not have problems at all because at the end of the year we file our accounts at the Registrar General and Ghana Revenue Authority so we can readily provide the company’s financial information.” EM18